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Assessing the Impact of Modern Procurement Practices on Organizational Transactions

[1]Makafui R. A. Ackah
[1]Accra Polytechnic, School of Business, Department of Purchasing & Supply

Abstract
This research investigates the impact of modern procurement practices on organizational transactions. As an introduction, it defines the concept of information and communications technology (ICT), sustainability or green procurement, ethical purchasing practice, code of conduct and corporate social responsibility and how manufacturing companies such as Volta Aluminum Company (VALCO) can integrates manufacturing operations, purchasing, transportation and logistics plans, strategies into a unified action to enhance the link between customer and supplier and other value chain partners such as stakeholders, shareholder and achieve customer satisfaction. First it establishes a general view of connotations made by different researchers with respect to modern procurement practices. In this study, we will address and eliminate the various procurement misalignments such as corruption, bribery, inducement, fraud, theft, pilfering, favoritism, partialities, errors, misunderstandings, unnecessary cost, delays and unethical issues which leads to poor procurement practice within the supply chain management and an organization as a whole. To ensure flexibility, fairness, accountability, transparency, value for money, wealth creation and unique procurement process in the procurement environment or landmark, the practices of sustainable procurement, ethical procurement practices, code of conduct and corporate social responsibility must be considered and the relationship between supply chain players, such as suppliers, customers and focal firms or buyers has been investigated to reveal the degree of impact of modern procurement practices on organizational transactions. An individual opinion of Volta Aluminium Company concerning modern procurement practices has been analyzed to obtain personal data on the subject of (The impact of modern procurement practices on organizational transactions). This study details the results of a questionnaire survey of modern procurement practices applied to Volta Aluminium Company randomly selected among the numerous manufacturing industries in the country. From the results obtained, some solutions were proposed for the effective use of modern procurement practices for optimum organizational performance as well as emphasizing on some crucial points preventing the achievement of optimum efficiency and productivity in the secondary sector.

Keywords: *Modern Purchasing Practice, Procurement Practices, Procurement Ethics*

I. INTRODUCTION

The existence of every organization both the public and private entities respectively is to served or satisfied it customers or clients. And therefore, serving or satisfying these customers involved various transactions. Through these transaction that organization are able to satisfy the needs of their customers and achieved the desired goals of objective in a spectacular period of time. Modern procurement is the combined use of electronic information and communications technology (ICT), sustainability or green procurement, ethical purchasing practice, code of conduct and corporate social responsibility in order to enhance the link between customer and supplier and other value chain partners such as stakeholders, shareholder etc. (McKinsey Quarterly. 1995)

Procurement plays an important role in firm's profitability and enhances value and wealth creation. As businesses grow, the length of transaction widens, and the role of procurement is increasingly recognized as one of the functions that contribute to the success of the organization. Therefore according to controller and auditor-General of New-Zealand (2008), in December 2000 the use of electronic information and communications technology that is Electronic procurement such as E-sourcing, E- auction, E-tendering, E-ordering, E-payment, E-requisition, E-p2p and guideline was been introduce by Procurement professionals, practitioners,& bodies (CIPS, CISCM, CILT, PP&SM, PPA's, Buy IT) to address and eliminate the various procurement misalignments such as corruption, bribery, inducement, fraud, theft, pilfering, favoritism, partialities, errors, misunderstandings, unnecessary cost, delays and unethical issues which leads to poor procurement practice within the supply chain management and an organization as a whole. . (McGraw-Hill; New York: 1999)

To ensure flexibility, fairness, accountability, transparency, value for money, wealth creation and unique procurement process in the procurement environment or landmark, the practices of sustainable procurement, ethical procurement practices, code of conduct and corporate social responsibility must be considered also to militate issues such as difficulties or challenges of specification drawing or product selection and the forecasting process, tendering processes ,sourcing/selecting suppliers within the global supply market and the overall acquisition of raw materials from foreign suppliers or global markets, the payment terms, contract management and the Cross-function and collaboration. (Morristown, N.J.: 1996)

It is either you are going into a problem, in a problem, or coming out of the problem. (Charles Amoako, MBC 2012). CIPS have been a professional body that defines rules and regulations which guide, direct, co-ordinate, and monitor procurement activities. It is factual that procurement department or organization of Volta Aluminum Company are facing many problems and challenges from the onset of definition/recognition of need that is acquisition of raw material to disposal or consumption point of their procurement cycle. Situation where Volta Aluminum Company specification drawings are complex in nature which the organization embark on decision to select performance or conformance point of view, sourcing suppliers from global supply markets are difficult to go about, either to outsourced such responsibility to a third party or not, ethical issues, code of conduct and best procurement practices such fairness, accountability, value for money, transparency, sustainability or Green procurement verse corporate social responsibility. The issues mentioned above have significant impact on achieving the overall aims and objectives of Volta Aluminum Company and this is of concern to the researcher. (Ann Arbor, Mich.: 1998)

II. LITERATURE REVIEW

This chapter of the study provide in depth insight on the nature of electronic information and communications technology (ICT), sustainability or green procurement, ethical purchasing practice, code of conduct, corporate social responsibility and the impact thereof on productivity as well as organizational transaction. Opinions from different authors will be utilized to provide a better theoretical understanding of the nature of electronic information and communications technology (ICT), sustainability or green procurement, ethical purchasing practice, code of conduct, corporate social responsibility its effects, and then the impact it will have on productivity and organizational transactions.

A. Definition and Concept of Purchasing

Though there are several organizations that attempt to set standards in the purchasing process, processes can vary greatly between organizations. Typically the word “purchasing” is not used interchangeably with the word “procurement”, since procurement typically includes expediting, supplier quality, and transportation and logistics (T&L) in addition to purchasing. According to the **business dictionary**, purchasing is the activity of acquiring goods or services to accomplish the goals of an organization. In the words of Alford and Beatty, ‘’Purchasing is the procuring of materials, supplies, machines, tools and services required for equipment, maintenance, and operation of a manufacturing plant”.

Moreover, Walters define purchasing function as ‘the procurement by purchase of the proper materials, machinery, equipment and supplies for stores used in the manufacture of a product adopted to marketing in the proper quality and quantity at the proper time and at the lowest price, consistent with quality desired.” Leenders and Fearon (1993) also define the term in general usage as the process of buying, learning of the need, locating and selecting a supplier, negotiating prices and other pertinent terms and following up to ensure delivery stages to phases necessary for the acquisition of goods and services. Baily (1993) refers to purchasing as the process by which organization define the need for goods and or services, identified and compare the supplies available to them and negotiate with sources of supply or in some other way arrive at the agreed terms of trading make contracts and place orders and finally receive and accept and pay the goods and services required. Westing, Fine and Zenz “Purchasing is a managerial activity that goes beyond the simple act of buying. It includes research and development for the proper selection of materials and sources, follow-up to ensure timely delivery; inspection to ensure both quantity and quality; to control traffic, receiving, storekeeping and accounting operations related to purchases." The modern thinking is that Purchasing is a strategic managerial function and any negligence will ultimately result into decrease in profits. According to Lyson (1996) purchasing is defined as the function responsible for obtaining by purchasing, lease or other legal means, equipment, materials, supplies and services required by undertaking for use in production. Here the term undertaking refers to the organization be it an institutional or manufacturing which is making the buying for use, for production in order to create utilities to satisfy wants. Again the term production is used in the economic way or sense of creating goods and services that satisfy wants. Thus it is not restricted to manufacturing output but extended to servicing and distribution in an organization. Finally Van Weele (1999) describes purchasing function as the process of buying. It involves determining the need, selecting the suppliers arriving at a proper price, specifying terms and conditions issuing the delivery. In short, the purchasing function should obtain the proper equipment, materials, supplies and services of the right quantity, in the right quality, at the right price, from the right source and to the right place. In this description purchasing function is regarded primarily as an operational activity

B. Importance of Purchasing

Smriti Chand **(**Material Management**)**, outlined some importance of purchasing which are: Purchasing function provides materials to the factory without which wheels of machines cannot move, one percent saving in materials cost is equivalent to a 10 percent increase in turnover. Efficient buying can achieve this, purchasing manager is the custodian of his firm's is purse as he spends more than 50 per cent of his company's earnings on purchases, increasing proportion of one's requirements are now bought instead of being made as was the practice in the earlier days. Buying, therefore, assumes significance, purchasing can contribute to import substitution and save foreign exchange and purchasing is the main factor in timely execution of industrial projects.

C. Introduction to Purchasing Information Systems

The technological and electronic revolution of the last few decades has transformed the ways in which purchasers, suppliers, and other participants in the traditional supply chain interact. The terms electronic revolution and information age have been applied to designate the current era in the same way the industrial revolution described the dramatic changes in manufacturing and business processes of the 19th century. This new shift in business processes and the electronic integration of all global supply chain participants has resulted in advances that have essentially eliminated many of the delays and inefficiencies that plagued purchasers in the past. Measurable savings have resulted both within the purchasing arena and throughout the global marketplace. By incorporating the benefits of electronic commerce processes, purchasing and supply managers can spend their time on more strategic functions, such as sourcing new suppliers, developing effective negotiation strategies, doing market research, and performing value analysis. **Bailey et al (2000).**

D. Definition of (ICT)

Information and Communication Technology is defined as an umbrella term that includes any communication device or application encompassing radio, television, cellular phones, computer and network hardware and software, satellite system.

i. Impact of (ICT) Developments

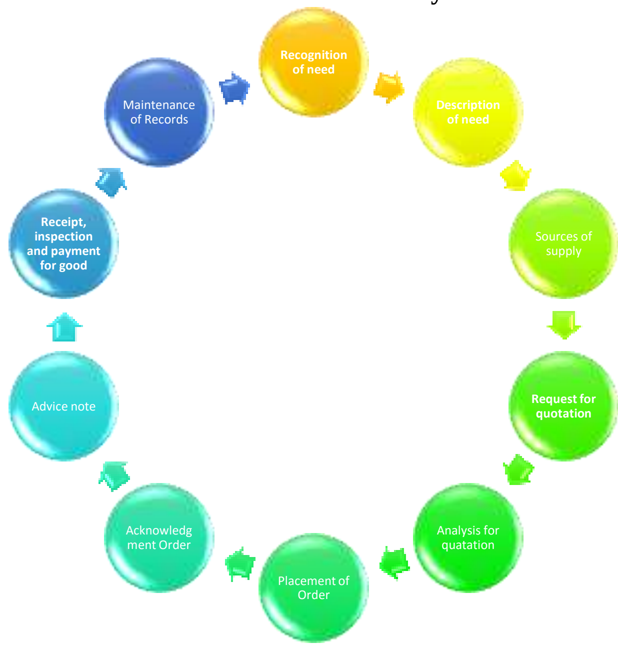
Lysons and Farrington (2006) summarized the impact of ICT on the procurement process as follows:

- Dramatically increasing the speed of communication and information processing. This also supports more genuine interactivity in information transacting and processing.
- Offering wider access to knowledge and information, especially from global sources.
- Facilitating 24 hours, 7 day, and global business. The internet and e-mail allows companies to offer service and maintain communication across working hours.
- Supporting paperless communication, business transactions and service delivery.
- Creating a virtual relationships, teams and Organization, by making location irrelevant to the process of data-sharing, communication and collaboration.

ii. Electronic Purchasing

(Chartered institution of purchasing & supply) defines E-Purchasing as the combined use of ICT through electronic means to enhance external and internal purchasing and supply chain management processes. Bailey et al (2000)

Procurement Cycle



All procurement activities go through a series of processes, and these processes will vary from one Organization to the other. **Moore (1999),** defined procurement cycle as all the activities that takes place from the initial identification of a need to the final satisfaction of that need, in a simplified chorological sequence. Mark Moore gave the processes as follows:

- **Recognition of need:** All purchasing transactions begin with the recognition of a need for an item by somebody in the organization. Usually the person in charge of the user department recognizes the need. The inventory control department raises a purchase requisition document which identifies the needed item and that becomes the basis for action by the purchase department. In cases of emergencies or urgent needed items, the user department issues a stores requisition to the stores department. The requisition taken to the stores department is checked whether the items specified on it are available. Where those items are not available, the stores department will issue a purchase requisition to the purchase department for its procurement.

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- **Description of need:** This is a written form, which spells out the necessary information of a product. It describes and communicates to the purchasing department, the purpose, function, application and performance expected of the needed items. The purchasing personnel must have a comprehensive knowledge of the items and their functions within the organization. Purchasing must check for conformity of the item, with that of the users' description. In describing a need, the authorized person must put in to consideration the financial strength of the organization before authorizing for its purchase.

- **Sources of supply**: The selection of the right source of supply is an important factor for obtaining the right quality, right quantity, at the right price and delivered at the right time. That's the traditional five (5) Rights. **Van Weele (2002)** states four types of source of supply, these are
    1. Manufacturer
    2. Distributors or Agents
    3. Stock list or Dealers
    4. Subcontracts

Manufacturers are the persons who manufactures product of their own. Buying from them is generally cheaper and more dependable as regards to delivery and repairs or service facilities than buying elsewhere especially for regular and large value requirement. Distributors are those who have the distribution right of product manufactured by others. Some manufacturers sell their product only through their distributors or accredited agents. In this case the buyer has no choice than to buy from the distributors.

Stock list or dealers are those stocks and sell products of others. Their prices are often higher than those of their manufacturers for the simple reason that the stock have to add inventory carriage cost and profit to the prices at which they obtained the items from the manufacturers. Subcontractors are those who make the prime manufacturers requirements mostly machine or parts to order from manufacturer a certain product in the prime manufacturer's plant.

In such a situation developing the source of supply at this time is a difficult one and purchasing department must source for a reliable and competent supplier who will be in a position to supply their requirements. Information of reliable suppliers can be obtained from trade directories, journals, newspapers, associations etc. Evaluate large list of potential suppliers to a few form whose quotations will be requested. For frequently purchase items suppliers are prequalified.

- **Request for quotation:** Once purchasing has identified some number of suppliers, a document is sent to the suppliers requesting them to quote their prices and delivery terms for the items they supply.

- **Analysis of quotation:** This is the process of selecting who will meet the requirements of the organization. Price is one major factor to be considered for items that are bought frequently and price list, catalogues and discount schedules may be useful. There are no obligations to buy from the supplier quoting the lowest price. Van Weele (2002) enumerates some procedures and the procedure employed is one or more of the following situations, thus
  1. Intended purchase would involve relatively high expenditure.
  2. Not enough price information is required on the item needed.
  3. Product needed is complex and costly and the purchasing department has little or no experience in procuring it.
  4. There are item competitions among suppliers of the product or materials.
  5. A major contract is up for renewal and purchasing want to research the market for competitive prices and services.

In public agencies, governmental or institutional, invitation to bid is generally mandatory when a major purchase is planned. Except in an unusual case that requires an elaborate justification. The contract must be awarded to the lowest bidder following public opening of the bid. The various processes of negotiations and decision making takes place between the time a purchase is authorized and the time an order is issued (lead time) when suppliers submit their quotations.

- **Placement of order:** This comes after a committee selects the best suppliers the order gives a set of information to the supplier to satisfy the requirement agreed upon. The purchase order, which is an instrument buy which goods are procured to satisfy a requirement, now becomes a contract that binds both supplier and the buyer. The agreement between the buyer and the supplier (vendor) is expressed in a simple language. A restricted number of people are usually authorized to sign the purchase order before the order is placed for purchase and this commits the organization to make payment for the goods upon delivery. The purchase order can be in a multiple form with due copies for the supplier, Finance Department, Procurement Department as well as the user Department. At times most organization try to get a written acceptance of the order from the supplier as this is sometimes in the form of an extra copy of the order known as an acknowledgement copy. It is in the form of a detachable copy of the original one, indicating that the order have been received, accepted at the price and terms stated in the order.

- **Acknowledgement order:** This is a note which the supplier sends to purchasing department, notifying them that the purchase order has been received and is been acted upon. It is usually of little legal importance but should be checked to make sure that errors do not crypt into the supplier reference.

- **Expediting (follow up):** Baily and Farmer (1994) define expediting as communicating with suppliers by means such as letters, telephone or personal visits. In other to get the supplier to deliver the goods in time, the buyer expedites as also known as follow up, chasing or hastening for the items ordered with the aim of getting the item to ensure continuous production or services of the organization. Consequently, expediting is best regarded as planned-proactive task. It is usually the responsibilities of the purchaser to follow up his order with the supplier to see how the supplier is handling his order and whether it will be available at the agreed date or period.

- **Advice note**: This is a confirmation document from the supplier indicating detail information about the consignment to be shipped in terms of mode of transport, date of dispatch and other relevant information to the organization.

- **Receipt, inspection and payment for good:** The Receiving Department is usually an adjunct of the stores Department, which may or may not be part of the purchasing function. Its function is to receive incoming goods, sign delivery note presented by the carrier or supplier in connection with the shipment of the goods. It has other functions as to identify and record all incoming materials, to report their receipt to the Purchasing Department, to stores as well as the user department as required and to make prompt disposition of the goods to the appropriate department. Each should be informed of receipt of goods damaged. To aid in identification of the materials received, the receiving department is informed of all expected shipments by means of a copy of the purchase order. The materials received are inspected and tested by the Quality Control Department to ensure whether they conform to the one specified on the purchase order before acceptance. They also ensure or check for damages of items and where necessary reject the goods against discrepancy. The supplier must be informed immediately about the quantity of the goods received and the reasons for the rejection of other goods must be justified. An invoice for the value of goods is received from the supplier. This is compared with the purchase as well as the goods receive note before payment will be made. Usually, prices are checked by the purchase department, paying special attention to the legitimacy of any variations from the previous quoted price. If it's satisfactory, the invoice is then sent to Account department for payment.

- **Maintenance of records:** The purchase department usually maintains records by the use of a computer with regards to purchase transaction made. Upon completion of the purchase transaction, the documents involved are kept in a complete order file. The purchase department is responsible to keep the document since it constitutes the completion of an order purchase

E. Electronic Systems in the Procurement Process

There are various ICT tools for use in the procurement processes to replace the transactional aspects of the procurement processes **Porter (1985)**. These systems include:

1. E-REQUISITION
2. E-SOURCING
3. E-AUCTIONS
4. E-TENDERING
5. E-ORDERING
6. E-P2P
7. E-PAYMENT

E-Requisition

E-Requisition is designed to simplify the process whereby the procurement function captures requisition from users and provide information about both the requisitioned and the requirement. The data base contains records of all materials and parts, code numbers, description, usage records and current balance as well as prices of recent acquisitions and suppliers. Stock levels are automatically updated as items are received into or issued from inventory and re-orders are generated automatically when orders reaches a pre-determined level or when a master production schedule dictates.

E-Ordering

- ***E-Catalogues:*** An online catalogue is the web based equivalent of a suppliers printed catalogue, providing product information and cost information. However an interactive e-catalogue also includes integrated stock base interrogation, ordering and payment facilities-allowing for efficient and cost-effective procurement of proprietary goods and services.
- ***Desk-top procurement systems:*** Once an e-requisition has been confirmed, the buyer may specify the selected supplier and the system generates documentations for purchase, accounts, acknowledgements, receiving and inspections.
- ***Automatic Ordering:*** Orders are generated automatically, without human intervention, in the case of requisitions triggered by MRP, ERP, EPOS or electronic inventory management systems, where frameworks or systems contracts have already been placed with approved suppliers.

E-Sourcing

E-Sourcing is defined as using the internet to form strategies and make decisions about where and how to obtain sources of supply.

- ***E-Catalogues:*** suppliers exhibit their products in electronic catalogues, which can be viewed online or downloaded by the potential purchaser.
- ***Suppliers Portals***: sites where multiple buyers and sellers share information about requirement and offerings.
- E-tendering: using e-RFQ's and specifications posted online or emailed to potential suppliers. Bids can also be received and evaluated electronically against pre-set criteria.
- ***E-Auctions:*** conducted online using the buyers or sellers website, or third party auction site. Suppliers offer their goods online, and potential buyers bid competitively. All bids are open so buyers may raise their offers competitively during the auctions.
- ***Online supplier evaluation data:*** third party reports, customer feedback, registers and directories of approved or accredited suppliers, benchmarking reports and market intelligent tools.

E-Ordering

- ***E-Catalogues***: An online catalogue is the web based equivalent to the suppliers printed catalogue, providing product specifications and cost information, however an interactive E-Catalogue also includes stock database interrogation, ordering and payment facilities-allowing efficient and cost effective procurement of proprietary goods and services.
- ***Desk-top Procurement systems:*** once an e-requisition has been confirmed, the buyer may specify the selected supplier and the system generates documentation for purchase, accounts, acknowledgement, receiving and inspection. Desk-top procurement systems also allow users to replace electronic orders with approved suppliers, within the framework of an existing contract such as blanket order or call-off contract.
- ***Automatic Ordering:*** Orders or re-orders may be automatically generated, without human intervention in the case of requisition generated by ERP, MRP, EPOS, or Electronic inventory management systems, where frameworks or contracts have already been placed with suppliers.

E-P2P

The term E-P2P is sometimes used to refer to the process after E-sourcing: the application of information and communication technology specifically to the purchase to pay aspect of the procurement process.

- ✓ ***Electronic Data Interchange***: this is the exchange of transaction documents in a standard electronic form, directly from a computer application in one company to the other, using agree protocols.

- ✓ ***On line track and trace:*** the ability to trace the location and progress of deliveries, using barcodes and RFID tagging integrated with global positioning systems.
- ✓ ***Expediting by exception:*** the ability to track the progress of transactions, contracts and deliveries, where the system flags activities that have not been performed when they are to be performed.
- ✓ ***Receipt and Inspection:*** the ability to scan goods received, automatically logging and disseminating receipt data.
- ✓ ***Electronic payment:*** automated generation of invoices for orders verified as satisfactory received.
- ✓ ***Contract management systems:*** creation of electronic contracts, reporting of any performance discrepancies.
- ✓ ***Data base information:*** centrally controlled and managed data concerning supply markets, customers, supplier performance.

E-Payment

- ***Electronic consolidated Invoicing*****:** this is an electronic file containing all the data required by finance to effect payment. This saves finance from having to re-input the information already generated by suppliers.
- ***Automatic invoice matching:*** an electronic invoice entered on the system is automatically matched with the reference purchase order and goods received data, so that it can be immediately processed for payment.
- ***Evaluated receipt settlement:*** this removes the need a supplier to submit a hard copy of the invoice.
- ***Electronic funds transfer:*** this is the process of transferring monies between bank accounts using electronic means.

F. Definition Electronic Commerce

''Electronic commerce'' could be described as the integration of communications, data management, and security capabilities to allow business applications within different organizations to automatically.

i. Benefits of Electronic Commerce

Lenders (1993) asserted that despite all the risk and cost associated with e-commerce, it had certain benefits which cannot be over ruled. These benefits include:

- The main benefits of using electronic commerce include:
- Reduced costs
- Elimination of paperwork
- Time savings and increased efficiencies
- Improved supplier management
- Enhanced service and quality
- Improved access and communication exchange information related to the sale of goods, services, and information.

ii. Methodologies for Electronic Commerce

Electronic Data Interchange (EDI)

Electronic data interchange, developed in the 1970s, is the exchange of well-defined business transactions in a computer-process able format. EDI provides a collection of standard message formats to exchange data between organizations' computers via a compatible electronic service. In 1979, the American National Standards Institute (ANSI) developed a set of uniform national standards for the electronic interchange of certain types of business transactions. These transactions included traditional business processes such as inquiries, purchasing, shipping and receiving, invoices, payments, acknowledgements, scheduling, pricing, reporting, scheduling, and order status. Additional standards cover interchange of data relating to security, administrative data, specifications, contracts, production data, distribution, and sales activities

Extranets

An even less expensive alternative for businesses to interact with other businesses is through an extranet, a private Internet-based network between an organization and its close partners, suppliers, and customers. The common interface of a Web browser enables all users to view the same information in a graphical format. These networks allow two or more firms to engage in business processes by utilizing the lower infrastructure costs associated with the Internet and the flexibility of common browser software protocols.

Intranets

An intranet is ''a private or organizational Internet.'' The intranet revolution began taking off during 1996—the term didn't even exist until the mid-1990s. The development of sophisticated Internet protocols (connectivity tools) enabled an industry of suppliers promoting intranet software and development to evolve over a period of a few months. Intranets efficiently link internal hardware and software in much the same way that these links are enabled on the Internet, providing organizations with common links to legacy systems, data warehouses, LANs, and cross platform (MACs, PCs, UNIX, etc.) Clients at a much lower cost than has ever been possible. The software and related tools manage and filter data from diverse sources, route queries to databases and other servers, and support multiple-client broadcasts throughout the internal system at high speeds. Because intranets are internal to one company or organization, well-designed intranets have more speed, security, and control than the Internet and minimize resultant problems often encountered on the Internet.

Some benefits of intranets include:

1. They are a relatively secure method for organizations to move their business processes on-line by providing a common interface and communications environment.

2. Data can be input without the user having to be concerned about where the information resides.

3. Reports can be generated that are more complete and timely because data is provided from the entire organization, not just the user's department.

4. Information can be made available to employees of the organization at the same time it is made available to the public. This is especially important for organizations that need to make last-minute changes to product designs.

5. Many internal processes can become paperless. Intranets can enable conversion of many paper-intensive purchasing and supply management processes to paperless ones.

G. How To Use And Apply Electronic Commerce

Given the complexities and issues involved in migrating operations to the Internet, purchasing and supply management must determine how it will work with internal staff, customers, external customers, and suppliers to achieve an efficient and effective system of electronic commerce. The scope of migration may be as simple as giving purchasers access to the Internet and creating a Web page or Web site, or as complex as moving major mission-critical functions to the Net, such as order entry, production planning, material requirements planning (MRP), enterprise integration, Enterprise resource planning (ERP), or other tying together of organizational functions.

- **Provide Training:** A key area of successful migration to both traditional and emerging electronic commerce technology is ensuring that all users are adequately trained. It is especially important to train individuals who will be updating information, doing searches, making decisions, and defining the boundaries of potential benefit and use. Provide a training coordinator to establish the curriculum, track employee progress, and determine overall training needs and costs. If organization resources are inadequate to cover basic computer training, outsource this training to local organizations or colleges. The coordinator should determine how best to approach training needs. Determination of group training, computer-based training, Web-based training, or other options must be considered. It is especially important in instances where major systems changes are being made to instill a positive and supportive attitude in employees.

- **Establish Sources for Data:** There are many avenues for collecting and establishing sources of data applicable to electronic commerce. This information should be used to:
    - Establish potential electronic opportunities
    - Amass a database for carrying out purchasing and supply management functions on the Net

Information that is gathered should be shared by posting electronically or a more traditional means of distribution. Note also that the bookmark feature of most browsers is one of the best methods of noting addresses on the Net.

- **Set Up a Program to Initiate Electronic Commerce:** The decision to migrate purchasing and supply management functions to the Net should not be made without senior management backing. Once this has been obtained, a program to carry out electronic commerce can be initiated. The basic steps include the following:

1. **Establish formal development teams for each area of consideration:** The teams should consist of individuals with all levels of involvement (both internal and external) in the processes being reviewed, including suppliers and Internet service providers (ISPs). Each member participating must be encouraged to openly communicate and share ideas, issues, and concerns. All options should be discussed, including how much to move and when, who will install the program and oversee it, what functions can be easily converted, and which will involve more risk and cost. A traditional reengineering approach may be used to look at the fundamental processes and how they might change.

2. **Obtain technical advice:** Individuals with expertise in the technologies involved must provide teams with options for direction. These individuals may be found within the organization, or consultants could be hired. Information gathering using benchmarking and research into what other organizations are doing and what has worked is important, as are considering emerging technologies at this time as well and being open to all ideas. Keep database architecture as flexible and open as possible to accommodate new technologies, applications, and information.

3. **Assess total costs and perform a cost benefit analysis for all options considered**: Total costs should include all elements of the project with both short- and long-term cost implications. These considerations should include: hardware configurations and network topology, software purchase and version control, data conversion migration, communications links to Net service providers, security and firewalls (protection from outside intrusion of internal systems), training, management, and maintenance. Prototyping of the new system, defining business rules, and reengineering processes should be done.

4. **Look at major changes in processes with suppliers***:* It is important to identify those suppliers who have the capability and desire to move to new methodologies of electronic commerce and those who are unable or reluctant. The organization may need to formally communicate planned changes and negotiate with suppliers, especially when existing contracts dictate terms of the relationship. Banking relationships could also be affected by these changes and should be examined.

5. **Communicate any potential changes to those affected, including employees, customers, and management:** One of the best methods to communicate this information is via a project Net page.

H. Definition And Concept Of Ethics

Ethics is derived from the Greek word ethos and is synonymous with "moral" because the Latin word mores from which moral is derived represents the Greek word ethos. According to the ancient Greek philosopher Socrates, Ethics is the investigation of life. He also defined ethics as a practical science that deals with the morality of human actions, a science of human acts that serves as reference to what is right or what is wrong. Chris McDonald argues that "Ethics" can be defined as the critical, structured examination of how we should behave in particular, how we should constrain the pursuit of self-interest when our actions affect others. And also he defined "business ethics" as the critical, structured examination of how people and institutions should behave in the world of commerce. In particular, it involves examining appropriate constraints on the pursuit of self-interest, or (for firms) profits, when the actions of individuals or firms affects others. Dino Lobaton states that "standard definitions of ethics have typically included such phrases as 'the science of the ideal human character' or 'the science of moral duty' ". In addition, CIMA also defined ethics as the "application of ethical values to business behavior. International Trade Administration argue that ethics is manual for managing a responsible business enterprise in emerging market. Kilcullen and kooistra (1999) define ethics as "business situation, activities and decisions where there are issues of right and wrong. Richard T. De George defines ethics as the applications of everyday moral or ethical norms to business. Moreover, Richard William Paul and Linda Elder define ethics as "a set of concepts and principles that guide us in determining what behavior helps or harms sentient creatures". And also according to the Cambridge Dictionary of Philosophy, it states that the word ethics is "commonly used interchangeably with 'morality' and sometimes it is used more narrowly to mean the moral principles of a particular tradition, group or individual. **(Gibbs et al., 2002)** also stated that "Morals"; are the beliefs that people hold against what is considered right or wrong. Morals direct people as they make decisions in their personal and professional lives

In our daily lives, people have to make decisions in situations they find themselves. They have, to decide on what is right and wrong. People have always been faced with the debate of what is moral or immoral, ethical or unethical. According to the perception of each individual, the right decision is made from one's point of view. Another term that always accompanies morals is ethics. These are the principles that serve as guidelines for both individuals and organizations. They help create boundaries regarding what is acceptable and what is not, since these behaviors are related to moral feelings about right and wrong (Clow and Baack, 2007; Chan et al., 2007; Borgerson & Schroeder, 2002; Kavanaugh, 2003).

I. Business Ethics

Ethics are concerned with doing good, or the right thing in a given human situation (Wilson, 1975). In the business context, ethics has to do with the extent to which a person's behavior measures up to such standards as the law, organizational policies, professional and trade association codes, popular expectations regarding fairness and what is right , plus one's own internalized moral standards (Sauser, 2005). Bartels (1967), in developing his model for ethics in marketing, regards ethics as referring to a standard in terms of which business action can be judged 'right' or 'wrong' - not in an absolute sense, but relative to another entity whose expectations have either been violated or fulfilled. A code of ethics represents an explicit agreement among relevant parties that their behavior will adhere to stated ethical principles (Coughlan, 2005). Murphy (1988) and Tsalikis and Fritzsche (1989) stated that codes of conduct represent the most effective way of implementing a company ethical policy and reducing ethical conflict. Globalization of markets is pressuring companies to develop codes as public statements of core principles that are universally applicable (Carasco& Singh, 2003).Schlegelmilch and Houston (1989) said that, there are argument for and against code of ethics, they said that the main reason why companies support such code is that it is useful in defining and clarifying policy and it is part of a "total quality approach". The main argument for not having a code was that behavior is more important than words, and that it is too broad to be of any use. Schlegelmilch and Houston (1989) conclude that the limited value of codes of ethics as an isolated measure suggests that corporate codes of ethics need to be accompanied by ethical education and other processes that support their enforcement.

Ethical business stems from an ethical corporate culture (Sinclair, 1993). Sinclair (1993) states that there are two approaches to molding an organization's culture towards ethical ends. The first is the approach of creating a unitary corporate culture around ethical values. The second approach fosters the coexistence and diversity within the organization of underlying national and racial cultures as well as professional and occupational subcultures. There is evidence that excellent companies appear to be more ethical, implying a relationship between excellence and ethics. Although excellence in companies seems to imply a strong presence of ethical behavior in those companies, the reverse is not always true, as ethical companies are not necessarily excellent (van der Merwe, Pitt &Berthon, 2003).

J. Benefits Of Ethics

According to DhananjayParkhe (2013) many people are used to reading or hearing of the moral benefits of attention to business ethics. However, there are other types of benefits, as well. The following list describes various types of benefits from managing ethics in the workplace. This include: attention to business ethics has substantially improved society, ethics programs help maintain a moral course in turbulent times, ethics programs cultivate strong teamwork and productivity, ethics programs support employee growth and meaning, ethics programs are an insurance policy, they help ensure that policies are legal and ethics programs help avoid criminal acts "of omission" and can lower fines. Alejandro Russell stated workplace ethics are significant to business and provide numerous benefits. He also argued in the same context as DhananjayParkhe (2013) but stated four benefits of ethics in organizations which includes the following: asset protection, public image, decision making and productivity and teamwork.

2.11 The Impact Of Ethical Values On The Corporate Social Responsibility

Corporate social responsibility is highly discussed topic among the researcher and scholars. CSR has many different perspectives, it ensures the good and safe working conditions for the employees at the work place, justice among the employees, safe and good quality products and services for the customers, follow government rules and regulations, do not involve in unethical business practices, do not destroy environment for their own profit, work for the betterment of the society, it is not implemented by law but it is a self-regulatory process for the organization. No one impose this responsibility on the organization.

The ethical values of the top management have great impact on the CSR of the organization. Although there are institutions such as Chartered Institute of Purchasing and Supply (CIPS) and Supply chain management association (SCMA) who set code of conduct for organizations to follow, it is a self-regulatory system. So if organization has strong ethical approach and wants to do work for the betterment of the surroundings, they do participate in the CSR. If top management follows the proper code of conduct at work place and this also penetrate in the lower management and ultimately organization as a whole work for the society, customers and their business partners.

K. *Ethical values*

Ethical CSR implies that companies focus upon ethical perspective. Approaches are focused on the ethical requirements that strengthen the relationship between business and society **(Garriga & Melé, 2004).** In general these approaches are based on values that state the right thing to do or the obligation to create a good society. The role of business is to create value to improve and protect societal and environmental health **(Bansal, 2005)**. There is an ethical argument that says that forms are morally obliged to give back to the societies in which they exist. Firms are obligated to make a payment in kind for using society's infrastructure, land, air, water, plants, and animals to generate profit. They have a duty to reimburse society for the negative externalities their activity generates. Ethical values are the central and most important perspective of the organization. These ethical values always have impact on all the strategies and polices developed by the organization's top management.

Four basic elements of the ethical values:

1) written code of ethics and standards;
2) ethics training to executives, managers, and employees;
3) availability for advice on ethical situations (i.e. advice lines or offices)
4) systems for confidential reporting.

L. Definitions And Concept Corporate Social Responsibility

Globally, Corporate Social Responsibility (CSR) is an evolving concept without a clear definition, yet it describes a set of corporate obligations and practices somewhere on the spectrum between traditional charitable giving on one hand and merely strict compliance with the law, on the other. While operating definition remains elusive, the term "CSR" generally refers to a company's efforts to explicitly involve social and environmental concerns in its decision-making along with a commitment to increasing the organization's positive impact on society (Surdyk, 2006). According to Wood (1991), corporate social responsibility (CSR) also called Corporate Conscience, Corporate Citizenship, Social Performance, or Sustainable Responsible Business is a form of corporate self-regulation integrated into a business model. The concept of corporate social responsibility has its root in the publication of The Gospel of Wealth by Andrew Carnegie (1835-1919) in the year 1899. The founder of the conglomerate US Steel corporation, Carnegie, based his social responsibility concept on two principles; the charity principle and the stewardship principle. The charity principle requires the more fortunate members of society to assist less fortunate members including the unemployed, handicapped, sick and the elderly (Stoner & Freeman, 1992). The stewardship principle requires businesses and wealthy individuals to view themselves as stewards or caretakers of their property. It argues that the rich hold their wealth in trust for the rest of the society and can use it for any purpose that society deems legitimate. By the 1950s and 1960s the charity and stewardship principles had gained wide acceptance in American business as more companies came to recognize that "power begets responsibility" (Stoner & Freeman, 1992). (Griffin, 2002:111) remarks that organizations do not have ethics, rather they relate to their environment in ways that often involve ethical dilemmas and decisions. These situations are generally referred to within the context of the organization's social responsibility. Specifically, he defines Corporate Social Responsibility as the set of obligations an organization has to protect and enhance the society in which it functions.

Ferrell et al. (2011) defines corporate social responsibility as the adoption by a business of a strategic focus for fulfilling the economic, legal, ethical, and philanthropic responsibilities expected of it by its stakeholders. "Strategic focus", as used in the definition above means that CSR is no ordinary issue. It needs the same level of attention and commitment by top management because of the fact that its practice can be used as an advantage for the benefit of a firm. According to Ferrel et al., (2011), Strategic focus implies that social responsibility must be given the same planning time, priority and management attention that is given to any other company initiative. On the other hand Carroll (1979) describes CRS as a concept whereby companies integrate social, environmental and health concerns in their business strategy (policy) and operations in their interactions with stakeholders on voluntary basis. The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time.

Again, according to The Prince of Wales International Business Leaders Forum, CSR means open and transparent business practices that are based on ethical values and respect for employees, communities and the environment. This shows that CSR is designed to show sustainable value to society at large as well as stakeholders. Moreover, the European commission (2002) defines CSR as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders in a voluntary basis. In addition, BSR (2014), a US based global business organization defines CSR as "Operating a business enterprise in a manner that consistently meets or exceeds the ethical, legal, commercial and public expectations society has of business" All definitions by the various scholars above show that corporate social responsibility as a humanitarian act that is geared towards the improvement and sustainability of our environment at the same time seeing to the welfare of consumers, employees and all other stakeholders of a business organization.

However, in 1970 Milton Friedman famously wrote that "There is one and only one social responsibility of business is to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud".

Friedman argued that a company can only increase its profits by taking other stakeholders into account, producing high-quality products, treating its employees fairly, and having a good environmental reputation. Under this view, firms should focus exclusively on profits, and everything else will fall into place. Considering other stakeholders beyond the profit implication is at the expense of shareholders: a dollar spent on reducing pollution (beyond the level that will avoid an environmental lawsuit) is a dollar that cannot be paid as dividends. From the above it could be concluded that the definition by the various scholars sees CSR as a humanitarian act that is the improvement and sustainability of our environment but Milton Friedman on the other hand sees it to be a waste of organizations resources that is the sole responsibility of a business is to increase its profits and other things will fall in place.

M. Reasons Why Purchasing Organizaton Engage In CSR & Its Benefits

Several Authors argue that companies can gain a lot of benefits by being socially responsible (Idowu & Papasolomou, 2007). There is however a large number of different views of why companies engage in CSR and what benefits a company actually get from engaging in CSR. According to Kotler and Lee (2005), companies that participate in corporate social responsibility in order to: look better, feel better, do better and live better. This means that companies that participate or engage in CRS will look good in the eyes of potential customers, business colleagues, investors, media and all other stakeholders. On the other hand, Kramer and Porter (2006) describe the reasons for engaging in CSR is for moral obligation, sustainability, license to operate and reputation. James Epstein-Reeves (2012) also stated that organizations participate in CSR for reasons like innovation, cost saving, brand difference, long-term thinking, customer engagement and employee engagement. He goes on to say companies that "get it" are the ones that are using CSR as a way to push the following business processes into the organization.

From the above reasons why organizations participate CSR as stated by the various authors and scholar, from my point of view could be concluded that the reasons stated by the three scholars one thing in mind, that is the customer, thus, Kotler and Lee (2005) stated that organizations participate in CSR to look good in the eyes of customers, also Kramer and Porter (2006) stated engage in CSR because it's their moral obligation meaning companies engage in CSR since they believe it is their duty to be a good citizen and to do the right thing and James Epstein-Reeves (2012) also stated customer engagement meaning using CSR can help you engage with your customers in new ways.

N. Benefits For Engaging In CSR

Kotler et al., (2005) shows that organizations engage in CSR in order to gain several benefits including major ones such as: Increased sales and market share, improved brand positioning, improved image and clout, increased ability to attract, motivate and retain employees, decreased operation cost and increased interest for investors and financial analysts.

The interrelationship of CSR framework and Pyramid of CSR

Corporate social responsibility plays a highly significant role in every organization. The motives for participating in CSR is described by Miles & Munilla (2005) who used Van Marrewijk‟s (2003) and Carrol's (1991) Pyramid of corporate social responsibility. This is illustrated in the table 1 below.

CSR Ambition level	**Motives (Van Marrewijk, 2003)**	**CSR Category (Carroll, 1991)**
Compliance Driven	Duty to society, CSR as a social obligation –perception of CSR expenditure as simply a cost. Economic responsibility is paramount.	Legal
Profit driven	CSR as a strategic initiative - using CSR to create competitive advantage and superior financial performance. CSR expenditure perceived as an investment in the creation and renewal of competitive advantage resulting in an enhanced stream of future profit.	Economic
Caring	Economic responsibility is paramount. Using CSR to balance the triple bottom line profits, people and planet. Explicitly stating that the corporation will manage for social welfare, not simply to create for shareholders. Social or environmental trumps economic responsibility.	Ethical and philanthropic
Synergetic	Use of CSR to attempt to create a "Sustainable corporation"- that will be able to be an ongoing concern over the long run. Social or environmental responsibility strategically used to create competitive advantage and meet the corporation's economic responsibilities.	Economic, legal, Ethical and philanthropic
Holistic	CSR as a corporate culture – similar to when firm adopts marketing, entrepreneurial or quality orientation. Social or environmental responsibility is strategically used to create competitive advantage and meet the corporation's economic responsibilities.	Economic, legal, Ethical and philanthropic

Source: Miles & Munilla (2005)

Table 1 above illustrates how different levels of commitment to CSR are related to motives and outcomes. The framework describes that a company's CSR philosophy can be compliance driven, profit driven, driven by caring, synergetic or holistic. The initial stage (legal stage) of CSR category by Carroll (1991) shows that companies engage in CSR because it is their duty and obligation to follow rules and regulations. In the economic stage, which is the second, companies use CSR as a strategy to create a competitive advantage and gain improved financial performance. The ethical and philanthropic stage has the aim to have a balance between the profit, people and the planet (environment). In this stage the company does not focus on profit but also on social welfare (Miles & Munilla, 2005). Several Authors argue that companies can gain a lot of benefits by being socially responsible (Idowu & Papasolomou, 2007). There is however a large number of different views of why companies engage in CSR and what benefits a company actually get from participating in CSR.

According to Kotler and Lee (2005), companies that participate in corporate social responsibility in order to look better, feel better, do better and live better. This means that companies that participate or engage in CRS will look good in the eyes of potential customers, business colleagues, investors, media and all other stakeholders.

Again, others argue that CSR improves the brand name of companies. Organisations with strong reputation for CSR will last longer. Kotler *et al.*, (2005) explain that companies can gain great benefits from participating in CSR and that these benefits are the reasons for their engagement in CSR. Kramer and Porter (2006) describe the reasons for participating in CSR by moral obligation, sustainability, license to operate and reputation. These two different theories of why companies engage in Corporate Social

O. *Key Drivers of Corporate Social Responsibility*

Organizations may exercise social responsibility toward their stakeholders, toward the natural environment and toward general social welfare. Some of the multinational corporations strive to acknowledge their responsibilities in all three areas, while majorities tend to emphasize only one or two areas of social responsibility. The organizational stakeholders are those people and organizations who are directly affected by the behaviors of an organization and they have a stake in its performance **(**Donaldson and Preston, 1995; Harrison and Freeman, 1999). Most companies that diligently strive to be responsible to their stakeholders concentrate on three main groups: customers, employees and investors. They then select other stakeholders that are particularly relevant to the organization's core business interest and then attempt to address their needs and expectations as well. According to Griffin, R. W. (2002:112), the key organizational stakeholders are; local government, creditors, customers, local community, employees, suppliers, interest groups, trade associations, owners/investors, courts, universities and colleges, foreign government and state/federal government.

P. Definition And Concept Of Sustainable & Green Procurement

Achieving sustainability will enable the Earth to continue supporting human life. In ecology, sustainability is how biological systems remain diverse and productive. Long-lived and healthy wetlands and forests are examples of sustainable biological systems. In more general terms, sustainability is the endurance of systems and processes. The organizing principle for sustainability is sustainable development, which includes the four interconnected domains: ecology, economics, politics and culture. Sustainability science is the study of sustainable development and environmental science. Healthy ecosystems and environments are necessary to the survival of humans and other organisms. Ways of reducing negative human impact are environmentally-friendly chemical engineering, environmental resources management and environmental protection. Information is gained from green chemistry, earth science, environmental science and conservation biology. Ecological economics studies the fields of academic research that aim to address human economies and natural ecosystems. (The Philippines —UNESCO World Heritage site)

Q. Green Procurement

Green procurement is defined as an environmental purchasing consisting of involvement in activities that include the reduction, reuse and recycling of materials in the process of purchasing. Besides green procurement is a solution for environmentally concerned and economically conservative business, and a concept of acquiring a selection of products and services that minimizes environmental impact (Salam, 2008). Zsidisin and Hendrick (1998) in a multinational investigation identified key factors for green purchasing including providing design specification to suppliers that include environmental requirements for purchased items, cooperation with suppliers for environmental objectives, environmental audits for supplier's internal management, and suppliers' ISO14001 certification. Despite the fact that green purchasing is an established concept within the purchasing field, common definitions do not exist. One common definition referred to is the practice of companies taking supplier environmental product and process performance into account when purchasing products and service. Carter and Carter (1998) defined green purchasing as: in order to facilitate reusing and recycling resource reduction, the purchasing department should participate in every activities of supply chain management and should more concretely purchase reused,recycled materials so as to reduce the use of resources as much as possible.

Zsidisin and Siferd (2001) defined that green purchasing is a set of principles, methods under premise of full considering the impact on the environment. Zhu and Geng (2002) considered green purchasing as: every department in the enterprise consults decision-making to improve business performance by decreasing the using materials cost and end treatment cost, protecting resources and enhancing the enterprise reputation, etc. Martha and Houston (2010) pointed out the potential aim of green procurement is to eliminate waste, and purchasing department will focus on value by comprehensive considering the total cost in the process of eliminating waste ,which should focus on the business of waste disposal activities. Usually, it can save more cost in the source of supply chain to prevent waste than at the end of supply chain. Purchasing activity is the key starting point of eliminating waste, so a key factor of the successful green purchasing is the condition of company recycling and reusing waste.

Hokey and Galle (2001) proposed that reducing the emissions of exhaust and sewage and so on, not only is the premise of ensuring the implementation of green procurement system, but also is the important way to promote the development of green procurement. The type of companies' resources can influence both the purchasing practice, the technology, equipment and facilities of separating waste can impact the purchasing practice.

Stock (1992) thought that green purchasing can improve a firm's economic position, by reducing disposal and liability costs, conserving resources, and improving an organization's public image.

Walton et al. (1998) put forward ten top environmental supplier evaluation criteria, among these, second-tier supplier environmentally friendly practice evaluation was viewed as the second most important criterion. In addition, large customers have exerted pressure on their suppliers for better environmental performance, which results in greater motivation for suppliers to cooperate with customers for environmental objectives (GEMI, 2001). For example, Bristol- Myers Squibb, IBM and Xerox have encouraged their Chinese suppliers to develop environmental management systems

In compliance with ISO 14001, while Ford, GM and Toyota have required their Chinese suppliers to be certified with ISO 14001 (GEMI, 2001). Min and Galle (1997) find that the two most highly rated obstacles to effective implementing green purchasing was cost and revenue. In the process of implementing green procurement, the enterprise is bound to increase investment, training staff costs and the communication costs with suppliers and etc, which hence causes the loss of other investment opportunities (Liu and Zhu, 2009) This study will define these the increase of investment and cost as the corporate environmental management cost. Zhu and Geng (2004) found the suppliers stress had greater impact on the implementation of green supply chain through research. Hou (2007) pointed out that the close cooperation of suppliers and buyers would promote the successful completion of green purchasing activities. In the process of purchasing and procurement, Suppliers must consider the ultimate disposition of the materials and components that enter the firm, purchasing managers can ask upstream members of the supply chain to commit waste reduction and provide environmentally friendly product. Suppliers, e.g. transport service suppliers and product suppliers, can impact firms' green purchasing activities (Carter and Ellram,1998) and drive green supply chain management (Walker, H., Sisto, L.D and McBain, D, 2008) The availability, characteristics, knowledge, ambitions, equipment and actions of the suppliers can have an impact on purchasing (Knudsen,2003) and green purchasing.

To achieve an effective environmental performance, the purchaser must take, and be given, the responsibility and resources for educating suppliers and demonstrate on-going commitment (Murray,2000).The relationship formed with customers described in terms of communication patterns, cooperation and dependency is addressed in the purchasing literature, and in the environmental purchasing literature.

Carter and Ellram. (1998) describe customers as having a direct impact on firms' environmental purchasing activities and Walker et al. (2008) investigates how customers' influence drives green supply chain management. The priorities of the customers can influence the environmental management and environmental purchasing.

R. Research Methodology

Research Design

The research design connects the broader assumptions of a study to its detailed methods of data collection, analysis, and interpretation (Creswell, 2009).

There are basically two types of research approaches; the quantitative research and qualitative research. Qualitative and quantitative analysis was used for this study. Quantitative analysis according to (Borrego et al., 2009) is for the researchers to project her findings onto larger population through an objective process. Quantitative research generates numerical data or information that can be converted into numbers. It focuses more in counting and classifying features and constructing statistical models and figures to explain what is observed. The purpose is to quantify data and generalize results from a sample to the population of interest. It involves the use of structured techniques such as questionnaires or telephone interview. Qualitative research on the other hand generates non-numerical data. Qualitative analysis according to (Borrego et al., 2009) is characterized by the collection and analysis of textual data which are surveys, interviews, focus groups, conversational analysis, observation on the context within which the study occurs. It allows the researcher to make connection between the study and her situation. The primary aim is to gain an understanding of underlying reasons and motivations. It provides insight into the settings of a problem generates ideas and helps to understand human behaviour and the reasons behind it. Unstructured or semi-structured techniques for instance in-depth interview or group discussions are used.

i. ISources of Data and instrument

Primary and secondary sources of data were used in the collection of data. Primary data was collected using interview schedules and questionnaires as the key instruments designed and administered to the respondents. The researcher interviewed the sampled members of the Volta Aluminum Company, procurement, stores department. The reason for the choice of personal interview is because it is flexible and adaptable in controlling the response situation, scheduling a mutually convenient time and place, and controlling the sequence and pacing of the questions asked. Interviews can probe deeply into respondents‟ beliefs, attitudes and inner experiences by following up with questions to obtain more information and clarify vague statements.

On the other hand, questionnaires were administered to the sampled. According to Saunders et al (2003), a questionnaire is one of the primary tools used to collect data and it is a devise used for acquiring response to a predesigned subject matter using a form which the respondent completes. The questionnaire was made up of both closed-ended questions which presented the respondents with a fixed set of options, and open-ended questions which encouraged them to share as much information as possible. Both the interview schedule and the questionnaires provided the researcher with primary information on the subject. Secondary sources of data were collected from documents and the Website of the Volta Aluminum Company. The secondary sources of data saved cost and time in the collection of data for this study.

ii. Sources of Data Collection

Data was gathered from primary and secondary sources; with respect to primary data collection, the research will target businesses that are involved in Green supply chain management practices to some extent. According to Babbie (1975), defines primary data as "a data collected by a current researcher for a specific research need or the project at hand. Primary data are customized and required specialized data collection techniques and procedures. This is achieved through interviews, observation, and questionnaire. Questionnaires were the main tool that was used to collect the majority of the information. Open ended, close ended and multiple choice questions were combined in the questionnaires that was designed for the research work.

Secondly, data were also extracted from selected books, journals, internet and pamphlets on the topic understudy.

iii. Sampling Technique

According to Saunders et al. (2007), sampling techniques provide a range of methods that enable a researcher to reduce the amount of data you need to collect by considering only data from a subgroup rather than all possible cases or elements. Purposive sampling technique was used to seek the views of the respondents on the integration of green practices in the supply chain environment with reference to the manufacturing sector. Purposive sampling method was used because the criterion chosen allowed the study to focus on people who would be most likely to experience, know about, or have insights. Kerlinger (1986) explains that purposive sampling as a type of non-probability sampling, which is characterized by the use of judgment and a deliberate effort to obtain representative samples by including typical areas or groups in the sample. A purposive sample is one in which a researcher tries to create a representative sample without sampling at random. In other words, purposive sampling targets a particular group of people. The importance of purposive sampling lies in selecting information rich-cases, for in-depth analysis related to the central issues being studied.

iv. Data Analysis

The data collected has been categorized accordingly in order to make a meaningful and valid conclusion and relevant recommendations. It is on the presentation and analysis of data collected from the field of study. It shows the number of questionnaires administered, the numbers returned and the relative response rate. The responses have been presented in a form of table and pie chart for easy analysis. It also includes the analysis of the open ended questions and analysis of interview responses.

III. SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS

A. Summary Of The Findings

The study came up with the following findings after the data collected was analyzed and interpreted.

- The study revealed that the use of information technology assist organizations to find potential suppliers across the global market, keeping of suppliers and customers records as well as stores, logistics and inventory management.
- The study revealed that organization are not satisfied with the local materials due to the nature of production and therefore compel them to enter into the global market
- The research came up with the finding that organizations which practices sustainability and green procurement helps to keep the natural nature of our living environment.
- The study revealed that the uses of Public Procurement Act 663 (2003) are known by both private and public sectors but not in practice especially the private sectors.
- The study revealed that the best gift to accept from suppliers as well as customers are Calendar's and Key holder's to avoid embarrassment from supplier and reduce corruption.
- The study shows that most of the sustainability and green procurement issues must be observed in the area of Packaging and Production
- The research revealed that most of the organizations suppliers and customers are not aware of the issues of sustainable and green procurement
- The study showed that CSR practices can serve as a platform of advertisement to organization

B. Conclusion

Modern Procurement Practices has a key role to improve the efficiency and productivity of companies within the manufacturing industry, for creating or manufacturing a product and delivery it to the end user. Even if major steps are taken to improve the efficiency and productivity of the manufacturing industry, for the last decades performance of manufacturing industry in terms of Service level, quality of materials and delivery time have been on a poor level, there is still more room for improvement of manufacturing companies for the achievement of organizational goals and objectives.

On the contrary there is a call for manufacturing companies to adapt modern procurement practices in integrating their manufacturing operations, purchasing, transportation and logistics or physical distribution into a unified action. For a successful supply chain management, there is the need to coordinate and integrate all these activities into a seamless process and links other partners within the chain towards achieving customer satisfaction. These partners include venders or suppliers, carriers, third party companies and information system providers. A well-established partnership between supply chain players can help to achieve the implementation of modern procurement practice activities properly. Hence, the merit of modern procurement practice in the public and private sector (upstream and downstream of the chain) has been based on this research to analyze the current importance of modern procurement practice in the manufacturing industry.

From the findings it was realize that most manufacturing companies have complicated information flow within their supply chain as compared to other organizations. Information flow which form part of supply chain management has a direct impact on the scheduling of inventory, inventory control and delivery plans of an organization which are fundamental elements for the coordination of members within the supply chain. Each player within the pharmaceutical supply chain should also be concern adapting their own individual strategy in achieving successful supply chain management, Instead of optimizing their own aims which brings lack of coordination within the supply chain.

It was revealed that modern procurement practice help organizations to develop strategies which brings all the key players within the supply chain on board in effectiveness, efficiency and commitment duration of Partnership agreement with suppliers and customers. These indicate that manufacturing companies have started to realize the importance of modern procurement practice for proper application of modern procurement practice activities towards achieving mutual relationship with suppliers and customers, hence leading to a reliable environment for doing business with higher efficiency level, profit and performance.

C. Recommendation

The study consists of manufacturing companies (Volta Aluminum Company) with a special emphasis on how modern procurement practice integrates the various activities within the manufacturing industry towards achieving value for money and customer satisfaction.

With reference to the findings, the following recommendations were made based on the information gathered.

- Manufacturing companies (Volta Aluminum Company) must show their commitment towards engaging in modern procurement practice activities.
- Management must support the concept of modern procurement practice and integrate it into their daily activities and vision policies for it to become more effective.
- Private organizations must also improve on their supply chain flows (information, financial and material) in order to enhance effective communication between supply chain players towards meeting organizational goals and customer satisfaction.
- Private businesses and manufacturing companies who want to increase their market share, sales and profits must be actively engage themselves in modern procurement practice in order to attract more loyal customers.

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