Master's degree thesis

LOG952 Logistics

Analysis of Effective Approaches in Managing Service Procurement for Business Organizations

Abdalla, Simai Omar

Number of pages including this page: 108

Molde, 02/06/2020

Molde University College
Specialized University in Logistics

Mandatory statement

Each student is responsible for complying with rules and regulations that relate to examinations and to academic work in general. The purpose of the mandatory statement is to make students aware of their responsibility and the consequences of cheating. Failure to complete the statement does not excuse students from their responsibility.

*Please complete the mandatory statement by placing a mark **in each box** for statements 1-6 below.*		
1.	**I/we hereby declare that my/our paper/assignment is my/our own work, and that I/we have not used other sources or received other help than mentioned in the paper/assignment.**	☒
2.	**I/we hereby declare that this paper** 1. Has not been used in any other exam at another department/university/university college 2. Is not referring to the work of others without acknowledgement 3. Is not referring to my/our previous work without acknowledgement 4. Has acknowledged all sources of literature in the text and in the list of references 5. Is not a copy, duplicate or transcript of other work	Mark each box: 1. ☒ 2. ☒ 3. ☒ 4. ☒ 5. ☒
3.	I am/we are aware **that any breach of the above will be considered as cheating, and may result in annulment of the examination and exclusion from all universities and university colleges in Norway for up to one year, according to the Act relating to Norwegian Universities and University Colleges, section 4-7 and 4-8 and Examination regulations** section 14 and 15.	☒
4.	**I am/we are aware that all papers/assignments may be checked for plagiarism by a software assisted plagiarism check**	☒
5.	**I am/we are aware that Molde University College will handle all cases of suspected cheating according to prevailing guidelines.**	☒
6.	**I/we are aware of the University College's rules and regulation for using sources**	☒

Personal protection

Personal Data Act

Research projects that processes personal data according to Personal Data Act, should be notified to Data Protection Services (NSD) for consideration.

Have the research project been considered by NSD? ☒yes ☐no

- If yes:

Reference number: 325239

- If no:

I/we hereby declare that the thesis does not contain personal data according to Personal Data Act.: ☐

Act on Medical and Health Research

If the research project is effected by the regulations decided in Act on Medical and Health Research (the Health Research Act), it must be approved in advance by the Regional Committee for Medical and Health Research Ethic (REK) in your region.

Has the research project been considered by REK? ☐yes ☒no

- If yes:

Reference number:

Publication agreement

ECTS credits: 30

Supervisor: Deodat Edward Mwesiumo

Agreement on electronic publication of master thesis

Author(s) have copyright to the thesis, including the exclusive right to publish the document (The Copyright Act §2).

All theses fulfilling the requirements will be registered and published in Brage HiM, with the approval of the author(s).

Theses with a confidentiality agreement will not be published.

I/we hereby give Molde University College the right to, free of charge, make the thesis available for electronic publication: ☒yes ☐no

Is there an agreement of confidentiality? ☐yes ☒no

(A supplementary confidentiality agreement must be filled in)

- If yes:

Can the thesis be online published when the period of confidentiality is expired? ☐yes ☐no

Date: 02/06/2020

Acknowledgements

I was ultimately responsible for the writing of this master thesis, there are several others whose inputs have been critical in assuring the quality of my work. Their efforts may be invisible to the reader, however, remain very clear to me. Therefore, I wish to use this opportunity to express my gratitude to those who have guided, advised, and helped me throughout the research – and writing process.

There are people supported me during the completion of this research with challenges, points of correction, modification, helpful assistance, and reference. The thesis would have never been possible without consultation. First, I am very thankful to Allah who gives me better health and strength during the ups and downs of acquiring knowledge during the whole process of master's education and completing this Master thesis. I thank him for enabling me not to lose hope but gaining the strength day by day.

Secondly, I am very grateful to extend my deepest and most heartfelt gratitude to my ever helpful, available, and knowledgeable supervisor as well as academic advisor Deodat Edward Mwesiumo. Without him, the idea of researching "Effective approaches to managing the procurement of business services" would have been impossible for his constructive suggestions, guidance valuable time devoted throughout this research work

I would appreciate the valuable contributions to all the companies, organizations, and individuals who have contributed to the data collection especially Ambrose Tesha and Daniel Magoti from Tanzania. I cannot forget that; your time is valuable and is incredibly grateful that you chose to spend some of it on me.

A special thanks to Emmanuel Mawrides for your constructive criticism, attention to detail and advice on language structuring of this thesis.

Lastly, I would like to express my special appreciation to my sponsor Ministry of Finance and Planning (Zanzibar, Tanzania) which funds me financially to study this Master of Science in Petroleum Logistics.

Abdalla, Simai Omar

List of tables

List of figures

List of abbreviations

BC	-	Before Christ
BVM	-	Best Value for Money
B2B	-	Business to Business
CPFF	-	Cost-plus Fixed Fee
CRC	-	Cost Reimbursement Contract
FFP	-	Firm Fixed Price
FPC	-	Fixed Price Contract
ICT	-	Information Communication Technology
IHIP	-	Intangible, Heterogeneous, Inseparable and Perishable
KPI	-	Key Performance Indicator
LNG	-	Liquefy Natural Gas
NGO	-	Non-Governmental Organization
NSD	-	Norsk Senter for Forskiningsdata
PE	-	Procurement Entity
SLA	-	Service Level Agreement
SSP	-	Service Specification Process
TCO	-	Total Cost of Ownership
TCT	-	Transaction Cost Theory
ToR	-	Terms of Reference
UST	-	Unified Service Theory

Contents

Abstract

The procurement of services has received an increasing amount of managerial attention in the contemporary academic literature. Firms started to outsource some of their activities to services companies to support the core operation of the company. In order to manage acquisitions of the services from service providers, firms need to put emphasis on important managerial approaches in order to maximize inter-firm relationships. Therefore, the purpose of this study is to explore effective approaches in managing service procurement for a business organization. Specifically, the study seeks to achieve three objectives. The first objective is to understand effective approaches that can be used to procures services in both public and private organizations. Secondly, to identify barriers, hinder the execution of effective service procurement managing approaches, and lastly, is to have a broad understanding of the different management approaches used in the procurement of goods that are different from the procurement of service.

The research was organized through an exploratory multiple-case study whereby the cases were selected through theoretical replication logic in which six cases were selected to predict contrasting results but for anticipatable reasons. The data were collected through semi-structured interviews. Data was analysed and coded by using three coding methods, that is theming, In vivo, and process coding.

The results indicate that approaches for managing the procurement of services are categorized into approaches within the procurement cycle and approaches outside of the procurement cycle. Furthermore, it has found barriers that hinder effective managing approach for procurement of service are barriers within the procurement process which are considered as 'service procurement approaches' barriers and general barriers that considered as barriers outside the service procurement approach. The study also found the differences in approaching service procurement and goods procurement only occur within each stage of the procurement process. These results imply that effective service procurement should focus on both approaches within the procurement cycle and outside of the procurement cycle by considering the complexity and the value of the service be acquired which have impacts on which level and procurement strategy to be applied on. In addition, to maintain good organization reputation, the organizations should not only focus on financial factors in making service procurement decisions but also taking social and environmental factors by practicing sustainable procurement.

CHAPTER ONE

INTRODUCTION

1.0 Chapter Introduction

This chapter includes contextualization of the background of the study that includes the existence of a research gap related to approaches to be used in managing the procurement of services and why should the gap be addressed. The research objectives have been developed to generate research questions with their importance in the services procurement field.

1.1 Background of the study

In the year 2019, Proactis, global spend management, and B2B eCommerce company announced the results of their survey that aimed at identifying key spend management challenges that Finance including cash flow and Procurement professionals are facing. The Proactis company realized that the success of a business organization depends on the effective management skills in the different department's levels. One among necessary departments within a business organization is the procurement department. The department deals to procure both procurements of goods, works, and services with almost the same or different approaches and methods. Challenges and difficulties arise when managing the procurement of business services in both governmental and private organizations.

However, among other challenges, both organizations (private and public) found that organizations whose non-payroll expenditure is predominantly on services face different challenges such as receiving incomplete work, visibility issues, and lack of audibility. Conceivably, the fundamental nature of services makes it difficult for procurement professionals to manage the category with similar approaches used on standardized goods. As Wynstra, Rooks, and Snijders (2018) found in their investigation, managing the procurement process for service transactions tends to be more costly and problematic. Therefore, as the service economy is booming greatly, it is not surprising to see that the procurement of services is attracting the attention of practitioners and academics.

In this way, the companies need to implement different approaches that could be used as a tool in managing services procurement that could be able to minimize procurement of service challenges. As this area does not receive adequate attention in most researches and theoretical frameworks to overcome the challenges.

The services procurement is fairly new concept in academic literature with its first publication coming into the limelight in the 1960s as mentioned by Wittreich (1966). However, this field is currently growing substantially, and the research gap will be filled through logic comprehensive and integrated models that will enable procurement managers and officers together with students to understand batter approaches to be put under consideration in processes of executing procurement of services in an effective way.

Under this case, interviews have been conducted where the procurement officers and procurement managers were interviewed to enable this research to contribute toward a holistic understanding. The holistic understanding on which procurement approach to be used toward effective management of service procurement in a business organization.

1.2 Significance of the study

It is expected that the study will help the manufacturing, merchandising and service companies in both the private and public sectors. The study sheds light on the best way of managing the procurement of services business by identifying effective service procurement approaches, barriers hindering, and the outcomes of applying those approaches in managing the procurement of service.

The findings of the study, furthermore, can also be served as a steppingstone for future researchers on the related topics through suggesting areas that need further research. Furthermore, the study can also provide procurement academicians useful knowledge on effective approaches in managing services procurement, different approaches available in executing services and goods procurement, challenges of managing service procurement effectively, and outcomes of applying effective services procurement approaches. These also can add value to the body of knowledge in filling the gap between theories and practices in the services procurement context.

1.3 Research objectives and questions

1.3.1 Research objectives

The objective of this study is categorized into two groups, which includes the general objective and specific objectives.

1.3.1.1 General objective

The main objective of this study is to explore effective approaches in managing service procurement for the business organization by using existing literature and related services procurement documents with the combination of qualitative research design conducted through a multiple case study.

1.3.1.2 Specific objective

i. To identify effective services procurement approaches that can be used in different (public and private) organizations.
ii. To identify barriers; that hinder the execution of effective service procurement managing approaches.
iii. To identify what kind of managing approaches used in the procurement of goods that differ from the procurement of service.

1.3.2 Research questions

It is important to determine the research problem first, and then research questions. The research questions enable the researcher to determine research methodology. The main research question in this paper is “how can services procurement be managed effectively”. Therefore, from the main research question, the common denominators shared by all minor research questions is the reflection on the main research problem. The question denominators are suitable for the established qualitative and exploratory framework. The following are four research questions along with explanations that show relevance to the research problem.

i. How do procurement managers approach the procurement of services?

It is obvious different organizations’ procurement managers have different approaches in procuring services based on the nature of the organization. For example, public organizations may have the standardized approach of procurement through available procurement rules and regulations, and on the other side, private organizations may have their own approach procuring services that may differ from one organization to another organization. Therefore, this question has the purpose to provide a general understanding of how different managers in different (public and private) organizations use what kind of approaches in the procurement of services for their organizations toward effective services procurement.

ii. **How do the approaches for procurement of services differ from the procurement of goods?**

The characteristics of goods and services make them have different approaches and methods of procurement. For instance, the characteristics nature that has been mentioned by different scholars including Lovelock (1983) that make goods and services to be procured differently. Through that sense, it helps in grabbing a broad understanding of what kind of approaches are using in the procurement of goods that differ from the procurement of services.

iii. Which barriers hinder the execution of effective approaches to managed service procurement effectively?

Most of the measurers, approaches, and methods that should be taken on the procurement and purchase process may have some challenges and barriers. Thus, this question is important because it explores the barriers that hinder the implantation of available approaches in executing procurement of services within a business organization.

CHAPTER TWO

LITERATURE REVIEW

2.0 Chapter Introduction

This chapter presents the main concepts related to the study, theoretical literature review and empirical studies. The main concepts enable to draw a picture of the background of the service procurement field. The theoretical framework includes various specific concepts and theories related to managing the procurement of services. Lastly, empirical literature including a review of various empirical studies conducted the procurement of services while the conceptual framework describes the variable of the study.

2.1 Related procurement concepts

2.1.1 Procurement

Procurement means all activities required in order to get goods or services from supplier to final destination that comprise purchasing function, stores, traffic and transportation, inspections, controlling and assuring quality, supplier selection based on the total cost of ownership (TCO), rather than price (Van Weele 2009). The procurement process become a strategic and tactical activity for many organization and business (Mangan and Lalwani 2016).

Historically procurement is a not new practice. It has passed through different stages of practice, traced back over 2800 years ago. For example, History of procurement practices has been estimated into different stages from 215 BC. In that period Roman armies practiced procurement in Spain, supplier management principles adopted by King Gustavus of Sweden in the 16th century (Vaidya, Callender, and Sajeev 2009). The elements of procurement also recognized by Adam Smith in 17th century, the British Navy introduced some procurement policies in 18th century, recognition of procurement as new concept in Supply chain in the 1980s and as value chain in 1990s (Vaidya, Callender, and Sajeev 2009). Through those stages of the recognition of elements of the procurement and its practice, nowadays, most of the organizations' budgets go to procurement. A manufacturing business, for example, may spend 70% or more of its sales on goods and services (Mangan and

Lalwani 2016). In that sense, it wise to manage effectively both value and risk that might happen during the process of procurement of goods or services.

The role of procurement in supply chain management; efficiency and competitiveness, procurement has received and continues to receive attention as years go by. Procurement is widely used by both government agencies and private firms in performing their research, development and production projects where the government agencies procurement is governed public procurement guideline including Acts and Regulations. On the other hand, the private firms may have procurement guidelines and company ethics and conducts.

2.1.2 Procurement management

Procurement management is defined Van Weele (2009) as all activities necessary relate to managing supplier relationships in which a way that the activities are aligned with the company's overall business strategies and interest by structuring and continuously improving procurement processes within an organization between organization and suppliers. In that perspective, all organizations need inputs in the form of goods or services from external suppliers or services providers. Procurement management is organized to manage the acquisition of these inputs in an efficient way so as the organization to be sustained (Baily et al. 2008).

In this circumstance, procurement management has a similar meaning to procurement organization. The procurement organization is about organizing procurement resources and level of authority that procurement managers and executives have within the organization by reflecting key organizational policies and procedures to acquire goods and services from external providers. The procurement managers in collaboration with other team departments organize procurement processes depending on organization policies and procedures. Procurement has been considered as a process (lifecycle) because it is repeated within a business organization as different contracts mature, expire and or renewed on a continuous basis (Mangan and Lalwani 2016). Basically, the authors considered four stages to be managed in procurement process. Public procurement on the other hand involves three major phases; pre-tender, tender and post tendering. Simply, according to them procurement management involve for stages as illustrated in Table 2.1.

Table 2. 1 Mangan and Lalwani's four stages of managing procurement process.

Stage	Description	Key issues
Specify	Specify the requirements that the contract must deliver	• Requirements should be defined from a technical, commercial and end-user perspective • In many cases organisations do not understand the market better than suppliers • Sometimes the specification is unclear or ambiguous
Identify	Identify suitable potential suppliers who are able to meet the defined requirements or specification	• Advertising and promoting the contract opportunity • Determing an appropriate level of competition to reflect the risk and value being procured • Attracting new or more interesting suppliers who may be able to add more value to your business versus incumbents • Choosing which suppliers have the capability and capacity to deliver the required service
Select	Select a suitable supplier or suppliers to deliver the contract	• Picking a winner from suppliers who have sufficient capability and capacity to deliver the contract • The evaluation criteria in terms of quality and price • The balance needed between quality and price
Manage	Manage the contract to ensure that the key deliverables are fully met	• Success criteria or key performance indicators are required to ensure that the contract requirements are being met • Lessons learned are applied to subsequent contracts

Source: (Mangan and Lalwani 2016)

Ten main stages have been mentioned by Baily et al. (2015) that involved in the procurement process. The stages are Recognition of needs, Specification, Make-or-buy decision, Source identification, Source selection, Contracting, Contract management, Receipt, and possible inspection, Payment, and Fulfilment of need as illustrated in Figure 2.1. It's recommended by Baily et al. (2015) that the mentioned activities included in the cycle do not cover all of those that procurement officers might be involved with. Moreover, there are many other activities not included in a cycle such as negotiation, vendor rating (ranking supplier according to service quality and performance), source development. In addition to that, the early and late stages in the cycle have not necessarily involved in procurement management but they have some contribution to ongoing contract management. Some key common components in managing procurement are as follows:

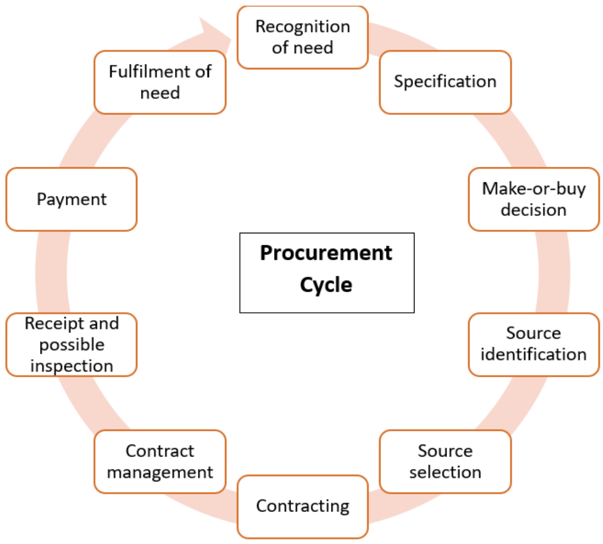

Figure 2. 1 The procurement activities within procurement process Adopted from (Baily et al. 2015)

2.1.2.1 Specification

Defining of the user requirement (specifications) is one among the pre-tender phase, according to Holma et al. (2019). Specification means a concise description of a good or service that an organization seeks to buy, and the requirements must be met by the vendor in order to be considered for the award. The requirements may include for testing, inspection, preparing for delivery or prepare or installing it for use, requirements for sample, for warranty and package (Bryan 2003). In a service procurement, specifications are supported by something called “terms of reference” (TOR) which is a statement issued by the client (procuring entity) defining the objective, goal, and scope of the services where applicable means to be used (Tanzania Public Procurement Act 2011).

According to Baily et al. (2008) the specifications have two approaches; performance and confirmation specifications. Performance means a clear indication of the purpose, function, application, and performance expected of supplied material or service are communicated, and the supplier is encouraged to provide an appropriate product. And by confirmation specification, it means the buying organization has to lay down clear and unambiguous requirements that must be met by the product supplied. According to Baily et al. (2015) the confirmation specifications approach is employed often in non-consultancy services such as cleaning services, ground maintenance, and similar activities.

2.1.2.2 Tendering

It is a method of procurement whereby potential suppliers, contractors or service providers are invited by procuring entity to make unequivocal offers on the price and terms at which they could supply specific goods or services based on a subsequent contract. Its most common practice in public procurement where tendering is governed by Laws (Acts) and regulation to prevent fraud, corruption or local protectionism. In that sense, tendering is based on principles of competition, fairness and accessibility, transparency and accountability. In European procurement, there are three main types of tendering; open tendering (procedures) whereby all interested supplier are invited to tender to increase competition to the maximum available and it most using in public procurement. And, restricted tendering whereby a tender will be advertised with the requirement for the supplier to comply with. The interested supplier will notify the procurement authority of their interest, then, the procuring authority will select from among interested parties who submit their tenders (Baily et al. 2015, Lysons and Farrington 2006).

2.1.2.3 Source selection

The organization may select service providers through open procedures, restricted procedures, negotiated procedures or design (Baily et al. 2015). Most purchase decisions are taken by an organization to select suppliers by considering standard criteria such as quality, price, terms, delivery, and service, together with actual performance on previous orders (Baily et al. 2008). Tanzania Public Procurement Regulations (2013) provides clearly four criteria to be used in selecting supplier for Tanzanian public procurement. A supplier should be selected based on technical quality, technical quality with price consideration, compatibility of technical proposal and least cost consideration, and selecting based on quality and fixed budget. On the other, adoption of any of these four criteria will depend three things which are complexity of the assignment, the impact of the assignment on the resulting end product and the probability that proposal will lead to comparable outputs.

2.1.2.4 Procurement contract

Procurement contract means written agreements between a buyer organization and vendor in which the buyer organization agrees to purchase goods or services from a vendor in exchange for payments transactions within these agreements. Each part has obligations and usually including detail price lists, payment terms, and information, condition of delivery and other legal terms and conditions ability (Stevenson and Spring 2007). The Quality and performance of suppliers for essential procurement depends much on complying with the procurement contract by fixing obligations and promises. The contract obligations ensure the buyer will receive the right services or goods as prescribed in contract terms and conditions (Albano et al. 2006). There are several types of procurement contracts where choosing the right contract needs a specific strategy and always for the buyer because procurement contracts contain several risks, (Albano et al., 2006).

Albano et al. (2006) explained two broad category types of a procurement contracts by considering flexibility needed in acquisition of governmental supplies and services; fixed-price contracts (FPC). And, cost-reimbursement contracts (CRC) where under FPC contractor is paid a fixed price for realizing a project that specified pre-determined quality standard and this usually come out under competitive tendering process. While on the side of the CRC, where the contractor has minimal for performing costs and negotiated fee (profit) is fixed (Albano et al. 2006, U.S Federal Acquisition Regulation 2019).

Mangan and Lalwani (2016) used the “Kraljik matrix” which was developed by Kraljik (1983) as a simple but powerful tool to understand and quantify relative value and procurement risk issue for any kind of business. Under this tool, managing procurement contracts requires different strategies which are appropriate to a certain portfolio that exist within each quadrant of the matrix. High value and high risk should be managed differently from low value and low risk. Figure 2.2 describes different quadrant categories of risk and value.

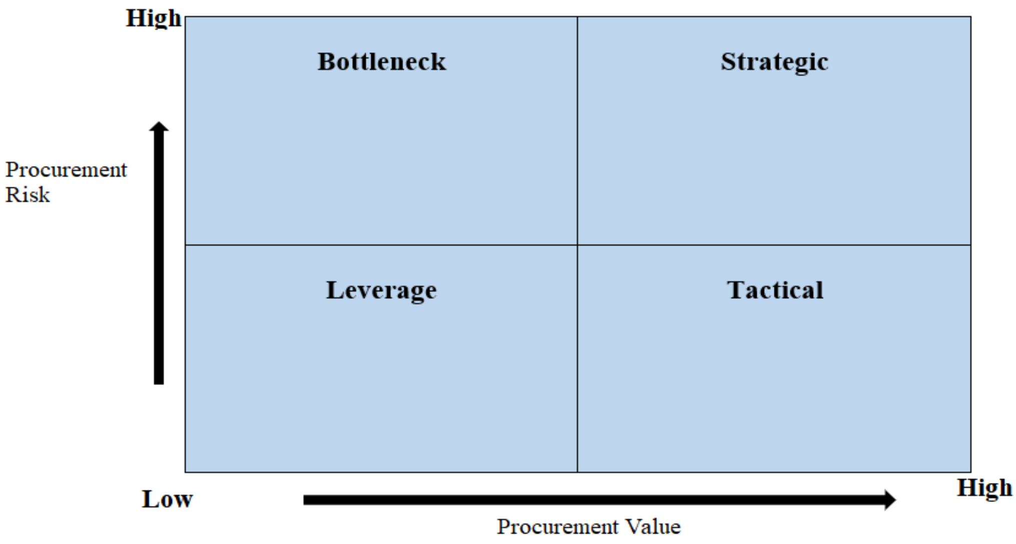

Figure 2. 2 Kraljik matrix for managing procurement contracts Kraljic (1983) adopted by Mangan and Lalwani (2016)

According to Kraljic (1983), managing procurement contracts need to work strategically and collaborate with suppliers under strategic procurement. High value and high risk represent dependency relationships with the supplier. Therefore, the source should be managed strategically with high dependency relationship with a supplier with high exist costs. The bottleneck should be managed carefully to reduce the risk. The buyer has to design the contract to ensure the bottleneck out and also maintain a proper relationship with the supplier. Tactical procurement requires the procurement contract to be designed to ensure value for money is achieved by maintaining competition between suppliers through increasing the number of sources. The procurement contract under leverage procurement must be designed by aggregating and consolidating the spending and assuming all other performance requirements are met on the agreed price Mangan and Lalwani (2016).

2.1.3 Services procurement

Service is defined by Lisan (2018) as economic activities that produce time, place, form, and/or psychological utility that are intangible, perishable, created and consumed simultaneously. That means buying service is different from buying goods since it demands greater knowledge of the general labor-intensive supplier base as well as competitive posture of the buying organization (Epp 2001). According to Baily et al. (2015) the procurement of services becomes an important part of the supply chain, that many organizations spend a greater amount of money with service providers than with suppliers of goods. Some organizations out-source service supply of their non-core aspects activities so as to concentrate closely on the main business. On the other side of the public sector, the need for out-sourcing services arises because of the efficiency and to ensure that demonstrate open and competitive tendering is employed.

Private and public organizations acquire several types of services from services providers for the use in their operations and administrative functions either long term or short term. Cavinato and Kauffman (1999) categorized services to be procured into five groups; *facilities services* (Design, construction, janitorial, maintenance and repair, moving/storage, environmental, pest control, landscaping, and security), *logistics services* (Inventory, traffic and transportation, salvage and reclamation, and warehousing), *Communication services (*Information technology, video-teleconferencing, photography, publication, television, public relations and advertising, and telephone), *Employee services (*Employment and relocation, outplacement, fringe benefits, training and consultancy, uniforms, cafeteria and vending travel, and entertainment), and *business services* (Accounting and audit, financial and brokerage, architectural and engineering, market research, auctioneering, consulting, and legal).

Basically, within procurement, services are divided into two types as mentioned by (Baily et al. 2015, Mwashiuya 2013) which are professional (consultancy) services and non-consultancy services. Consultancy services include intellectual and advisory nature that do not lead to a measurable physical output. This includes design, supervision, training, advisory, software development, and similar service. On the other side, non-consultancy services are any other services than consulting services that do not depend on expert advice including gatekeeper (security), catering, stationery, gardener and alike. As it has been motioned by many authors including (Axelsson and Wynstra 2002, Ellram, Tate, and Billington 2008, Lovelock 1983 and, Van der Valk 2008) managing services procurement is more challenging then and different from managing the procurement of goods due to the characteristic nature of service.

Table 2. 2 Summary of empirical review on managing procurement of services business

Author	Title	Objective	Main findings
Wynstra, Rooks, and Snijders (2018)	How is service procurement different from goods procurement? Exploring ex-ante costs and ex-post problems in IT procurement.	Comparing transaction costs of goods and services procurement while controlling the effect of transaction characteristics (ex-ante costs and ex-post problems) and relationships between contracting organizations.	Managing the process of services procurement is different from managing the transaction that is not services. This means that services procurement is more expensive in terms of ex-ante and ex-post transaction costs, compared to goods transactions.
Kotabe, Murray, and Javalgi (1998)	Global sourcing of services and market performance: An Empirical investigation.	Examining the factors influencing global source of service by US service firms and the effect of such a strategy on market performance.	The proper development of sourcing strategy for services would increase a firm business performance whereby, a significant influence on the feasibility and appropriateness of the type of sourcing used would also depend on the nature and structure of the service industry have.
Van der Valk (2008)	Service procurement in manufacturing companies: Results of three embedded case studies.	Investigating the ongoing interactive processes between buyer and service provider of various kinds of business service.	To be successful at services to be procured, manufacturing companies should assess how services are used and differentiate their interactions with their service provider accordingly because understanding and being able to manage the interaction with the supplier is as important as being able to specify and contract the desired service.
van der Valk and Axelsson (2015)	Towards a managerially useful approach to classifying services.	Developing a comprehensive, managerially useful service classification by considering four mentioned services classification attributes (the way the service is used, the extent of customer contact, the degree of participation/ interaction, and the degree of customization).	Purchasing managers that are used collectively the four services classification attributes may obtain a more complete overview of key managerial issues in the procurement of business service.
Lindberg and Nordin (2008)	From products to services and back again: Towards a new service procurement logic.	Investigating how the buyer of different kinds of services relates to the logic (logic implying the objectification of services and a goods-dominant logic) and how the	The buyer must put a lot of effort into objectifying (high degree of treating service as something tangible) and calculating their service purchases.

		degree of objectification of services varies on different stages of the procurement process.	
Ran and Qi (2016)	Issues and challenges of public service procurement in China: a collaborative governance perspective.	Investigating the major issues and challenges in Chinese public service procurement in both the central and local government level.	Four aspects (both issues and challenges) of public service procurement were analyzed were the firstly in procedures perspective which including planning, implementation, and assessing the outcome. Secondly in the stakeholder's perspective which including government (support and guide without interference) and NGOs (competence improvement in providing high-quality service). Thirdly, six challenges not only in public service procurement but also in another field of the Chinese government were suggested.
Holma et al. (2019)	Service specification in the pre-tender phase of public procurement - A triadic model of meaningful involvement.	Defining the co-development process actors (buyers, internal customers, and service provider) roles and collaborative practices concerning service specification process (SSP) in relation to the pre-tender phase of public procurement.	Two main finds have been identified where the need for collaborative and trusting relationships in a triadic service specification setting in the very early phase of public procurement. Finally, from an innovativeness perspective, they found that involving stakeholders was new to parties and from that perspective, it was understandable that full potential stakeholders' involvement was not realized.
Selviaridis, Spring, and Araujo (2013)	Provider involvement in business service definition: A typology	Understanding how providers can influence service requirements definition and under which condition they can significant involvement in such a task.	Service providers must develop their own set of indirect capabilities to match the buyer level of capability in defining service. They can be involved in the condition that, they must develop "know-how" to know buyer requirement specifications and translate them into operational specifications and service design propositions, considering at the same time their productive capabilities and value potentiality.
Selviaridis, Agndal, and Axelsson (2011)	Business services 'in the making': (De)Stabilisation of service definitions	Examining the impact of specification methods (input-based, process-based, function/output-based, and outcome-based) and various	The definition of service characteristics can be destabilized through the sourcing process but also, they can be temporally stabilized at the specification,

	during the sourcing process.	factors on the (de)stabilization of services definitions/ specification during the sourcing process.	contract agreement, and implementation stages. On the other side, (de)stabilization of service specification can be influenced by sourcing capability, supplier expertise reliance, complexity, relationship continuity, and adaptive interactions.

Source (Researcher 2020)

There are many published papers that address issues about managing the procurement of services. Examples of such papers include the issues addressed on how to define specification setting using triadic relationships between stakeholders of SSP by Holma et al. (2019), sourcing identification by Kotabe, Murray, and Javalgi (1998), the effect of services procurement transactions (Ex-ante and Ex-post effects) by Wynstra, Rooks, and Snijders (2018) and others speaking about contract management (effort on treating services as something tangible) by Lindberg and Nordin (2008) as shown in Table 2.2 above. As it has been observed that researchers did not comprise general specific effective approaches that can be used in managing the procurement of services. As a result, the idea of that, there is a need to research about effective general approaches that can be used in the service procurement management process. The procurement manager can use them as an effective tool in managing the service procurement process.

2.2 Theoretical framework

The research comprises several theoretical concepts that are connected to the problem. In this preliminary stage of this research composition, there are some theories that seemed to relate to the study from a short summary of the conducted literature review. However, some authors including Nordin and Agndal (2008) argue that there is a lack of theories concerning service procurement research, the remedies are to draw them outside the procurement. By considering that and the nature of exploratory research and the inductive approach, the further development of the theoretical concepts will be relying on information gathered from interviews and other sources of data.

2.2.1 Approaches for managing service procurement

The idea focusing on service procurement has been introduced in recent years. The first publication on the service procurement dates back in the 1960s (Wittreich 1966). In that sense, the idea of managing service procurement was not commonly practiced. The number has been started to grow significantly during the beginning of the 21st century (Nordin and Agndal 2008). Baily et al. (2015) argue that, these days firm outsourcing most of the services that are not core-core activities of their business so as they could concentrate closely on their main businesses and focusing on the specialist skills that give rise to the competitive advantage. Thus, the need for having an approach to manage Service sourcing is crucial.

Many scholars discussed the issues of service procurement approach in many, different ways. It is important to remember that services sourcing is the one among three types of procurement which include with others; goods and works (construction) procurement. These three types of procurement involving almost common procurement process and models are shown by many scholars such as(Baily et al. 2015, Bäckstrand et al. 2019 and, Van Weele 2009). In their books, Baily et al 2008 and 2015 provide a specific service procurement process (cycle) which included four processes of services procurement management approaches.

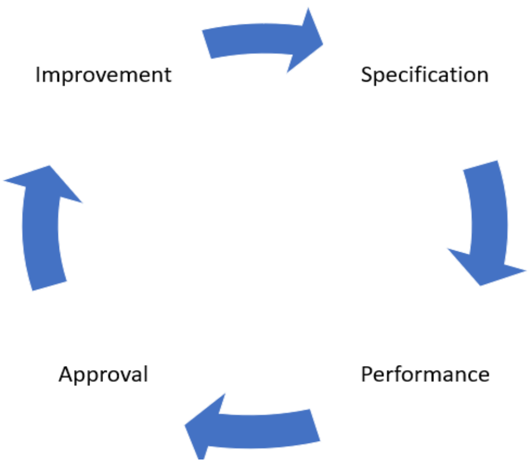

Figure 2. 3 Process of services procurement management approaches adopted from Baily et al. (2015)

Also, (Van der Valk and Rozemeijer 2009, and Van Weele 2009) formulated extended purchasing process that including four stages; specify (request for information and specification inputs from supplier), selecting service provider which include other process such tendering and evaluation, contract, and contract management. The contract management which is key success factor for successful of service procurement, includes order expediting and evaluating performance as it shown in Figure 2.4 of procurement process.

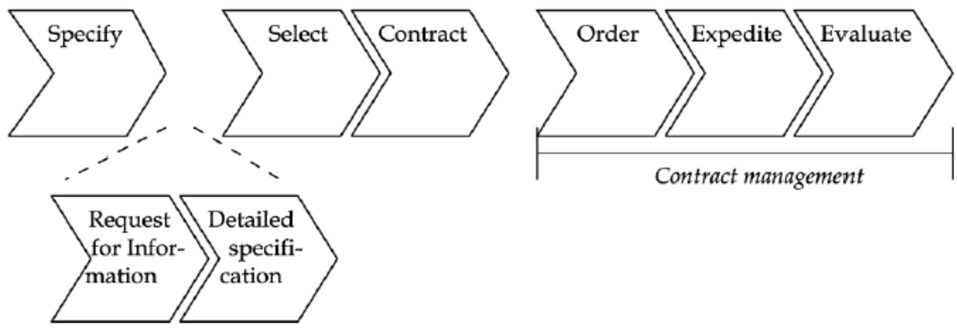

Figure 2. 4 Van der Valk and Rozemeijer's extended purchasing process adopted from Van der Valk and Rozemeijer (2009)

From service procurement processes and cycle, there are approaches inside although they have been mentioned as stages, for example, Holma et al. (2019) took the specification stage and considered it as pre-tendering services procurement approach for public procurement. In their explanations, they said that having better-defined specifications which involving buyer, the internal customer with the collaboration of provider (triadic setting) are important for public service procurement. Another investigation about the interactive process between buyer and service provider for various business services was done by Van der Valk (2008). Finally, he observed that to be successful in managing services procurement, companies should assess their interaction between provider during the specification stage as important as being able to specify and contract the desired service.

Managing services procurement contracts is another approach for handling service providers to deliver as specified requirements since it is a key success in purchasing service. Purchasing companies that had defined and designed their contracts with service providers experienced fewer problems during the contract period and become more satisfied with both processes of service delivered and the service delivered (Van der Valk and Rozemeijer 2009). On the other side managing service, procurement contract investigated depending on the degree of objectification of services varies on different stages of the procurement process (Lindberg and Nordin 2008). According to them, objectification means how buyers handle and work close with provider different aspects of the procurement process to ensure the right service delivered as is shown in Figure 2.5.

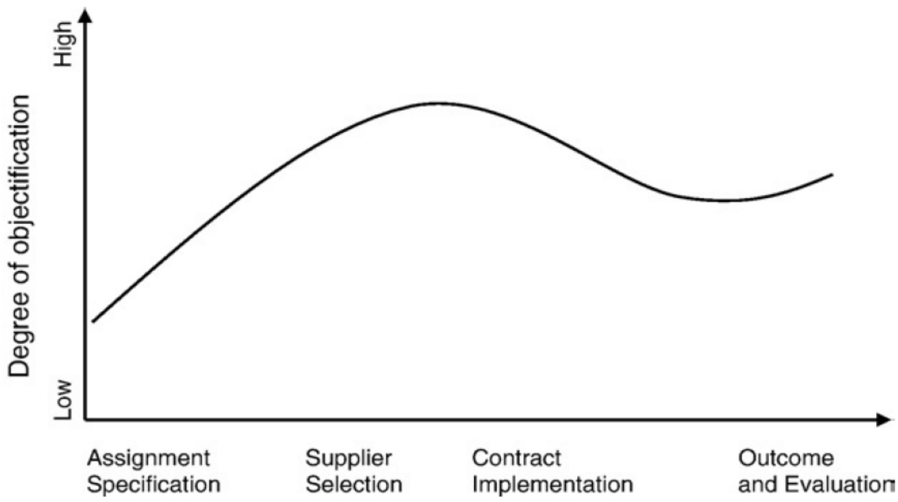

Figure 2. 5 the pattern changes for degree of objectification during procurement process adopted from Lindberg and Nordin (2008)

Apart from managing the contract Lindberg and Nordin (2008) also provided the other two essential service procurement approaches; a tendering method where the supplier can be identified and selected and the presence of procurement guidelines. Tendering process aiming taking advantage of market competition where competitive tendering conducted by inviting several potential suppliers, evaluating them through evaluation criteria before a decision has been made. In the public sector, the supplier can be selected by observing criteria which include quality, price, terms, delivery, and service, together with actual performance on previous orders (Baily et al. 2015).

On the other hand of procurement guidelines, as service procurement managing approach should be applied to govern the processes of service procurement so as to adjust fairness to the bidders and procurement officers behavior to generic corporate-wide procurement policies (Lindberg and Nordin 2008). In general, there are several approaches of managing the procurement of services as mentioned by many authors. This depending on the nature of the organization (public or private) but it was recommended that Buyer must put a lot of effort in the degree of objectifying services.

2.2.1.1 Approaches' outcomes to the procurement of services

Business service can have a positive or negative significant impact on the function of the organizations, since poor purchasing decisions can lead bad organization performance and, similarly, good purchasing decision can lead good business performance (Ribeiro Soriano

2001). The existence of effective procurement planning and approaches always have positive relationships within a procurement performance of any business (Willy and Njeru 2014).

The outcomes in the procurement of service can be measured in term of financial and non-financial terms (customer perception) and may be relevant at the business firm Nordin and Agndal (2008). For instance, good approaches in the acquisition of consultant service can have a significant impact on the performance of an organization (Schiele and McCue 2006). Service procurement has a higher volume of financial outcomes and characterized by higher buyer uncertainty and at the same time it becomes more expensive to switch to alternative supplier compare to non-service procurement (Wynstra, Rooks, and Snijders 2018). Dimitri (2013) evaluated consequences of successful procurement quantitively. In both private and public sectors and urged that, not only good price can be the measurement of procurement success but also, he provides multiple approach criteria which include quality as well as price. In that argument, Dimitri (2013) determined by saying that, procurement should deliver “the best value for money” (BVM), and the best value for money is evaluating by both monetary and non-monetary components.

Anane, Adoma, and Awuah (2019) In their study which had the aim to determine the effect of procurement policy, procurement planning and sustainable procurement on service delivery (as service procurement approaches) found that, having a procurement policy facilitating service delivery inefficiency manner and undisputed. Also, procurement planning in-service procurement results in successfully governmental operations and improve service delivery inefficiency and effective manner within a public organization sector. Similarly, sustainable procurement practice service delivery results in a positive image of service delivery in both the public and private sectors.

Baily et al. (2015) proposed an overview of how procurement managers can manage perceptions and satisfaction of their internal customers on service during the service process. They provide the model which combines the level of expectations, the zone of tolerance and the outcome of the service. The model will look at how expectations give way to perception on satisfying, dissatisfy or delight using the service process. The procurement managers/ departments should communicate with internal customers regularly to understand the effects of service delivery. Through the model procurement managers can use a control chart to identify customer’s expectations, to see what is acceptable, less acceptable and more acceptable. Through those dimensions, they can assess the impact of each stage of the services process.

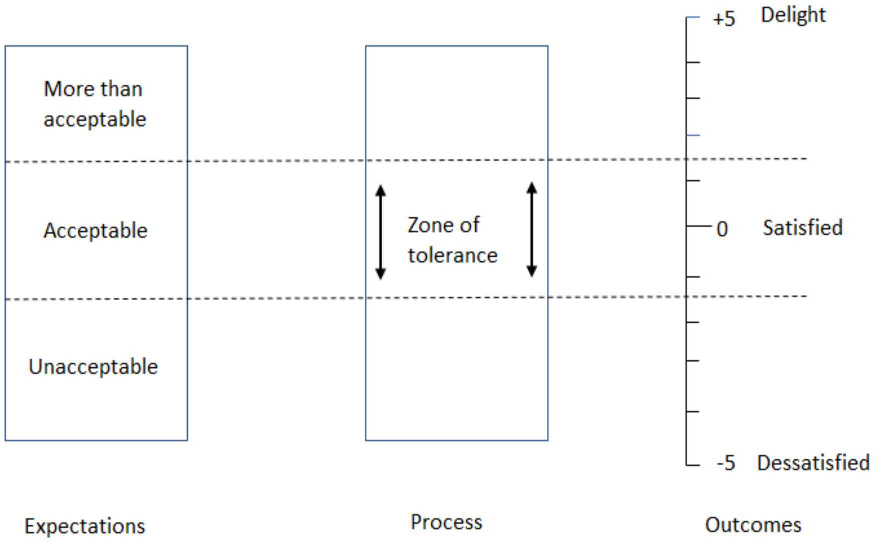

Figure 2. 6 Managing outcomes of the service procurement process adopted from Baily et al. (2015)

The procurement transaction outcome would, in general, depend upon the buyer preferences and potential supplier's performance in terms of technology (Dimitri 2013).

2.2.2 Difference between procurement of services and procurement of goods

The characteristics of service that have been mentioned by many scholars such as Lovelock (1983) which include intangible, heterogeneous, inseparable and perishable (IHIP) must be marketed differently from products. Following those characteristics, those scholars have argued that procurement of service is different from the procurement of goods (Axelsson and Wynstra 2002). The authors continued; according to two logics provided by Lindberg and Nordin (2008) imply that services and goods have different procurement behavior. Therefore, according to that exploration degree of objectification varies in different stages/steps of the procurement process for different kinds of services. The service-dominant logic suggests that the dominant principle approach is to have collaborated between buyer and seller (Lusch et al. 2006).

The study conducted by Wynstra, Rooks, and Snijders (2018) shows that executions of service procurement are different from the execution of the procurement of goods. In addition to that, some literature categorized the services procurement in four major group topics; firstly, specification setting where it becomes difficult for service procurement to set specifications for service due to the integrability and heterogeneity of service (Ellram, Tate, and Billington 2008). However, it may specify in term of input, processes, output, and outcomes (Axelsson and Wynstra 2002). Secondly, segmentation and classification of service: The idea originated from marketing research where marketer categorized services according to the customers. In recent research findings, supply chain management research also classified service based on the knowledge required in providing such services (consulting and non-consulting services) (van der Valk and Axelsson 2015).

Many studies on procurement of services focus only on a particular type (e.g. it can be consultancy or non-consultancy service) (Nordin and Agndal 2008, Wynstra, Rooks, and Snijders 2018). The Third group is related to servitization which is connecting with emphasis on service components as part of customer offering after buying a product (Spring and Araujo 2013). The concept is typically applied for organization market, sales, and processes. Also there is the clear implication to the procurement as well where servitization is one among the drivers behind the increasing share of service in buying organizations' total spend (Szász and Seer 2018). Lastly, service procurement related to the performance-based contracting which has similar characteristics with servitization where services are governed through contract forms that are incentive-based in outcome and output (Liinamaa et al. 2016).

Moreover, services characteristics explained by (Axelsson and Wynstra 2002, Wynstra, Rooks, and Snijders 2018), and Baily et al. (2015) provide several factors that differentiate services from tangible products. The following are some of those factors mentioned.

Impracticability of storage

Unlike a tangible product, the nature of service cannot be stored. This means that it should be provided at a time that is exactly needed. Neither possible for a supplier make them to stock and anticipating need arising, nor for the buyer to carry service inventories to protect against supply or demand fluctuation. Although, not all services are time-critical. For example, cleaning no matter too much whether the floor is cleaned on Sunday evening or

Monday morning, but it should be carefully planned and programmed to ensure they are provided at the right time and the right location.

Inspectability

When a supplier delivered the purchased goods or any tangible materials, the buyer can measure, weigh, test and inspect them in various ways to ensure that if they complied with the agreed specification. That is not or difficult to be applied to service, it is difficult to test the quality of services delivered. During specification, services can be specified in terms of confirmation by saying the consultant shall be on client premises until 3 p.m. on Friday and finished. Similarly, services can be specified by performance terms, for example at the end of training participants shall have the competency to operate specific machines or programs. In that scenario, therefore, a preliminary assessment will tend to focus more strongly on the service provider rather than the product delivered.

Provision

The provision of services requires the physical presence of a service provider or the employee. The consultancy services such as training, medical checking require the physical appearance of both consultants and trainees. Service like Gardening, cleaning or computer service installation, require the appropriate personnel to be on site. Although, other services such as insurance, banking, can be provided remotely. While the provision of goods from a supplier does not necessarily require the existence of a supplier, it requires only the goods to be in place as it agreed within a contract.

Resale

Unlike goods, the nature of service can allow resale purchasing and delivery. This is because it is consumed, once it is provided simultaneously. The relationship between the service provider and the user of the service is a direct one.

Variability

The variation in the quality of tangible products changes due to the brand and material used. It is difficult to find variability in the same brand and material to produce particular product (Bao, Bao, and Sheng 2011). The service produced by human beings and humans is individually unique. The issue of service standardization, homogeneity and repeatability became the challenge in service procurement. The provision of completely uniform quality services become impossible to even if from the same service provider sometimes (Baily et al. 2015).

2.2.3 Barriers facing effective service procurement

As previous studies have mentioned, executing and managing service procurement become more difficult than managing goods procurement (Vargo and Lusch 2004). The intangibility of service is one of the challenges for executing service procurements since service is not a physical object to be exchanged. This situation makes the process of defining specifications during contract formulation (ex-ante) become more difficult to verify that the supplier complied with requirements (ex-post). Alternatively, specification methods that can be used in service procurement in terms of inputs, outputs, processes, and outcomes (Axelsson and Wynstra 2002, Wynstra, Rooks, and Snijders 2018). Baily et al. (2015) list different but typical organizational requirements, arrange chronologically with items plainly "goods" at the top and clear services at the bottom. This shows the real picture of how organizations facing difficulties during specification setting and inspections when they are dealing with tangible and intangible products.

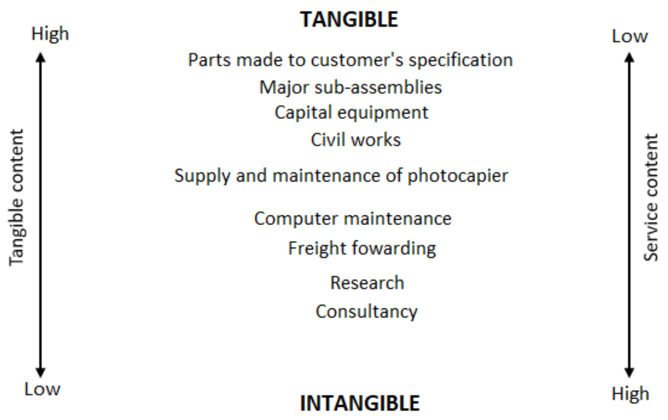

Figure 2. 7 the list of typical organizational requirements adopted from Baily et al. (2015)

The survey conducted by Van der Valk and Rozemeijer (2009) found three main challenges in the process of purchasing services; specifying the service, defining the specific content of a service level agreement and evaluating service provider performance. They confirmed that developing specifications to purchase service business is the most complex and time-consuming process and many purchasing organizations seem to be unwilling to conduct thoroughly this step of service procurement.

Connectively, the result of not putting efforts required, results difficult to determine the desired service levels and the specific content of the service level agreement (SLA) within a contract. The result of a lack of proper specifications and SLA to both parties (buyer and service provider) will lead difficulty in what to measure and how to measure the performance of suppliers (evaluating supplier performance). Fitzsimmons, Noh, and Thies (1998) stressed out that, the purchasing process for service businesses is more complexity, since, it has a different risk for the buyer regarding evaluating the service provider, specification setting, and evaluation of the service needed.

Some scholars including Van der Valk (2008) claim that there are specific difficulties for manufacturing organizations who have traditionally been goods-oriented. Key characteristics underlined these difficulties, is that (business/service provider and consumer) service are being produced and consumed in interactive processes between buyer and seller. In that sense manufacturing organizations must be aware that the business as a service business rather than a product business in which customer must be into the process of providing the solution. The researchers concluded that services are preferably exchanged in close buyer-supplier relationships where the trust between the buyer and seller is important (Åhlström and Nordin 2006).

2.2.4 Transaction cost theory

The transaction cost theory (TCT) which has been simply defined by Arrow (1969) as cost theory of running the system which including the cost of search, information, monitoring and enforcing contractual performance. The theory views governance in terms of designing mechanisms for supporting economic transaction (Weiß, Herfurth, and Schumacher 2011). The original version of this theory developed by Oliver Williamson in 1969 wherein 1985 he stated that *"the basic unit of analysis will tend to be organized by a structural organization like a government that can execute transactions in most efficiency"*. In that sense, efficiency is the result of matching transaction cost dimensions with appropriate governance structures in which decision-making rules are provided to guide managers in their choice of governance structures (Adler et al. 1998).

Weiß, Herfurth, and Schumacher (2011) proposed two dimensions of transaction costs which are transaction-specific investments and external and internal uncertainty. Moreover (Adler et al. 1998) specified three dimensions of transaction cost theory which are asset specificity, uncertainty, and contract incompleteness. Beginning with asset specificity in which the choice of governance structure is determined. According to Williamson, (1985), asset specificity refers to assets assigned to deal with the current contract only and it would result in significant excess capacity if the contract terminated permanently. Asset specificity has three types of variables which including physical, dedicated and human. Secondly, the uncertainty dimension which affects the parties' ability within a transaction to specify the range of possibilities. The dimension considers two kinds of uncertainty that will be technological where a change of technology will result in a change of the contract and environmental uncertainty where the choice of government structure should affect the contract type decision. Finally, incompleteness which has been recognized by Williamson and Riordan (1985) as central to transaction cost theory. Whereas this dimension deals with two contract types that judge contract to complete or incomplete. Firm Fixed Price (FFP) contract (the fewer number of design addition) the contract is complete and Cost-plus Fixed Fee (CPFF) contract should have the most design addition because the contracts are most incomplete (Albano et al. 2006).

Thus, the theory focuses on the costs of negotiating and enforcing the many agreements by which policymakers allocate the government's resources (budgets) whereby congress and the president promised to supply funds under specified condition, and the agencies agreed to spend much money in the way that has been agreed upon (Patashnik and M 1996, Weiß, Herfurth, and Schumacher 2011). The relevance of this theory to problem relates to the approach of managing service procurement where before contracting the negotiations are important. Also, the theory tries to attempt the issue of make or buy/outsource decisions which mostly used to calculate the cost of making or outsourcing the services. Therefore, the high level of uncertainty assets specificity and incompleteness of the contract may lead the firm to choose "make", similarly, the lower level of uncertainty assets specificity and incompleteness of the contract leads the company to outsource.

2.2.5 Relational contract theory

The theory of relational contracting was developed in the economy to explain the firm where the goods and services are producing in exchange for revenue. Whatever a firm decides to produce, be it a good or service in association with another firm, it must choose a relationship to govern those cooperation enterprises. This relationship called contract which governs between two separate firms (Lake 1999). Therefore, the discrete exchange proposed in a paper wrote by (Weiß, Herfurth, and Schumacher 2011), which is consistent with the underlying assumptions of neoclassical economic theory. Under this theory individual transactions are assumed to be independent of past and future relations between the contracting parties and constitute nothing more than the transfer of ownership to a product or service.

The relational contract theory existing to govern the direction of contract law. It is involving parties in the discrete transaction for short term duration with limited personal interactions and with the precise party measurements to measure objects of exchange such as money and some easily quantifiable goods. In that context, therefore, in pure discrete contract/transaction, there is nothing that can bind parties together or connect them with each or one another except full articulated planning for a single, mutual benefit exchange, that is a contract (Gudel 1998).

Contrary, due to relational contracting ideas to be developed a long time, the contract may include third parties. Under that circumstance, the supplier makes a long-time commitment to the dependent dealer in which less need for the supplier to exert pressure on the dealer decisions. Because dealer decision also depends on the buyer, as a result, both parties are sensitive to each other (Provan and Gassenheimer 1994). Mouzas and Blois (2008) urged that, the specific feature of the Relational contractual theory arise the function of contractual agreements and not from the fact of its relational.

Thus, the relevance of the rational contract theory to the problem is that it is emphasizing on a contractual relationship between buyer and service provider in purchasing of service business. Both parties expect to be benefited economically from the contract as result will increase business performance and meeting the organizational goal.

2.2.6 Unified service theory (UST)

The unified service theory was developed by (Sampson and Froehle 2006) stated that, the presence of customer inputs in the transformation process is a necessary and sufficient condition to define a production process as a service process. According to UST, service processes are distinguished from non-service processes by existence customer inputs and implications during the production process. The intangibility, heterogeneity, and perishability insisted by Boon-Itt, Wong, and Wong (2017) as characteristics of service where integrability makes Services Supply Chain Management unstable. Similarly, heterogeneity characteristic of services that, standardization for the service not easy because service providers cannot simply predict a set pattern, and even if, it will change from one service provider to another. Last but not least, perishability means the customer must be present to provide services because if service is not consumed when it is available, then no chance to be stocked for future use. Previous researches attempted to develop conceptual frameworks to design service system, but actually, theory and practices remain disconnected due to lack of a theoretical background that provides general principles to guide the design of service systems (Trinh and Kachitvichyanukul 2013)

The presence of customer inputs, therefore, is a necessary and sufficient condition to define production processes as a service process because some (non-service) production processes do not involve customer inputs. These processes behave differently, also should be managed differently than the service process least (Sampson and Froehle 2006). The authors proceed by saying that in the manufacturing group of customers might contribute the idea, how should be designed but their roles are limited to the selection and consumption of the outputs.

Therefore, (Wemmerlöv 1990) identified customer inputs in a services process into three types, which are the customer's self, his belonging, or other tangible objects and information. The theory connecting with managing service procurement in which buyer has the right to provide inputs during specification setting. Also, it's shown the picture that standardization of service delivered is still the challenge in service procurement. Finally, the UST shows that the perishability feature of service makes the impossibility to separate customer and service provider during the service provision process.

CHAPTER THREE

METHODOLOGY

3.0 Chapter Introduction

This chapter provides a broad picture of the choice of research methodology done in the whole process of this research. Kothari (2004) define research as a scientific and systematic process for investigating and searching for pertinent information on a specific topic. This scientific process consists of methods known as "methodology" which starting from enunciating the problem, formulating a hypothesis, collecting the data, analyzing the facts and reaching certain conclusion either in the form of solution(s) toward the specified problem or in certain generalization for some theoretical formulation.

According to Kothari (2004) there are differences between research methods and Methodology. The research methods mean all techniques that researchers use to perform research operations and they are into three groups; data collection techniques group, statistical techniques group, and accurate evaluation group. While research methodology is the systematic way of solving the research problem. It includes scientific and systematic steps that are generally adopted in studying the research problem along with the logic behind them. Therefore, the researchers needed not only to know the methods/techniques but also the methodology.

In order to build the research environment, one among the major research frameworks available for research methodology is "research onion" (Omotayo and Kulatunga 2015). Saunders et al (2019) presented an overview framework to guide research called research onion. Based on research onion designed by Saunders, Lewis, and Thornhill (2019) where the research onion has multiple layers in which every layer becoming more detailed from outside in.

Therefore, according to them, Research Onion means answering how the must be carried out using a clear methodology that needed to formulate good research. This study adopted seven layers on this onion because of the detailed structure that starting with "philosophies" at the outermost layer, progressing through "approaches", "strategies", "choices", and "time horizons", and with "techniques and procedures" at the center. However, the choice of research framework model depends on the researcher and the research objectives (Omotayo and Kulatunga 2015).

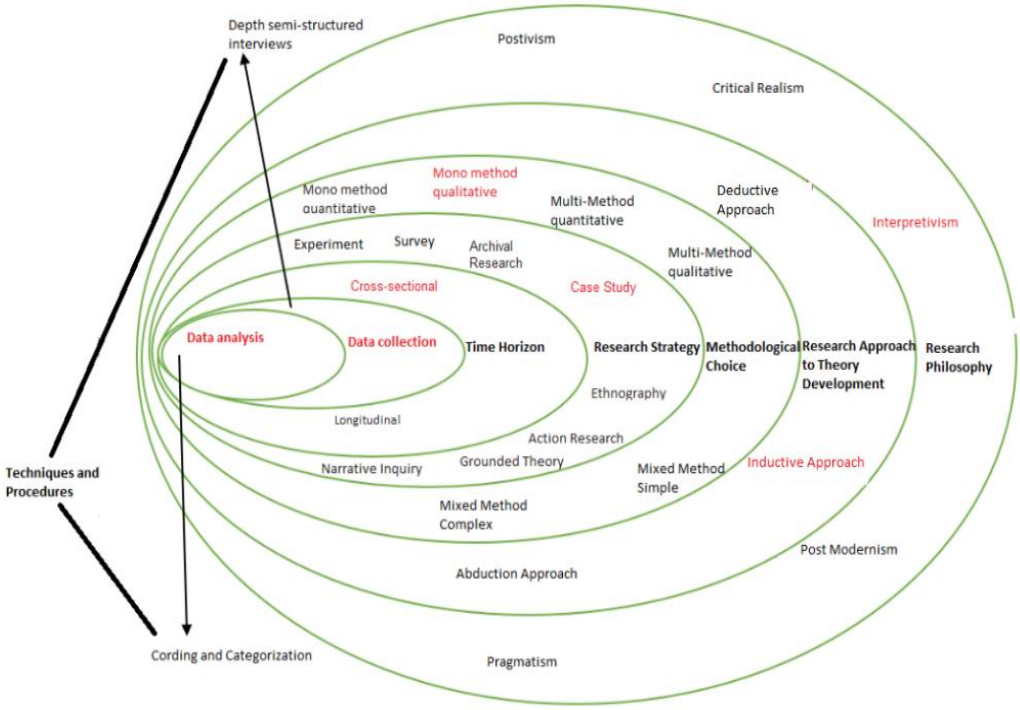

Figure 3. 1 The research onion adopted from Saunders, Lewis, and Thornhill (2019)

3.1 Research Philosophy

According to Saunders et al (2019) research philosophy is a system of beliefs and assumptions about how knowledge is developed in a particular field. This means that how should the problem be understood and addressed (Edirisingha 2012). The assumptions may include assumptions about realities someone encounters in his research (ontological assumptions) and this reality can be viewed within social phenomenon in some of the objectives and outside of the social phenomenon. The ontological assumptions shape how research objects can be seen and studied. Therefore, in business and management, the research objects including organizations, management, individuals' working lives, and organization events and artifacts. Those research objects can help the researchers to determine how to see business and management as result, he can choose what to research for his research objects (Omotayo and Kulatunga 2015, Saunders, Lewis, and Thornhill 2019).

Epistemological assumptions about human knowledge, what constitutes acceptable, valid and legitimate knowledge and how we can communicate knowledge to other (Saunders, Lewis, and Thornhill 2019). The Epistemology can be sometimes objective or subjective in such a way that objectivity reorganizes the outside world as hypothetical impartial, while subjectivity suggests that the outside world as in the realm of classifications from reflection (Eriksson and Kovalainen 2015).

The extent in the ways that someone owns values and ethics influences his/her research process called "axiological assumptions". The researchers face the key axiological choices to the extent that they want to view the impact of their values and beliefs in the research as a positive thing. Eventually, its need to be decided how to deal with both researcher's values and believe and those people they are researching to (Saunders, Lewis, and Thornhill 2019). The ontology and epistemology are philosophies connecting with business and management research projects as having been mentioned by (Saunders, Lewis, and Thornhill 2019). In that regard, it can be said that epistemology has two sides; positivism and interpretivism (Omotayo and Kulatunga 2015).

Realism, interpretivism, positivism, pragmatism and also other research philosophies are directly connected research process by many literature analysis including (Edirisingha 2012). The research philosophy regarded as the bedrock of any research. It guides the researcher to have right decisions about approach, strategy, data collection techniques as well as procedures on how the research questions should be answered and how to interpret the findings (Omotayo and Kulatunga 2015, Saunders, Lewis, and Thornhill 2019). Since this research based on business and management research, the interpretivism has been used, which also connected which have elements ontological and Epistemological assumptions as they have been mentioned by Saunders et al (2019). The research problem also can be solved using literature, procurement of services stakeholders' opinions and experiences (interviews) involved, the interpretivism adopted in this case.

3.1.1 Interpretivism

The idea of interpretivism emphasizes that humans are different from physical phenomena because they create meanings in which interpretivism study those meanings (Saunders, Lewis, and Thornhill 2019). Interpretivism considers every researcher who comes into the research environment with some knowledge or preunderstanding about the research problem. However, the interpretivists into research setting with some preunderstanding and plan, they made an attempt to get new information. The information has been gained through informants which include ideas, meaning, questions, data-collection techniques which have been cooperatively developed (Hudson and Ozanne 1988). For the purpose of this research and due to the human ability to adapt the approach of understanding is to use the human instrument.

3.2 Research Approach

This part concern about theory development within research projects. The research project involves the use of a theory that theory may or may not be made explicit in the design of research and the theory will be used in the presentation of the findings and conclusions (Saunders, Lewis, and Thornhill 2019). Three approaches are available for researchers; the deductive research approach where the conclusion will come to test the theory, inductive research approach where conclusion will come to build a theory Venable (2011). Abductive research approach on the other hand is when data is collected to generate new or to modify an existing theory that needs to be tested through additional data collection (Saunders, Lewis, and Thornhill 2019).

The inductive approach is based on interpretivism philosophy while the deductive approach is based more on positivism and views the research from a broader perspective to the main specific unit of investigation (Omotayo and Kulatunga 2015). Thus, for this research, the inductive approach used since it matches with interpretivism philosophy where the new theory can be provided as outcomes after data collection. Besides, Aspelund and Helland (2019) added that, the inductive approach allows the researcher to draw generalizable inferences based on the conducted interviews and the document analysis, and therefore, researchers may discover the relationships and findings.

3.3 Research method Choice

According to Saunders et al (2019) there are six methodologies to be chosen by the researcher in developing research which is mono-method qualitative, Mono-method quantitative, Multi-method quantitative, multi-method qualitative, mixed-method simple, and mixed-method complex. The research method choice also recognized by Creswell and Creswell (2009) as research designs. They mentioned three types of research designed;

qualitative, quantitative and mixed methods which can provide specific direction for procedures within a research. Yin (2009) define research design as "*logic that links the data to be collected (and the conclusion to be drawn) to the initial question of the study.*" Edmonds and Kennedy (2016) mentioned that, lack of proper conceptualization of a research design makes it difficult to apply an appropriate design that based research question(s). Consequently, failure to have appropriate research design leads to spurious, meaningless, or invalid results. Therefore, the research design provides a conceptual framework that allows the specific research questions to be answered while using sound principles of scientific inquiry that follow particular path (Edmonds and Kennedy 2016).

The nature of inquiry can determine which scientific method to followed and how can be interpreted from field to field and method to method (either qualitative, quantitative or mixed-method) (Creswell and Creswell 2009, Edmonds and Kennedy 2016). The choice of this research is qualitative where the aim is to discover the underlying motive and desire for understanding effective approaches that can be used in managing the procurement of services by using depth interviews Kothari (2004). Therefore, due to the nature of data collected in this research, the mono-method qualitative used since my willingness was to utilize a corresponding analysis and through a single data collection technique (interviews).

3.4 Research strategy

There are different research strategies that can be utilized within a research field depending on research aim and queries. Some of the research strategies that can be utilized including experimental Survey, case study, action research, grounded theory, ethnography, archival research, grounding theory, and narrative inquiry (Saunders, Lewis, and Thornhill 2019).

This research used a case study strategy, which is a strategic qualitative research methodology. It is used in the social science field to study organization, community, individual, or an incident (Noor 2008). This case study did not intend to study the whole organization process, but it focused only on how organizations manage service procurement. The case study is defined by Yin (2013) as *"an empirical inquiry that investigates a phenomenon· within its real-world context, when the boundaries between phenomena and context are not clearly evident, in which multiple data sources are used"*. Edmonds and Kennedy (2016) emphasized that, primarily the case study design using a qualitative method and it is suitable and rationale to answer "why" and "how" questions. The case study also has a unique strength that enables it to deal with a variety of evidence such as interviews, document, and observations (Yin 2009).

The case study research design includes single and multiple case studies. There are five rationales of applying a single case study; the criticality of the case that needs experiment, extreme or unique case, representative or typical case, revelatory case, and the long longitudinal case where the same case should be studied at two or more different point in time. Contrarily, multiple case study is where the study will need more than one case to study where *"a major insight is to consider multiple cases as one would consider multiple experiments, that is follow a replication design"* (Yin 2009). Due to the lack of rationale of choosing single case study made this study to choose multiple case study approach. Also, Eisenhardt (1989) shows the weakness of single case studies that, it is difficult to distinguish between important relationships and peculiarities of the specific by gathering evidence across cases.

3.5 Case selection

As mentioned in section 3.4, the multiple case study design is applied is this study. The selection of multiple cases allows this research to control environmental variation while focusing on large cases constrained variation due to size differences among the cases. Therefore, cases were chosen for theoretical reasons, not statistical reasons (Eisenhardt 1989). It had been mentioned that cases may be chosen randomly and it neither necessary nor even preferable to select cases randomly. Aspelund and Helland (2019) defined case selection as a method used to select which and how many cases to select in the research project. To select good cases in the small sample still is a big challenge. Thus, most of the studies seek to elucidate the features of the large population to select something larger itself even if the resulting generalization is issued in a tentative fashion (Seawright and Gerring 2008).

Therefore, six cases were selected where the sample selected from two main families of sample logic as it had been done by Aspelund and Helland (2019); random sampling and purposive sampling. Whereby a random sampling entails choosing cases in random selection with the population through the idea that randomness hinders bias in selecting the sample during the selection process. On the other side of purposive sampling that based on judgemental, selective, or selective sampling is non-probability sampling techniques. The purposive sampling has been used in this research which directs the decision to theoretical replications that helped to generate results.

To comply with replication design and theoretical reason for choosing multiple cases as mentioned by Yin (2009), replication logics formulated two families; Theoretical replication which related to the same issue being investigated. In several cases, the contrasting results are expected for predictable reasons. And, literal replication where one issue being investigated in several cases that expected to produce similar results. Thus, both replication logic can be generalized in one group, but in contrast manner. The decision and description regarding cases selection as shown in Figure 3.2 that formulated by Aspelund and Helland (2019) is applicable to this case study.

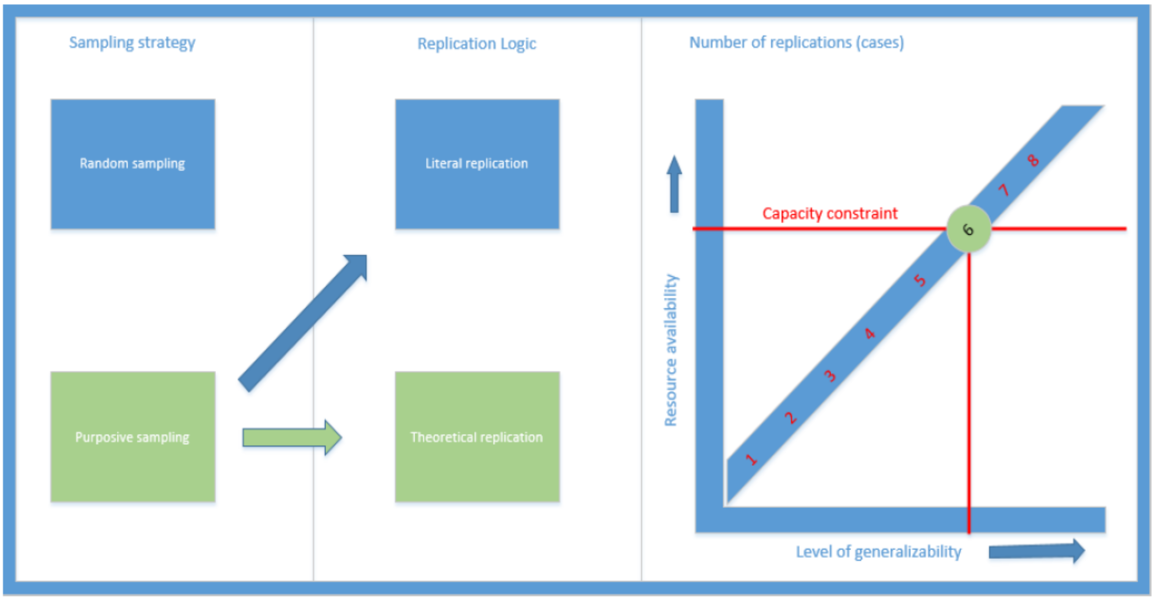

Figure 3. 2 Methodological decision regarding to the selection cases adopted from Aspelund and Helland (2019)

3.6 Case description

This section describes six cases from two different countries' locations, with different natures (service and manufacturing companies) and with different countries, representing the service and manufacturing sectors as well as private and public sectors. The names of all companies and organizations together with reference for companies' statistics have been changed and hidden in order to keep them anonymous. The purpose of this part is to help the reader to understand the cases and findings might be applicable beyond those setting (Alpi and Evans 2019).

3.6.1 Cad-TV

The Cad-TV is a private services provider company established in 1997, located in multiple Northern European countries. It provides pay-TV and internet services to more than 400,000 households in that region with 100 TV channels in Norway, the Nordic countries, Europe and the USA with an annual turnover of around € 0.22 million. The company providing customer services including payment information, troubleshooting, subscription, decoders, and their equipment, streaming, and customer questions and complaints. In 2016 the company was the first TV distributor to be launched on two big Smart TVs so as the company's customers can subscribe to large parts of TV in those platforms.

In that sense, to facilitate the company's operations therefore, the company procuring both goods and services from suppliers and services providers through established procurement approach (process). The goods including decoders and their equipment such as cables and software (applications) inside of decoder for enhancement channel functions. On the other side, the company procuring services which include marketing and sales (advertisements) services, financial services and reports, facility management, and consultancy.

3.6.2 Food-Brand AS

Food-Brand AS is a Norwegian, family-owned food brand and branded house that was established in 1885 in one of the big cities in Norway. The company producing and marketing several of the country's most well-known and common foods in seven product brand names from food-Brand AS' plants with 450 employees. Food-Brand AS produces 50,000 tonnes of food annually for Norwegian households and large kitchens. Therefore, the company main task is to produce healthy and good food for current and future generations. In addition to that, apart from serving the local market also, several company products are also exported to other markets such as Ice land, Brazil, and some Asian countries.

From that point of view, the company wants materials (such as vegetables, fat, oil, and other ingredients) from suppliers and services (facility management including serving food, reception, cleaning, and security) from service providers to facilitate operations and production. To acquire those materials and services, the company must conduct the procurement process so as to identify and select potential suppliers and service providers who can supply the required materials and serving required services through contractual agreements.

3.6.3 Pet-Gas-ASA

Pet-Gas-ASA is a worldwide wide public energy company running in developing oil, gas, wind, and solar energy in more than 30 countries. The company is one of the world's largest offshore operators and a growing force in renewables with more than 21,000 employees. The core function of the company including exploration, development, and production of oil and gas whereby around 2 million barrels of oil equivalent produces every day from over 42 fixed and floating offshore installation. The company processing and refining oil and natural gas where most of the products are exported to the external market in Europe, North America, and Asia. The company also operates subsea gas installations and the Liquefy Natural Gas (LNG) plant. Those offshore installations are possessed by the company and receiving operation services from 15 supply bases located in the coastal area around the country.

Similarly, currently, the company providing renewable power to 1 million European homes with renewable offshore wind from four offshore wind farms in two big Western European countries. In addition, there are also on-going projects which for now they are under development including Empire Wind (US), Baltyk (Poland), and Dogger Bank (UK), which will be the world’s largest offshore wind farms. Pet-Gas-ASA also is a partner in solar energy plants in Brazil and Argentina.

Due to multiple tasks and operations, the company decided to outsource most of its non-core activities/functions to subcontractors and suppliers. This is to say company procuring most of the equipment and services from outside suppliers and service providers through the established procurement process. Therefore, Pet-Gas-ASA procuring goods and services locally and internationally. Currently it has more than 9000 suppliers and service providers in which more than 40 percent of these procurements come from local suppliers and service providers. To manage that procurement effectively, the company applied its own approach and process to acquire potential suppliers and service providers.

3.6.4 Tapede Corporation

Tapede Corporation is a public oil owned company and the owner of all licenses for energy exploration and development in a developing country. The company was established through government Notice of 30th May 1969 while the company operations began in 1973. The Tapede Corporation currently has 400 manpower and it is organized into six directorate and four units; Directorate of Exploration, Development, and Production, Directorate of Oil and Gas Business, Directorate of Planning and Investment, Directorate of Finance and Administration, Directorate of Legal Services, and Directorate of Internal Audit. Also, the unites including information communication technology (ICT) and Statistics Unit, Procurement and Management Unit, Public Relation and Communication Unit, and Risk Management Unit.

According to the company objectives, it has the main roles which were defined by the government since July 2006. The roles including; carrying out standard activities of an oil company which including engaging in distribution and providing storage facilities of oil and gas and related services to other customers including private companies, promoting and monitoring the exploration, development, and production of oil and gas, managing the exploration and production data, marketing and selling natural gas under Production sharing agreements (PSA), undertaking the management of strategic fuel reserve, undertaking to trade in petroleum products, advising the government on petroleum-related issues and, ensuring the national supply of petroleum products with the quality and safety standards to protect people, properties and environment.

In order to perform those roles and function, the company needs goods and services locally and externally, that means including from supplier and services providers through the procurement process. Among the items (goods) including office items (such as computers furniture, pipes, drilling equipment, gas compressor and valves, fuel storage equipment, fuel including petroleum products for internal supply, etc. Likewise, Tapede Corporation procuring services from service providers which including information and communication services such as internet services, transportation, and distribution services, cleaning services, and catering services through established company's approach and process.

3.6.5 Tanbli Breweries Limited

Tanbli Breweries Limited is the oldest and largest brewing limited company in Tanzania. It is principally engaged in production, distribution, and sale of malt beer, non-alcoholic malt beverage, and alcoholic fruit beverage in Tanzania. It operates breweries in four Tanzanian regions with 10 depots throughout the country.

The company was founded in 1933 before independence, after independence was run by the government. Currently, it is running as a private company with a gross profit of USD 76.63

million, however, the government has its 4% share. The company sells its own products in 11 key brands. It also distributes international wines and spirits licenses of one among South African companies because has been subsidized with South African breweries company with more than 50% shares.

To improve production capacity and supply of raw materials the company invests a lot to support farmers to boost production of raw materials from local producers for beer, wine and spirits through procurement contracts as part of its integrated supply chain. The company acquires raw material from local producers, but the quality and quantity are not assured. This makes the company import 40% of raw material from South Africa to meet the demand. However, in the next 5 years, the company wants to improve its supply chain plan by having a strong relationship with local suppliers in order to find another source of raw materials for the production of spirits because imported raw materials are more expensive due to the tax and other logistics costs.

Currently, Tanbli Breweries Limited uses its own vehicles to distribute the products to and from markets through deports in almost all regions served by four plants. But in the future, the company planned to outsource (procure) the distribution services from third-party logistics providers through well-established logistics network. This will enable the company to concentrate on the company core activity of production in order to work efficiently.

Therefore, to facilitate production operations, the company needs both goods (including raw materials, vessels, chemicals, pallets, spare parts, office equipment such as computers, furniture, etc.) and services (including marketing and promotions, environmental assessment, financial services such as auditing, medical insurance service, logistics services such as transportation and clearing and forwarding services, etc.) from suppliers and service providers. To acquire suppliers to supply requirements and service providers to provide required services, the company uses procurement approaches and processes to acquire them.

3.6.6 Tanal Parks

Tanal Parks is a public parastatal corporation responsible to manage national parks in Tanzania in which all of its income is reinvested into the organization. It is a governmental organization where its governed by several instruments including the National Parks Act, Chapter 282 of 2002, and Wildlife Conservation Act No. 5 of 2009. Besides, as a government organization, the organization uses Government procurement Act No. 9 of 2011 and its Regulation No.48 of 2013 and Amendment of 2016 to comply with government procurement processes.

Tanal Parks has the mandate to conserve Wildlife within 17 National Parks with almost 15% of country land which is equivalent to 57,024 km2 approximately the land areas of Croatia. In that sense, the company maintains park facilities for tourists and conservation activities such as roads, Gates, Boundaries, Airstrips, vehicles, information systems such as animal tracking devices, fire management equipment in case the bush fire happen, insect side equipment for dangerous insect such as tsetse fly, office equipment, etc. On the side, security, insurance, and research consultancy services and architectural services are the most procured services by the company

Therefore, to manage and conserve all national Parks effectively, the company needs both goods (equipment) and services from suppliers and service providers through a governmental procurement process. The approaches to acquire both potential suppliers and services providers are used and needed by the company.

3.7 Time horizon

According Saunders et al (2019) there is a significant question of whether research is like “diary” or “snapshot”. Diary means the research is to be longitudinal and snapshot means cross-sectional. The longitudinal means something that can be studied in a different time with the same or different samples within-population where development and changes can be done at a different time frame (Edmonds and Kennedy 2016). The longitudinal cannot be applicable for this research because of the time limit. Therefore, this research applied a Cross-sectional time horizon where the time is not sufficient (six months) to apply a longitudinal time horizon.

The cross-sectional design allows collecting data at one point in time. The most common application of this design is to gather opinions or attitudes (through interview and survey) from one specific group (Edmonds and Kennedy 2016).

3.8 Data collection techniques and analysis procedures

This is one of the important parts of research where through data collection and analysis, the conclusion can be drawn. To deal with these two-part successfully scientific procedures of collecting and analysing data required to be followed.

3.8.1 Data collection

The tempting to assign qualitative data collection techniques to the interpretive world view, it is clear that many techniques can be and are used by this approach (Hudson and Ozanne 1988). In this study, two sources of data have been used, a primary and secondary source. The secondary data have been used to better understand the problem background, literature review, development of theory. The literature review has been written in this study based on secondary data collection in which books, journal article, library database, web sites, and internet sources. Then, the primary source of data conducted qualitatively by using interviews. However, collecting primary data may always consist of both times consuming and costly compared to collecting secondary data. Yin (2009) proposed that in order to have a high-quality case study it is important to use multiple sources of evidence not only to rely on the single source because multiple sources of evidence help a researcher to address a broader range of historical and behavior of the issue.

3.8.1.1 Interviews

The interview data collection method defined as a method of collecting data which involve the presentation of oral-verbal stimuli and reply in term of oral verbal responses. They can be conducted through personal interviews or/and if possible telephone or computer interviews (Kothari 2004). Yin (2009) mentioned that the interview is one most important data collection methods for a case study that guided conversations with structured or unstructured or semi-structured queries. Yin (2009) added that, the case study interviews must follow the good actual stream of questions. Thus, the case study interview operates two levels at the same time; satisfying the needs of line inquiry and asking actual questions in an unbiased manner.

Previously, it has been mentioned by Kothari (2004) the interview can be conducted through a personal interview method where interviewer and interviewee contact face-to-face where it can be direct or indirect contacts. Indirect contact means oral examination can be conducted with other persons who supposed to have knowledge about the research problem.

Thus, under this research problem both direct and indirect interviews have been used to collect data from three cases from Norway by researcher himself (direct) and by the person from Tanzania with knowledge about service procurement has been used (indirect). Due to the development of information technology "voice over the internet protocol" has been used through Skype to collect from three Norwegian cases. This method has been used because of many reasons, among the reasons; it is the cheapest method, faster, easiest to record without causing embarrassment to respondents, etc. The interviews were recorded by both researcher himself and a research assistant who collected data in Tanzania. The voice recorder was used during the interview because it was inconvenienced to take note and focusing at the same time.

The type of interview used in this study was combining elements of in-depth interviews and focus interviews whereby the respondents were asked about the facts matter and propose their own insights into certain occurrences. However, the interviews were taken in a short period of (maximum an hour) within a single setting, following a certain set of questions (semi-structured questions) derived from the case study (Yin 2009). In addition to that, the question structure type for interview guideline that has been used in this study was semi-structured interview questions. Apart from other types of the question structures (structured and unstructured interviews questions) mentioned by Kothari (2004). Kallio et al. (2016) explained the reason for the semi-structured interview to be used as data collocation method because it has been proved to be both versatile, flexible and it enables reciprocity between interviewer and respondents.

Both participants were given an appointment before and the information and details about data expected to be collected. The interview guides were sent to them in advance so as they can prepare themselves and planning the date and time that could be convenient to them. Therefore, the interviews were organized through different time and date as shown in the table below: -

Table 3. 1 Summary schedule and duration for interview

Case	**Region location**	**Date**	**Interview respondent**	**Duration of interview**
Cad-TV	Northern Europe	28th January	Procurement Manager	40 minutes
Food-Brand AS	Northern Europe	28th January	Procurement Officer	35 minutes
Tapede Corporation	Tanzania	7th February	Senior Procurement officer	65 minutes
Pet-Gas ASA	Northern Europe	11th February	Senior Procurement officer	65 minutes

Tanbli Breweries Limited	Tanzania	14th February	Senior procurement officer 1st grade	50 minutes
Tanal-Parks	Tanzania	17th February	Senior Procurement Officer	55 minutes

Source: Researcher 2020

3.8.1.2 Document review

Document review is one among three types of data collection method being utilized in qualitative case study research where others include interview and observation (Yazan 2015). There are a variety of documents mentioned by Yin (2009) that include administrative documents, progressive reports, formal studies, articles, and others that can be accessed through an internet search. Thus, they can play an important explicitly role in any data collection in doing a case study. Some researchers such as Aspelund and Helland (2019) used document review as complementary to other forms of qualitative research method that ensured triangulation. The purpose of triangulation is to ensure validity and corroboration impacts through multiple sources of evidence (Yazan 2015). Therefore, triangulation used as a supplement for interviews through document analysis.

Therefore, corroboration and supplement evidence to other sources is the most important use of document reviews (Yin 2009, p.103) where firstly, it can help to verify correct spelling and names of organizations that have been mentioned in the interviews. Second, document review can provide specific details to corroborate/verify information in other sources (interview). Thirdly, document review can help to make inferences by observing potential findings. Thus, from that perspective, this study has used document reviews in gathering and getting general and specific information to strengthen interview guidelines. The document like Procurement Acts and guidelines, articles, and companies' websites helped to expand knowledge on how to organize this study.

3.8.2 Data analysis procedures

Data analysis comprises examining, categorizing, tabulating, testing, sometimes recombining evidence to draw a conclusion. It is one among difficult part in research because there are no well-defined techniques of handling this part Yin (2009). The difference between analyzing quantitative and qualitative data is number through statistics and mathematics and meaning through conceptualization respectively (Dey 2003). For the data to be useful, they need to be analyzed and understood. The nature of the data collected in this study were qualitative data through interviews and little document reviews. Thus, all of these data are non-numeric. As it has been said by Yin (2009) there are no well-defined techniques to analyze qualitative data, therefore, audio recorded were needed to transcribed carefully to avoid spelling errors.

This study used data analyses techniques and procedures used by Aspelund and Helland (2019) in their case study where after transcribed the audio recorded, different answers from transcriptions discussed and agreed upon different meanings of the data and to find every interesting point highlighted. Thereafter, different available data and notes combined based on cases and code each case together in relation to the research questions. After that the table created for each research question, the answer from each respondent summarized. Lastly, after all, cases have been coded, the analysis had been aggregated into themes and presenting them.

3.9 Validity and reliability

The concepts of validity and reliability were first postulated in natural and then borrowed by quantitative research in social science (Yazan 2015). The concepts understood differently between research scholars Merriam (1998) for example cognizant it almost impossible to apply the concept of validity and reliability into the qualitative study because the study been generated in positivistic tradition. The validity and reliability is a significant test that ensures reliability or repeatability (trustworthiness) of the results (Golafshani 2003). Merriam (1998) therefore, concluded that implementation positivistic notions into qualitative research is not possible, however, she provided techniques in qualitative research use so as to enhance validity and reliability.

On the side, Yin (2009) proposed that, the case study designs have to maximize the quality through four critical conditions related to design quality; the case studies need to guarantee to construct validity (through triangulation of multiple sources of evidence, chain of evidence and member checking. Both are performed during data collection phases and composition), internal validity (through the use of established analytical techniques such as pattern matching, explanation building, addressing explanations, address rival explanations and using logic model both are performed during data analysis phase), external validity (using replication logic in multiple-case studies during research design), and reliability (through case study protocol and case study database). Each paradigm has judged the issue of validity and reliability according to its paradigm terms with the same function. The quantitative (positivists) side the concepts known as validity and reliability while in qualitative paradigms (interpretivism) the terms credibility, Neutrality or confirmability, Consistency or Dependability and Applicability or Transferability are criteria for measure quality (Lincoln and Guba 1985, Riege 2003). These two paradigm views as mentioned by Yin (2009), Riege (2003) and Lincoln and Guba (1985) summarized in Table 3.2.

Table 3. 2 Measure of research quality in the quantitative (positivist view) and qualitative (interpretivist view) research

Positivist	Interpretivist
Construct validity	Neutrality/confirmability
Internal validity	Credibility
External validity	Applicability/Transferability
Reliability	Consistency/dependability

Source: Researcher (2020)

Therefore, Golafshani (2003) continued to insist that, the concepts of validity and reliability are viewed differently by qualitative researches where the concepts are defined inadequately in quantitative terms. Thus, validity and reliability are the two factors in which any qualitative research should concern about while designing the study, analysing the results, and when the quality of the study is judged. In this research, these concepts are considered as methods and technique to ensure quality based on an edited framework (Table 3.3) presented in this qualitative research report adopted from Riege (2003).

3.9.1 Construct Validity

The constructive validity is an initial concept, notion, question or hypotheses that are used to determine which data to be collected and how should it to be gathered (Braun and Wainer 1988). According to Yin (2009) there are three tactics available to increase construct validity when doing case study research; the use of multiple sources of evidence in the manner that encouraging convergent lines of inquiry and this happening during the data collection phase. Where in this case study the uses of multiple sources of evidence were considered in which interviews and documents were used.

Another tactic is establishing a chain of evidence which means the research should follow a logical path, that allows the reader to insight into the way the research was conducted Ellram (1996). Also allows the supply of sufficient citation and cross-check of a particular source of evidence (Riege 2003). The tactic performed during the data collection phase. The last tactic according to Yin (2009) is reviewing of draft of the case study report by key informants (research supervisor of this study). This performed during the research design phase, that is, allowing key informant(s) and assistant(s) review interview transcripts, part of data analysis and a draft of a final report outlining the findings and if necessary, changing some unclear aspects.

In addition, qualitative researchers such as Lincoln and Guba (1985) introduced confirmability audit during the data collection and data analysis where the raw data, findings, interpretations, and recommendations are examined. Then, the next stage in the auditing process is for the auditor to judge whether the inferences based on data are logical during the data phase as well as checking the quality of the finding and interpretation. This quality check idea same applied as construct validity presented by (Golafshani 2003, Riege 2003, Yin 2009) but mostly based on qualitative research as it has been mentioned by (Lincoln and Guba 1985).

3.9.2 Internal Validity

The concept internal validity discussed into two points in case study point of view (Yin 2009). The first point concerning explanatory case studies where the investigator tries to explain the relationship between variables and how these variables can be affected by one another. In that sense, this logic cannot be applicable descriptive or exploratory studies (whether are case studies, surveys, or experiments) which are not concerned with this kind of casual situation.

The second concern over internal validity for case study research is concerning on the problem of making inferences. This is because an event cannot be directly observed therefore, it needs some inference (explanation) every time. The observer/investigator has to explain the results of some earlier occurrence based on interview and documentary evidence collected as part of a case study. Therefore, the internal validity of the inference has to be measured by putting into consideration the correctness of the inference, consideration of all rival explanations and possibilities, convergent of the evidence, and airtight appearance. These measures are considered during the research design of this study.

Several techniques can be used to address internal validity; the tactics including cross-case pattern matching during data analysis, the uses of illustrations and diagrams to assist explanation in the data analysis phase, cross/checking of results during data analysis, the uses of a logic model, and doing explanation building during data analysis (Ellram 1996, Yin 2009).

Similarly, internal validity in qualitative studies known as credibility as mentioned by Riege (2003) used in this study. Including; the uses of triangulation techniques such as multiple sources of evidence during data collection and analysis for the purpose of increasing credibility. Used self-monitoring as techniques to increase the credibility of the study during data collection and analysis by carrying out the inquiry in such a way that ensures credibility. In addition to that Merriam (1998) adding that, the credibility can also be achieved by taking into account assumptions, worldviews, and being theoretical oriented whereby this has been applied in this case study during the research design phase.

The triangulation may include multiple methods for data collection and analysis but, it does not suggest a fixed method for all researches. The methods can choose triangulation to test the validity and reliability of the study depending on the research criterion. The reliability and validity has been conceptualized as "trustworthiness", rigor and quality in the qualitative paradigm (Golafshani 2003).

3.9.3 External Validity

The deals with the problem of knowing whether the findings of the study are generalized beyond immediate case study (Yin 2009). It shows how accurate the results presented the phenomena studied and establishing generalizability of results. But, the major criticism of the case studies is the lack of generalizability of the results because single case studies offer a poor basis for generalizing (Ellram 1996). Alternatively, such critics are implicitly contrasting the situation to survey research study in which a sample intended to generalize a large universe (Yin 2009).

In this part of the validity test also, there are some techniques used in this study which including; Firstly, "theory of replication logic" (theoretical replication) which is common in multiple case studies for the purpose of doing multiple experiments during the research design phase. Secondly, achieving reasonable analytical generalizations rather than statistical generalization by defining the scope and boundaries during the research design phase. Thirdly, "evidence comparison" during the research designed with existing literature which resulted clearly outlined and generalized that literature within the scope and boundaries of the research (Yin 2009).

On the other hand, qualitative techniques for corresponding to external validity is establishing transferability (Yin 2009) whereby this study used specific procedures for coding and analysis such as symbol, signs, and others during data analysis which ensured transferability.

3.9.4 Reliability

This is another important instrument to test research where it measures the reliability of the study whereby the study should provide the same results. That means the measuring instrument is reliable if it provides the consistent results though the results are not valid (Kothari 2004). According to him, reliability is not valuable than validity and it easier to assess reliability in comparison validity. Therefore, the reliability means the demonstration that operations and procedures such as interview techniques of the research inquiry can be followed and repeated by other research and provide the similar findings (Riege 2003).

The reliability in this study considered by giving full account theories and ideas for each phase of this research. The same-structured interview has been used as it proposed by Yin (2009) during the data collection phase. The case study protocol also used during research design and this has been achieved by conducting pilot study testing, the way of questioning and the question's structure. The uses of mechanical data recording where the interviews were recorded through mobile phone and Skype recorder during data collection Yin (2009).

The corresponding technique test validity used in a qualitative case study known as Dependability where the purpose of this test is to show an indication of stability and consistency in the process of inquiry. The dependability has been achieved in this study by safeguarding against research's theoretical position and biases (Hirschman 1986).

Table 3. 3 Study's validity and reliability measures and tests adopted from (Riege 2003)

Measurable areas	Study undertaken decision		Phase to be undertaken
Construct validity	**Yes**	**No**	
Uses of multiple sources of evidence	√		Data collection
Establish chain of evidence	√		Data collection
Have key informant review draft case study report		x	Research design phase
Confirmability audit (examine the data, findings, interpretation and recommendation)	√		Data collection and data analysis phases
Internal validity	**Yes**	**No**	
Use of cross-case pattern matching	√		Data analysis
Use of graphs and diagrams in the analysis phase	√		Data analysis
Cross-checking results	√		Data analysis
Triangulation (Sources, investigation, and methods)	√		Data collection and Data analysis
Uses of self-monitoring	√		Data collection and Data analysis
Doing explanation building	√		Data analysis
Using logic models	√		Data analysis
External validity	**Yes**	**No**	
Literal replication		x	Research design
Theoretical replication	√		Research design
Definition of scope and boundaries	√		Research design
Compare evidence with existing literature	√		Data analysis
Use replication logic in multiple case studies	√		Research design
Uses of theory in single case studies		x	Research design
Reliability	**Yes**	**No**	
Uses of case study protocol	√		Research design
Mechanical data recording	√		Data collection
Use multiple researchers	√		Data collection
Dependability Audit (examine and document the process of inquiry)		x	Research design
Clarify researcher's theoretical position and biases	√		Research design
Using pilots' studies		x	Research design
Use semi-structure study protocol	√		Data collection
Give full account of theories and ideas	√		Research design

CHAPTER FOUR

FINDING AND ANALYSIS

4.0 Chapter Introduction

After collecting and transcribing data from the six cases, the analysis was conducted using an open coding process where the data have been broken down, conceptualized, and finally categorized the analysis. The categorization was based on research questions iteratively to compare and contrast the codes by using three methods that are using to code qualitative data manually. The coding methods including; firstly, theming the Data in which a word or an extended-phrase or sentence that identifies what unit of data is about/or what it means. Secondly, “In vivo” in which the words or short phrases from participant’s language were used as codes. Lastly, process coding which also labelled as “action coding” which human action which can be strategic, routine, or random which occurs in particular sequences for the purpose of reaching a particular goal or handling a problem (Saldaña 2013). Although the analysis of the qualitative case study evidence is difficult and there are no well-defined techniques. To overcome this circumstance, this study decided to follow general analytical strategy by defining priority for what to analyse with a logical reason to do so as it has been shown by Yin (2009)

The categorization was done by putting into consideration research questions and objectives in which four major categories were found based on the procurement approach/process to keep focusing on the main research objective/question. To have a systematic arrangement within categories, the procurement model (Figure 4.1) adapted from (Van der Valk and Rozemeijer 2009, Van Weele 2009) that shows procurement activities/functions used whereby the approaches of managing each activity were considered. Below are the results of the analysis of the data this research organized by each research question. For each research, question themes were reported with the evidence from the data collected through interviews.

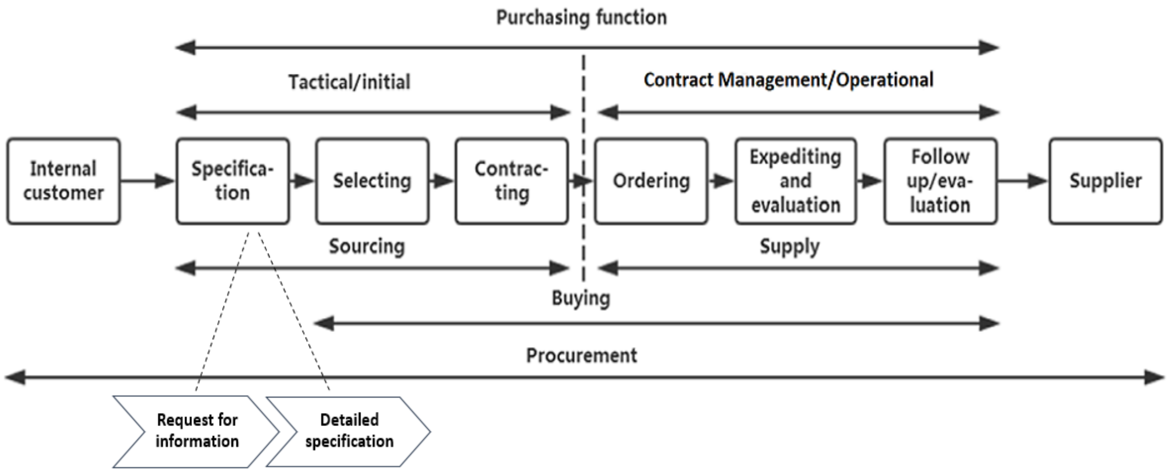

Figure 4. 1 Procurement process model with concepts and activities that are considered in some categories adopted from (Van der Valk and Rozemeijer 2009, Van Weele 2009)

4.1 Result of the study

The results of the study are presented by looking at the research questions to ensure that the problem is clearly addressed in this study. Therefore, the results are grouped into four categories in which one of them is comprised of additional results that were unexpected as summarized in Figure 4.2 below.

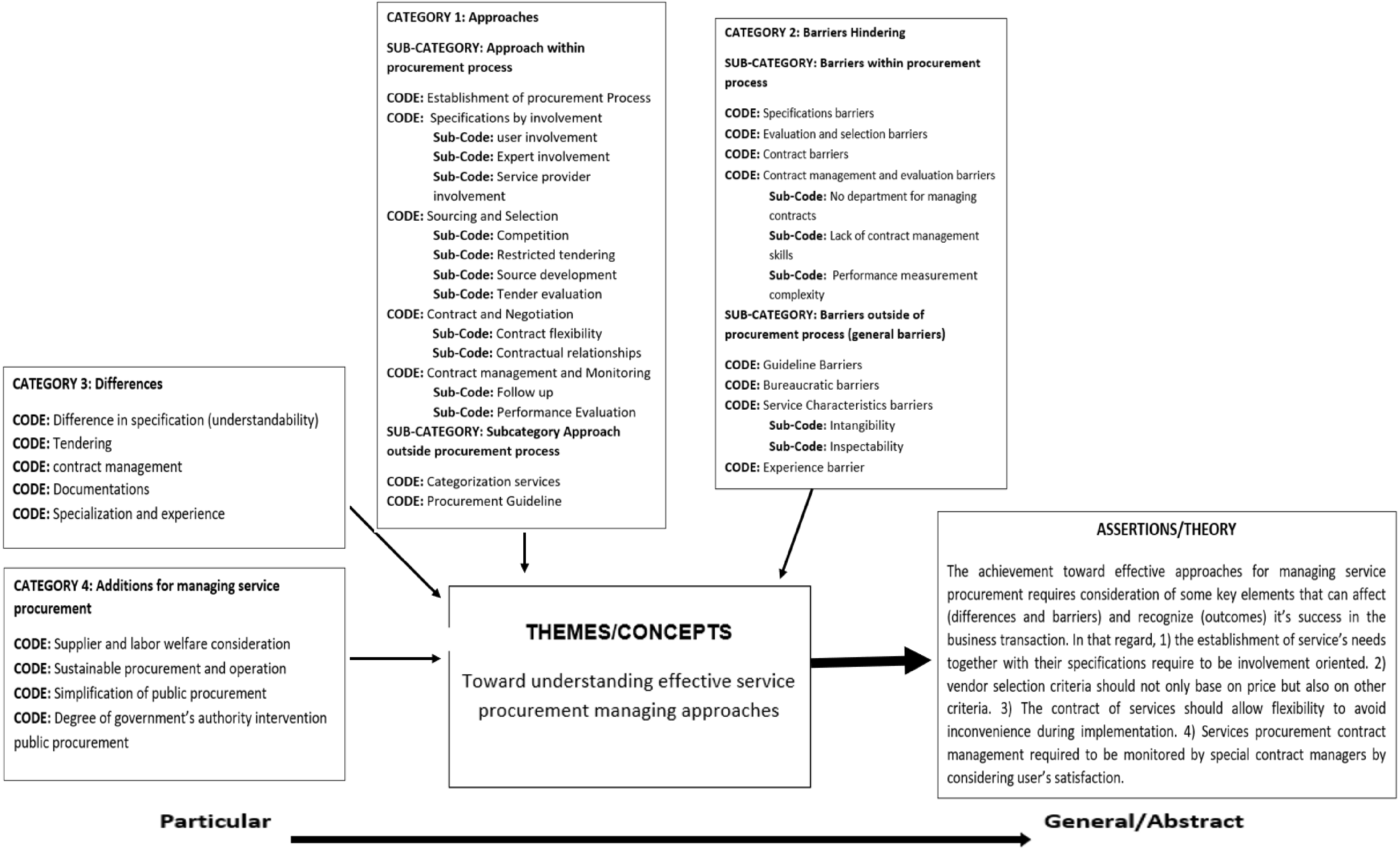

Figure 4. 2 A summary streamlined codes-to-theory model for qualitative inquiry (Researcher 2020)

4.1.1 How do procurement managers approach procurement of services?

The results under this research question came from two sectors (public and private sectors) regardless of the sourcing country where procurement approaches were found to be the same in both two sectors. However, there are some approaches were found in one sector but not in another sector. Besides, the explanations of service procurement managing approaches under this section divided into two groups; approaches within the procurement process and approaches outside of the procurement process in the public and private sector respectively.

4.1.1.1 Approaches within procurement process/activities

Established procurement process

In conducting procurement of services in public and some matured private organizations there are predefined steps that any services procurement in such organizations must pass through. No matter which kind of service procurement organization wants to conduct; whether strategic procurements or operational procurements. The procurement steps/process mostly are the same for both procurement of services and procurement of the goods. However, what is done inside, and the terminologies used are different, But the main blocks are the same. Most of the time those processes are stipulated by the procurement guidelines and Acts to insist on their potentiality in public procurement effectively. The senior procurement manager of Pet-Gas-ASA explained:

"…the procurement process will depend on whether strategic procurement or operational procurement… and we do not have a different process or approach to procurement. In fact, we have the same process we do not split them and it exactly the same process"

Also, another Senior procurement officer (Tanal-Parks) pins the point by explaining that:

"As a public Procurement Entity, we follow the same procurement process as stipulated in section 3 of public procurement act 2011 as amended in 2016. The process includes four phases namely; description of requirements, invitation, and selection of suppliers/services providers, preparation and award of contract, and lastly contract management."

"…to be precise, the typical procurement process we follow in our organization involves the following stage; planning, specification or Terms of Reference (ToR) identification, identify the list of potential bidders, Invitation and opening of tender, evaluation of bids,

notification of awards, signing of contract, commencement of contract and evaluation of contract performance"

Definition of service Specifications

The analysis for specifications (description of requirements) included several approaches to manage this stage of service procurement. The results showed that defining services specification is the most technical and difficult task that requires careful consideration and mutual understanding between both party's buyer's side and provider's side to ensure service delivered as it was expected. Among the approaches found that are used to manage effective service specification definition is involvement (collaboration) of both users, buyer service provider and if necessary technical expert can be from an internal organization or hired from external to help client's organization to define service specifications. The user department is involved to define what exactly needed, to describe how service should be delivered and scope of work that including number personnel needed through the document known as the statement of the requirement that needed to be submitted to the procurement department for clarification if necessary. The main objective of this section is to make a service provider deliver the services according to what has been described and attached in the statement of requirements. Therefore, when the service provider delivered the services as per specifications, the user will be satisfied through better quality. To quote Senior procurement manager at Tapede Corporation:

"...service users are directly involved in the process. This is simply because they are involved in the preparation of requirements specifications: users are the one who prepares statements of requirement and submits the document to procurement management unity (PMU). The PMU review the document and make some correction between the requirements if any…"

Also, sometimes it may happen the service to be procured is complicated. Therefore, the definition of the requirements needs collaboration from other departments within the organization also, sometimes need expert team as Tanal-Parks senior procurement manager explained about defining service requirements:

"This is an interdepartmental activity. To be precise, the user department, technical staff, and procurement unit sit together to define both technical and financial requirements of the services"

Also, it has found, user and technical experts may over or underspecify the service requirements. Therefore, the service provider is involved in adjustments on pre-defined specifications. Pet-Gas-ASA Procurement manager said:

"…then you send the scope to the suppliers and give them the possibility to have clarification meeting"

Sometimes, the definition of specification applies a specific approach to facilitate the definition process and avoid ambiguously. The approach including a performance approach. The Food-Brand AS procurement officer said:

"We define specification with performance base because since we were moving in new the offices building which we have not been having before, so we didn't know what exactly we need…"

On the other side, some new private companies use vendor involvement to share experience and knowing multiple alternative solutions on an existing problem. The Food-Brand AS's procurement officer explained:

"…we were satisfied with how we ran things, how we worked with the vendors because it was a collaboration, they helped us define our solution since didn't do that before, and we couldn't define specification in place. So that approach of vendor involvement was quite beneficial for our company. And then what was also interested was to see different solutions from different vendors. So, that was positive, and we were really happy with outcomes for that process"

Apart from getting the best quality service, stakeholder's involvement is to create close relationships with the vendor. This enables the vendor to understand exactly what is needed and challenge the company's competitor. The Cad-TV service procurement manager explained:

"…internal customers which are the user department within an organization can have a need or they have seen something they want to change or there is new vender they want to challenge or also the needs can come from procurement I can do some spend analysis or some vender base analysis…. Or even needs identification can come from vendors who make prepositions. So, is not definitely one part of the organization decided what to do. But it comes from both ways…"

Sourcing and Selection of the provider

The approach of getting potential service providers in public sectors is by using the tendering process whereby the service providers are invited to submit their offers/bids. The process involving (mostly depend on the budget and nature of service) competitive tendering. Whereby the service providers are invited through advertisement to compete for the opportunity to win the business by the means of transparency. The idea behind for Public Entity (PE) to force service providers competition is to get value for money. Tanal-Parks senior procurement manager clarified:

"…public PE we use a competitive tendering approach that maximizes competition, transparency and helps to achieve value for money for the services procured. However, the specific method employed will depend on the procurement value/amount…"

It may happen sometimes the competition is very low, as a result, it creates some elements of monopoly and reducing competition. Therefore, to avoid this situation the public entities decide to improve and develop young suppliers by giving them material or moral supports to improve competition and to avoid a monopoly situation. The senior procurement manager of Pet-Gas-ASA clarified:

"…we are doing supplier improvement and development by enhancing small suppliers to competitive if it is monopoly situation in some of the categories."

After service providers have been invited and submitted their offers, the next step to be undertaken is to identify the preferred tenderer to provide a required service. This is known as tender evaluation which has two-stage; preliminary evaluation and details evaluation. The service provider would not only select by assessing low price consideration but also by assessing other criteria. Therefore, among criteria that have been mentioned to be assessed including price, relevant experience, past performance, technical skills, resource availability, compliance with the requirements set out in the invitation to tender, management skills and systems, etc. Tanal-Parks senior procurement manager clarified:

"The service provider will be selected based on technical, functional and financial qualifications. That is to say, the service provider with the best experience in the same area, financial capability, labor experience (academic qualifications and experience) and the most expected outcomes/deliverables."

On other the side, unlike public procurement, most private organizations want to maximize profit and to reduce costs. Therefore, the private organizations sourcing their supplier and service providers through the means of acquiring a better service provider with the best possible minimum cost without regarding much on competition and transparency principles. Among the tendering approach used by a private organization to manage service procurement is restricted tendering. Under this tendering few available providers are shortlisted and inviting them for further process as the Cad-TV service procurement manager explained it.

"…we do not advertise the tender we have a list of tenderers with specializations, and we know agency in the city and vendor websites get information. Then we know who to be shortlisted and to be reduced from the information we have. Then from the remaining one, we take them to proceed on the completion process"

Also, a restricted tendering approach uses another feature called Negotiation tendering with some element of competition among invited tenderers. Usually, under this tendering approach the listed service providers are invited and to explain to them the current problem which needs service and how to solve it. Therefore, the best provider who provides the best solution will be selected as it was explained by Food-Brand AS procurement officer:

"We did apply to tender. And the tendering approach that we were used was negotiation tendering…. So, it was a negation approach for building the solution together and not direct tendering because direct tendering is knowing exactly what you want and how the service should be delivered. At that situation were in the situation where we need help to put the whole thing together"

In addition, due to the development of information technology some private companies move forward to apply the technological opportunity by using digital platforms such as the "Ariba" sourcing system to get potential service providers. The system allows the clients to upload requirements and therefore, potential service providers can bid with a specified time before the deadline. The Tanbli Breweries Limited procurement manager narrated:

"We always use E-Auction, "ARIBA". Through this approach, the user always sends the specifications to the procurement department, where the procurement department usually sends the link to the vendor through such a system. The system will be open for the time specified in the link the will be closed on the closing date"

After service providers have been invited and submitting their offers, the next step is to evaluate them so as the winner can be awarded the contract for providing the service. There are criteria for selecting suppliers and service providers which are differed from one organization to another organization depending on the nature of the organization. Therefore, there are no standard criteria to be used for all private organizations. Thus, every organization has its priorities on criteria to look on. Some of the criteria including price and payment terms consideration, location of the provider, experience to work with before, location, technology, legality, etc. The Cad-TV and the Tanbli Breweries Limited procurement managers explained it on what to consider selecting provider respectively:

"…so, at the beginning you start to look at the size, are they working with any of our competitors, were they working with us before, price consideration, are they located in all Nordic countries since we are Nordic company. The list is a little bit longer."

"…during preliminary evaluation service providers are first filtrated to determine the eligibility and the understanding of the statement of requirement, Experience of the service providers, financial capability, technical capability, reputation…"

Contract with negotiation

The preliminary and detailed evaluation produce qualified service providers who will rank based on score marks. The winner will be awarded the contract to provide the required service. These procedures are somehow the same in public and private organizations. But before carrying out the task, the terms and conditions must be discussed between client and services provider. The discussion is known as negotiation because it is defining the mutual understandings between the buyer and seller of the service. The main things that are considered as a reference to governing negotiation under this part are specifications which is known as Terms of Reference (ToR) which include all variables on how service must be delivered, service level agreements, how contract evaluation will be conducted, payment terms and alike. This was clarified by the Tanal-Parks senior procurement manager and Tanbli Breweries Limited procurement managers as follow:

"…I would like to say that most of the service contract to consider is terms of reference (ToR). The ToR includes all the deliverables the service provider is required to achieve and payment and activity schedule"

"If the service providers get through this step are now going on the detailed evaluation where the price is the major aspect to determine the winner. The winner will be subjected to the negation for negotiation"

Negotiation on the other side provides an opportunity for the parties of the contract to have a flexible contract because in modern economy flexibility is an essential attribute for a successful business. Flexibility in service procurement becomes an important strategy because it's enabled easy adaptation on any circumstance which may affect the procurement process to delay. Thus, procurement flexibility is a tool to counter and handle service procurement risks, uncertainties and it provides an opportunity for extending the existing contract if the parts want to do so. There is no need to rerun the tendering process which might result in time consumption and cost. Therefore, negotiation extension of the contract is possible. The Cad-TV and the Food-Brand AS procurement officer explained *respectively:*

"…we have to be flexible with time frame sometimes because the thing can take longer than expectations…"

"Most of the time suppliers fulfill those KPI but also there are terms and conditions we had to discuss on the element and sometimes they come back to have renegotiation on the price or other term for adjustment to have a win-win situation."

However, contract flexibility mostly practiced in private organizations and some well-advanced public organizations where regulations and Acts allow them to do so. Pet-gas-ASA procurement officer explained:

"Another approach we are using or establishing a contract framework agreement with a supplier for three, four years with the possibility to extend the contract period from available category according to demand. Then each time you need to buy you just call off the contract. And the good thing here we have already negotiated price; the only issue is to define the scope for such frame agreement."

The results of procurement contract negotiation and the existence of flexibility also create trust between two parts as a result of a good and long-term relationship. The long-term relationship in that sense depending on two sides in which provider/supplier performance will result in buyer to trust the supplier. The main implications of buyer and supplier working together for a very long time it creates the environment that vender can have the ability to master the problem situation with a better solution. Overall, it may affect positively the whole procurement process where the provider can be involved during specification phase, the selection process, terms and conditions of the contract can be easily understandable. Last but not the list because of trusting, less effort of managing supplier performance (contract management) required. The Tanbli Breweries Limited procurement managers clarified:

"We have a recent approach known as, service provider's relationship management approach. The main advantage of such approach, it creates a relationship environment with vendors, also it enables to study and observe your need so he can serve the best of your need"

The issue of trust also explained by The Food-Brand AS's procurement officer as follow:

"…we ask the provider to provide us a contract because we had no experience in service procurement and we may miss some relevant important thing for service delivery. So, it was continence to ask the vendor to provide us a contract, then we were deep diving in that contract either what should be changed or adjust in that contract"

Contract management and monitoring

To ensure the contract is implemented and service is delivered accordingly, the specific strategies to monitor service provider must be established include contract management strategy. For all public and private organizations that have been categorized their services into groups to manage them effectively, they are monitoring their suppliers and service providers by two strategies putting consideration value and complexity of the service. The strategies including category strategy and contract implementation strategy with each segment in a particular category. In addition to that, the contract manager must be appointed by procurement department for each service to inspect rendered on a weekly or monthly bases. Then, to prepare a report which will be discussed during the evaluation meeting with the service provider. Pet-Gas-ASA and Tanal-Parks senior procurement manager explained respectively:

"We are monitoring suppliers through strategies. And these strategies, there is the highest one we call it category strategy and contract implementation strategy in a certain segment within a category…. …this performed by a special team called contract responsible team

and company representative from the procurement department also include in the meeting. …we have a supplier who has more than one contract within different categories"

"As a public PE we supposed to appoint the contract manager for each service we procure to comply with the public procurement requirements…, …the contract manager of each contract usually inspects the services rendered weekly or monthly and reports to our department. We also, conduct a monthly meeting with the service provider. This helps us to understand whether the terms and conditions of the contract specified in the ToR are followed/complied by the service provider"

On the other side, private organizations also decided to categorize contacts into groups with a similar nature. And from each contract category, there is a plan and schedule to follow up vendor performance accordingly depending on procurement complexity and cost. From there it becomes easier for the contract manager to manage and to evaluate the performance of each category contract as the Cad-TV service procurement manager explained it:

"…we have a plan to follow up the vendors during the contract period at that time we do an evaluation of our expectations and again coming back to marketing services, so we have an evaluation meeting every six months which look like contract itself…"

Several methods and techniques are used to evaluate vendor performance which includes conducting a survey, setting KPIs for each service, having a service level agreement, etc. Normally, those methods the client agreed before during the negotiation phase with the provider. The Cad-TV service procurement manager continuous to explain:

"We have performance evaluation which conducted through a survey which goes to the user's department to see how they rate the vender performance. And this survey is agreed beforehand with the vender, so they know what is inside.

… we have these service level agreements where these should be done like that. Then we evaluate if the supplier delivers according to the service level agreement, we agreed on so its contract and follow-ups. And these service level agreements, we regard them as KPI to evaluate suppliers"

4.1.1.2 Approaches apart from procurement process/activities

Categorization of multiple service into subcategories

The multiple services purchased by a huge organization like Pet-Gas-ASA which outsources most of its non-core function activities, but they have a relation with core function. The services including mobile rig services, exploration services, logistics services (transportation such as a helicopter, delivery services), research and technology services, well-drilling services, well intervention (cleaning) services, maintenance and modification services, subsea installation services, etc. To manage needs and quality services, the company uses contracts divided into two; strategic and operational contracts together with other strategies. One of the strategies used by such a company is to aggregate the services into categories, whereby there are seventeen groups of services. Each group has multiple services with a similar nature. It happens that one service provider can have more than one service contract into different categories or within the same category. Therefore, it is the company's responsibility to ensure proper management of those contracts. The senior procurement manager of Pet-Gas-ASA articulated:

"And if you want to know the number, they are seventeen groups as I have mentioned, and they have been grouped into categories. In each category, we have something called a category strategy. …the needs always are grouping into different categories, then we establish a category strategy, from category strategy you also establish a contract strategy. With contract strategy, it says how you are going to follow up suppliers, how often you are going to meet those suppliers"

Similarly, private companies categorized their service procurement requirement into groups. Where in each group there are specific strategies from source selection to follow up the vender performance as Cad-TV service procurement manager explained:

"Also, we have different categories of services like marketing services, sales services, finance support, facility management, and consultancy. … it starts from identifying the needs, identify the potential, creating sourcing strategy, getting approval for strategy, running the sourcing process to find supplier, getting the results, define the negotiation strategies, running the negotiation, signing contracts, implementing the contracts, hand over and then follow up and maintain supplier relationship."

Procurement guideline

The procurement guideline provides essential information and step by step procedures on how procurement should be conducted. The document intended to guide procurement officials on the required way to conduct procurement activities and its processes. The document also defines the rights and obligations of the purchaser and contractor of goods or services.

In public procurement, this document is known as the procurement Act or regulations that public procurement officials have to follow and to use it as procurement guidelines. Most of these guidelines are prepared by the government authorities to facilitate and manage any kind of procurement including service procurement. The Tanal-Parks senior procurement manager explained:

"…as a government Institution we use public procurement Act 2011, public procurement regulations 2013 and its amendments of 2016 to manage our procurement. We also use standard guidelines prepared by the Public Procurement Regulatory Authority (PPRA). PPRA has a mandate to prepare standard guidelines for all public PEs as stipulated in public procurement act 2011 amended in 2016"

Also, Card-TV service procurement manager shows the evidence that private organizations follow specific guidelines in their procurements as follow:

"Yeah, we have our sourcing process which is an internal sourcing process which we use in different procurement processes around the organization because Cad-TV we are using an umbrella which defines sourcing process…"

4.1.2 Which barriers hinder the execution of effective approaches service procurement to managed effectively?

The results under this research question, barriers categorized into two perspectives; barriers within the procurement process and barrier outside of the procurement process. However, within these categories of barrier came from the combination of private and public sectors regardless of the countries since the barriers are both common.

4.1.2.1 Barriers within procurement process

Specifications barriers

Once the user department has identified the needs, the next is defining specifications where most of the time the specification process has to be done with collaboration from other departments. But sometimes it becomes difficult within some big company which performed centralized procurement to understand exactly what users from other brunches need. This is because, during the definition of the requirements, the procurement department and the user department do not work together so as to have a mutual understanding of what is needed. The senior procurement manager of Pet-Gas-ASA explained:

"The challenge when you are working in a big company the challenge is to understand exactly what your internal customers' needs and can we translate these requirements into a contract."

Therefore, when the departments work separately even for the small organization it becomes difficult to understand requirements and defining the scope of work, as a result, it consumes much time to understand which detail to put in a contract. The food-brand procurement officer continued to explain.

"…in Food-brand AS we had a challenge which was defining the specifications because things were done in a different department and managed by different persons in an organization. Also, identifying the real cost of those different things because it was running into the departments of all kinds of things. So, the main challenge for us was defining what we need, how many hours we need to complete the work, how many workers needed to serve on those requirements…"

Evaluation and selection barriers

Among the objectives of procurement is to acquire the right quality of goods or services at a reasonable cost. One of the ways of reducing procurement cost is aggregating the requirements. In that sense, getting one service provider who can perform the entire category of the requirements is the most challenging task during source selection and evaluation. As a result, the client decides to get multiple service providers to perform a single group of requirements. Eventually, it may result in high costs by managing each service provider separately. The food-brand procurement officer continued to explain.

"…having total vendors who had a total solution and deliver different aspects of facility management. Also, a combination of different services to be procured put them together different pieces of that parcel of services to have a complete picture which can be presented to facility providers as a package that was our challenges."

Contract barriers

The client company required to know about procurement contracts and negotiation. One of the techniques of having a good contract and negotiation skills is knowing what exactly the users require. Understanding user requirements need the departments (user and procurement departments) to work together to have a mutual understanding of the requirements. That will help in formulating the best terms and conditions of the contract. But otherwise, it may result in difficulties to create the best terms and conditions for the procurement contract. Pet-Gas-ASA procurement explained.

"…the challenge is to understand exactly what your internal customers' needs and can we translate these requirements into a contract. And that is normal because the more the big company is difficult to create the best terms and conditions of the contract that can be implemented directly in the operations.

Sometimes you create term and condition that can create value, but you may miss something, or you may add unnecessary terms and conditions that will be difficult to operationalize…"

Contract management and evaluation barriers

Receiving expected as well as quality services most of the time resulted from good contract management. The contract manager can be appointed internally or can be hired externally to supervise and evaluate the performance of the service provider. Most of the organizations prefer internal contract manager (contract management department) to build a strong relationship with the service provider. However, to introduce a special department to deal with service procurement contracts is negated instead of organization deciding to enter into another contract of hiring contract manager. The Senior procurement manager at Tapede Corporation quoted said.

"…the main problem is most of the public institutions in Tanzania, simply because we do not have contract management and supervision department to monitor the service progress. What we do instead is during the management meetings issues related to the service providers have risen and minutes noted down for the next meeting…"

Failure of having an internal department to manage the procurement of service contract or to appoint someone to do so, the users themselves have to monitor supplier performance by indicating the level of satisfaction. This was explained by the Senior procurement manager at Tapede Corporation.

"The difficulties are on the mention of the KPI as well as monitoring of service provider. Eventually, user departments are responsible for the monitoring of the service provider's performance"

When the contract management duties handed over to the user department, also sometimes result in another problem understanding of how to evaluate service providers. Understanding the concept of service level agreement is not the only problem to the user department but also even sometimes to some procurement officials. When the Tapede Corporation senior procurement officer was asked about the applicability of service level agreement replied that:

"…service level agreement? What is that? I think that document is mostly used in consultancy service"

Also, the issue of measuring provider's performance is another barrier toward the effective approach of managing the procurement of service. A client can have service level agreements and KPIs, but in some service, it is difficult to apply them due to the nature of the service itself. The services like promotion and advertisement become difficult to measure by looking at its outcome. Tanbli Breweries Limited procurement managers explained as follow:

"For me measuring performance through outcome is difficult. For example, if we have procured a marketing and promotion vendor, and imagine he creates different adverts then how can we be sure the customers will respond to that adverts. So, Evaluation of performance its very challenge in the procurement of services"

4.1.2.2 General/overall barriers

Guideline barrier

Having procurement guidelines is one of the approaches to managing service procurement. However, most of the guidelines do not specify what should be done and what should not be included in the procurement process. The situation makes the procurement official to create alternative ways of handling service procurement challenges with the collaboration of other departments. This makes service procurement to be somehow informal. It was explained to Pet-gas-ASA procurement officer as follow:

"*… but anywhere you go to work, the working process cannot tell you exactly what to do and what you should not. Only tell you which activity to be done in the procurement process, in which sequence and by who, without specifying in detail how you are going to do those activities. Therefore, you are only depending on the cooperation and common understanding with others across the procurement process."*

Bureaucratic barriers

Following procurement guidelines is one of the approaches of managing procurement effectively in which several organizations adopt such an approach. In most cases, this approach sometimes considered a barrier when it is implemented due to its bureaucratic procedures, especially in public sectors. The bureaucratic procedures such as tendering process, multiple formulated procurement boards (tender board, evaluation committee, Accounting officer, user department and procurement department) and approving procedures to be followed are the barriers. The objectives of those procedures are to ensure the Public procurement Principle (Transparency, integrity, economy, openness, fairness, competition and accountability) are achieved but lead to the increasing of procurement costs and time-consuming. Sometimes also it becomes difficult to implement some immediate service procurement needs because the guideline does not allow to procure any requirement that is not in annual procurement planning and not emergence requirement. The Tanal-Parks senior procurement manager was quoted:

"*…the approach is too bureaucratic thus; it is time-consuming which involves high transaction costs. That's why it has been very difficult for most of the procurement experts to comply with the approach."*

Also, the senior procurement manager of Pet-Gas-ASA as public procurement office explained:

"If the requirements are similar among the available contract, we are just call up the corresponding vendor to provide those requirements. If it new contract we have to check the value of requirements if it exceeds more than 3 million Kroner it must have competition at least three vendors must compete through the tendering process. And should be

approved we have something called procurement hierarchy to approve the whole procurement process to ensure public procurement principles are considered"

Service Characteristics barrier

Service characteristics including intangibility and inspectability are the main barriers that affect the effectiveness of the service procurement approaches. The main approaches that affected by these two characteristics are specifications and evaluation through inspecting the performance done by a service provider. Setting specifications for something intangible becomes very difficult and the setting most base on the outcomes. The Cad-TV service procurement manager clarified:

"…it little bit tricky because it is not a tangible thing. Again, there is this part of tangibility, so, you have to do all this work before which is you have to have a specification which you will come to test it at the end. But in service, although you have a specification, you cannot inspect it if they are complying with your specifications until you get a reaction from the user satisfaction."

Once the service has been delivered, it is required to be measured by evaluating the supplier performance. But to evaluate and measure provider performance is so tricky most of the time it depends on the user's reaction whether satisfied or dissatisfied with the service. If some consultancy services, it will depend on how the service works. The Pet-gas-ASA procurement officer express:

"But in service, it is difficult to evaluate/inspect it, but it will be depended on the satisfaction of the receiver of that services. and also, how receivers are satisfied with service providers"

Therefore, he concluded by saying:

"Intangibility and inspection as I mentioned before is the most factors that hinder the management of the service"

Experience barrier

The managing of service procurement needs the skills and experience of its stakeholders. For new organization or organization which did not practice service procurement before face with a lot of difficulties. Some of those difficulties including defining specifications for requirements, time-consuming to run the tendering process by inviting suppliers, and even contract management is also a problem. As a result, the organization would depend much on supplier support who is, on the other hand, can be more biased. The situation was explained by Food-Brand AS's procurement officer as follow:

"Because we had no experience in service procurement, it took us some time before were got a complete picture before we go out running the tendering/sourcing process.

...so, we didn't know what exactly we need. At what time exactly the cleaning personnel should come, how many times exactly the floor and corridors should be cleaned. So basically, it was, as saying we need certain services within a certain amount of time. And then going to the vendors presenting the structure of new building offices and then they gave us feedback about their time window on how they can perform a job."

4.1.3 How do the approaches for procurement of services differ from approaches for procurement of goods?

While the findings of this study suggesting that organizations should follow the same stages in the procurement of goods and services, the difference is on how they conduct activities within those stages.

Understandability of requirements (specification)

Understandability of the requirements between goods and services are different. One department can sit by themselves and formulate what is wanted without involving any other departments or stakeholders because specifying goods is a straightforward process. Eventually, getting exactly they requested. Preparing requirements with only one department in-service procurement is difficult and somehow impossible. It requires collaboration between stakeholders especially users and service providers because they are the ones who will work together during service delivery. Those services which are difficult to separate users from the provider during service delivery are the most difficult such as training and other physical contact services. The Pet-gas-ASA procurement officer explained:

"If it was materials it is more clear on what you need. But because it is service t is more about cooperation between us and the supplier. We make them clear we need, the kind of

services within this scope, so what is your capacity so as it can help our demand to be satisfied accordingly"

Sometimes, to avoid wrong delivery, procurement of goods has several alternatives to specific requirements including the uses of a sample. In that sense, the risk of acquiring the wrong order is minimized. Sample cannot be applied for the service procurement as it was explained by Cad-TV service procurement manager:

"…if it could be physical product again there is the same risk but at least you can have a sample to test or compare. But for a service, you do have this opportunity to compare with your procedures mixing if it will work"

He finally concluded that:

"*So, I would say the procurement of the goods somehow is straight forward compared with service procurement which little bit intangible. It is a little bit difficult to manage compared to the procurement of good"*

Tendering

Tendering and other procurement approaches between the procurement of goods and procurement of service are a little bit the same. There is no big difference. But it shows that the procurement of services is more intensive to manage especial consultancy services even if both involve the same amount of budget. The Tanal-Parks senior procurement manager explained:

"There is no big difference in the approaches. However, the only difference is the tendering period, procurement amount, methods, technical and complexity of the services or goods. And, if these goods/ services fall under framework agreement…. However, when I procure architectural services the selection and evaluation process will be more intensive compared to that of the computer even if they both have the same procurement value/amount"

Contract management

The issue of evaluation of the performance of the supplier is more subjective sometimes. It is challenging to follow up on the service provider especially when the contract manager depends on user satisfaction as measurement because sometimes it is affected by user-provider perception and relationships. The users will evaluate suppliers positively if they have positive relationships sometimes. Otherwise, the evaluation can negative even if the service was perfect. Thus, personal influence can lead to difficulty during the evaluation of service while this situation cannot happen for physical product procurement because of everything clear and measured. The Pet-gas-ASA procurement officer confirmed:

"…it is very difficult to follow up on services because you cannot understand and can be influenced by the users and provider perceptions. But this is difficult to find it in goods. Thus, personal influence can lead to difficult toward the evaluation of the quality of service."

Documentations

Once the needs have been identified, the user department sometimes with collaboration from other departments starting to describe requirements. For the goods, there is a special document called specification document while for the services it depends. If it is a non-consultancy service, the requirements will be described on the document called the statement of requirements and for consultancy service the document known as terms of reference. Different names but both documents serve the same function to describe what is needed. Tapede Corporation's senior procurement officer described:

"…the only difference is on documents for example goods are identified through specification document but for services id through the statement of requirement for non-consultancy services and term of references for consultancy services"

Specialization and experience

Many organizations practice much procurement of goods compare to the procurement of the services business. The number of procurements of physical goods procured by organizations is much higher compared to the procurement of services. This situation makes procurement professionals specialize and have much experience. On the side of services, procurement seems to be lost much attention by procurement practitioners. The Food-Brand AS's procurement officer clarified:

"Yeah there are differences to approach procurement of good and procurement of service because the procurement of goods was really really well implemented. We knew it because

it was in our fingers (routine activity) but then the procurement of services we didn't formalize procurement strategies set up…, so, it required a lot of work compare to the procurement of goods which we have been doing for year and years"

4.1.4 1.1.1 Additional results

The study found additional results in which the researcher did not expect to find. The above-analyzed findings were derived based on research questions that were carefully installed in an interview guide to accomplishing research objectives. But, during the data collection, there was unexpected important information (results) found which have an impact on this study.

Supplier and labor welfare consideration

One of the best service procurements is the one that considers the win-win situation. Both parties should be benefited from procurement. Neither client nor supplier should be harmed from procurement. The objective of procurement does not result in negative impacts on client organization or to the supplier side. The client should monitor suppliers according to capacity and agreements without causing any damage. On the other side, the supplier has to deliver the service with quality and trust as it was agreed upon. The Pet-Gas ASA senior procurement manager clarified:

"We do not want to serve our interest without put consideration to our suppliers. Maybe the worst thing that can be happened they can bankrupt because we are squeezing supplier to serve our interest."

On the side, vendor's good working environment is essential for employee health, operational safety, and employee engagement. Also, the client should make sure that the vendor does not harm its employees, provide high-quality medical care, and ensure the health is an integral part of the contract. In other words, it is not only about the mechanism to protect workers against operational hazards and injury but also about the scourge of stress, overwork, and presenteeism. The evidence when Pet-Gas ASA senior procurement manager explained it:

"There is no tolerance for personnel injury which means you have to put consideration healthy of your personnel. If we found that one of our suppliers injured personnel during

delivery, then we call him, evaluating try to understand why that has happened if the scenario caused by supplier negligence, we can stop the contract"

Sustainable procurement and operation

The adoption and integration of social responsibility into the procurement process and decision are important while ensuring to meet the company's requirements and stakeholder's requirements. It is to integrate service requirements, specifications, and criteria that are compatible with the protection of the environment and the society at large. The companies are developing strategies and policies for sustainable procurement for the need of the future through the reduction of energy consumption and waste reduction while keeping organizational performance. Client companies encourage service providers and suppliers to keep sustainable services to protect company reputation, taking sustainability procurement seriously and to avoid weakness that would bring scandals and bad publicity. Therefore, apart from the criteria that service providers needed to comply with the issue of sustainability is essential. The Pet-Gas ASA senior procurement manager explained:

"Well when you started looking for suppliers that are qualified and we have the set of qualifications with regard to HSC, price, supplier previous performance, also it can be efficiency, sustainability including CO2 efficiency"

The data show that the issue of environmental protection is not seriously considered in some countries. However, in Tanzania public procurement the issue has been only mentioned in Procurement Regulation as pre-qualification criteria for the vendor, but it does not give any emphasis as necessary criteria in Public Procurement Act. In that regard, the stainability issue not only in Tanzanian public procurement but also in private procurement is not seriously implemented.

Simplification of public procurement

The public procurement is governed by Acts and Regulations which describe in detail the permitted activities and procedures to be followed regarding the purchase goods or services. The procurement officers and stakeholders have no room to execute the procurement process by manipulating Acts and regulations because doing so is against the law and they will be legal responsible. Every step is clearly defined what to be done. The Tanal-Parks' senior procurement manager explained:

"…What I can say, the public procurement process is oversimplified…. We follow the approach specified in the public procurement act 2011, public procurement regulations 2013 and its amendment of 2016."

Degree of government's authority intervention public procurement

Public procurement is regulating by several governmental authorities to ensure the basic principles of public procurement are considered. Public procurement principles are the main foundation for public procurement and normally they have been addressed public procurement rules. They govern public procurement and they acting as a set of frameworks for code of conduct for public procurement practitioners and other all officials whether direct or indirect. Therefore, to govern and to make sure those principles are followed, there are some governmental bodies that have the mandate to supervise them. In some countries, Public Entities (PEs) are not allowed to introduce any regulation or guideline internally so as to avoid misconduct.

"…the government should allow all public PEs to establish internal standard guidelines which will be in compliance with public procurement act and regulations. Similarly, the tendering period in each phase should be minimized. The very bad side is that the government lacks procurement policy."

4.2 Summary of the results

This chapter presented the finding and analysis of the study. Overall, it has been found that, the approaches of managing the procurement of service businesses categorized into two groups regardless of neither sectors nor countries; service procurement management approaches within procurement process and service procurement management approaches outside procurement process in both private and public sectors geographical location of a particular company.

The study also found some helpful elements to consider applying those service procurement approaches. Therefore, to manage services procurement approaches effectively, the procurement practitioners and officials have to understand the differences between approaches available in managing the procurement of services and procurement of goods. Because they look the same but actually, they are different. Also, the service procurement practitioners and officials must be aware there are barriers within and outside of the procurement process hindering service procurement management approaches.

Finally, there are some additional elements found by this study may also need to be regarded in implementing not only in-service procurement but also any kind of procurement. The elements including rules, regulation, government procurement authority sustainability and, supplier and human welfare for which both public procurement and private procurements considered.

CHAPTER FIVE

DISCUSSION

5.0 Chapter Introduction

The objective of this study was to explore the knowledge about effective approaches used in managing the procurement of a service business to contribute to closing the gap within this new field. The study has been done by utilizing multiple case studies with theoretical replication-logic to examine practice, reviewing extant literature within the relevant academic field and adopting existing theories toward management of service procurement. This chapter elaborates and discusses the results from this study and similar previous published studies based on theories, concepts, and relevant aspects.

5.1 Effective approaches for managing procurement of service

The previous studies revealed that the idea of service procurement practiced much in recent decades and that shows the management of service procurement was not commonly practiced. However, these days firms started to outsource most of their non-core functions to rise completive advantage of their core business. This makes them be also involving in the procurement of services that need to manage effectively to satisfy customer requirements.

Scholars presented service procurement management approaches by considering procurement activities within the procurement cycle. Baily et al 2008 and 2015 provided four activities (specifications, performance approval, and improvement) to be managed in the procurement process of both goods' procurement and services' procurement. On the contrary, Van der Valk and Rozemeijer (2009) presented four stages to manage any procurement which including; specify the requirements (starting from the request for information and specification inputs which may involve different procurement stakeholders), selecting service provider (including market research, tendering, pre-award evaluation and selecting the winner), contract (including negotiation, agreements and signing the contract), and contract management (including follow up and performance evaluation).

Considering the procurement process (cycle), Holma et al. (2019) defined specification for service procurement during the pre-tendering phase needs the involvement of stakeholders. There were two findings in their study; the specifications setting need triadic collaborative and trusting relationships which including internal users, buyer and service provider in the initial phase of public procurement. Second, triadic involvement was an innovation and from that perspective it was understandable. In addition to the operational phase of service procurement process study of Lindberg and Nordin (2008) which investigated a different kind of method in which buyers can manage service contracts in what degree of objectification. The result in their study showed buyers must put a lot of effort into managing services to avoid bad outcomes.

The findings in this study show approaches of managing the procurement of service business categorized into two groups in both private and public sectors; approaches within the service procurement process and approaches apart from the service procurement process. The approaches within service procurement process also comprise initial phase which including; defining specifications (starting from the request for information and specification inputs which may involve different procurement stakeholders), selection (including tendering, pre-award evaluation and selecting the winner), contract which (including negotiation, agreements and signing the contract). Also, the second phase (operational phase) which is the management of the contract which has followed up and performance evaluation with the user collaboration.

In addition to services procurement managing approaches, the study found, in order to simplify managing multiple services the categorization of the service into subgroups is important. Also, to standardize the procurement of services, the establishment of the service procurement guidelines is important. This will formalize the organization and service procurement process. This was mentioned in the study of Lindberg and Nordin (2008) where formal guidelines and rules are applied to govern the processes of service procurement so as to adjust fairness to bidders and procurement officers' behavior. Also, the flexibility of service procurement contract is one among important strategy that should allow re-discussing of the terms and conditions of the signed contract. Last but not the list, the procurement organization must maintain buyer-supplier long term relationships that will enable a service provider to be familiar with the contract, as a result, to become efficient.

Therefore, based on previous studies, findings, and existing theories (Relational Contract theory and Unified Service theory) approaches of managing service procurement depending much on collaboration and relationships between stakeholders. From the initial stages of procurement (specifications, selection and contracting) to the operational stages of contract management which including follow up and vendor performance evaluation require important collaboration and relationships. In addition, the approaches to managing the procurement of service are not standardized. That means there are several approaches should be used in managing services procurement. But the effective ones are four as proposed by the authors and findings from this study which need collaboration and good relationships between stakeholders.

5.2 Barriers hinder toward effective service procurement management approaches

The previous studies mentioned the execution and management of service procurement is more challenging compare to the procurement of goods. The nature of services mentioned to be the reason for difficulties because service is no physical item to be exchanged. This situation makes the application of services procurement approaches to be problematic in all phases of the procurement cycle especially specifications and evaluating the procurement results.

The survey conducted by (Van der Valk and Rozemeijer 2009) found three areas of the service procurement process which is more difficult to manage. The areas including setting specification for service which is complex and time-consuming as a result makes buyer organization not be interested conduct it perfectly. The contract phase which includes the specifying the desired service level agreement within a contract. And contract management in which how service provider performance should be evaluated while there were improper service level agreements.

The unified service theory (UST) also has shown intangibility and heterogeneity are among the characteristics of services in which service procurement cannot be stable and difficult to standardize because it's quality changes from one service provider to another.

The results from this study found two circumstances in which barriers toward effective management of service procurement approaches occur. Barriers within the procurement process which considered as service procurement approaches’ barriers and general barriers which considered barriers outside the service procurement approach. All these barriers affect effective approaches to manage the procurement of services.

There are the barriers faces by specification setting where collaborations during specification are not considered or in one way or another it is difficult to involve other procurement members due to the centralization approach of some big companies. Integrability of service resulted also defining specifications to be prolonged and unclear as a result the specifications rely on the only general scope (inputs, outputs, processes, and outcomes).

One among barriers faces selection is a service aggregating where several services joined into one group for the purpose of reducing transaction and contract management cost. The result showed that the purpose of aggregating is to get a single service provider who could be managed very easily unlike having multiple of them who could result to employ a lot of contract managers to manage them.

Lack of knowledge on user requirements is among the barriers facing the formulation of a good contract with fruitful terms and conditions. The formulation of service level agreement depending much on understanding what exactly the user’s needs. As has been said before, the user’s and buyer’s departments are not working together in some big organizations that practice the centralization system as a result misunderstanding of requirements emerges which leads the poor formulation of terms and conditions of the contract.

Finally, are the barriers related to the management of the contract, which also includes performance evaluation. It has been mentioned in this study, service contract management is the most complicated task of procurement to manage in both private and government organizations. The results under this segment showed, in many organizations, there is a lack of adequate knowledge of contract management. Mostly the problems arise when there are not points of evaluations (including Services level Agreements and Key performance indicators). In addition to that, in many organizations, there is no special department dealing management of services contracts instead depending on the external contract manager. Also, sometimes the management of the contracts remaining on the hands of the users to report provider performance who have no idea how to measure the performance.

Therefore, this shows that it is difficult to measure performance to service providers simply because for it to be easy to measure performance there should be a service level agreement that will clearly show the targeted expectations and the consequences of not meeting the targeted expectations. Generally, the procurement of service not only in most public institutions but also in private institutions is in critical stage mostly on the stage of monitoring the service providers it seems the procedures ends after the selections of service providers.

Basically, the previous studies, Unified service theory, and findings from this study confirm the fact that the barriers that hinder effective service procurement are mostly caused by two factors; there are service characteristics which make difficult to define service specifications and lack contract management skills and experience which make difficult to evaluate service provider.

5.3 Difference between approaching for procurement of services and procurement of goods

In previous studies, scholars have mentioned the management of the procurement of service is different from the management of the procurement of goods due to the two related factors. The first factor includes the characteristics of services itself and the second-factor degree of managing vendor. The service's characteristics that make service to be managed differently from physical products including intangible, heterogeneous, inseparable, and perishable (IHIP). On the other side, managing vendors depending on the degree of objectification which varies in different stages/steps of the procurement process for different kinds of services.

Wynstra, Rooks, and Snijders (2018) on their study compared transaction costs of goods and services procurement while controlling the effect of transaction characteristics (ex-ante costs and ex-post problems) and relationships between contracting organizations. The authors found managing the process of services procurement is different from managing the transaction that is not services. This means that services procurement is more expensive in terms of ex-ante and ex-post transaction costs, compared to goods transactions. In another circumstance (Lindberg and Nordin 2008) investigated how the buyer of different kinds of services relates to the logic (logic implying the objectification of services and a goods-dominant logic) and how the degree of objectification of services varies on different stages of the procurement process. Finally, they found that the Buyer must put a lot of effort into objectifying (high degree of treating service as something tangible) and calculating their service purchases.

This study found that there is no difference in managing approaches between the procurement of services and procurement of goods since both kinds of procurement share the same common process. But the differences have been found in the way procurement practitioners and officials approach inside of every activity. The specifications for example, in goods procurement's specifications, are clearer and more straightforward and even samples can be used sometimes because the requirement is tangible, unlike services procurement in which specifications of the requirement are not clear and only depend on the scope and the outcomes which seem to be much subjective. In that sense, approaching the procurement of services requires much effort and collaboration among stakeholders compared to the procurement of goods.

5.4 Strategies for managing service procurement categories

The approaches of managing service procurement are not standard, thus, this study provides strategies to manage each stage (from initial to operational stages) based on the Service categorization matrix Model. The matrix model developed by this study facilitates managing service categories by putting into consideration the complexity and value of the required service. By looking at four stages (specifications, selection, contract and negotiation, and service procurement contract management), the model integrates the procurement process with complexity service and value of service to purchase. This model is appropriate to manage service categories by quantifying them into complexity and value. Therefore, having a quantified level of complexity and value, service procurement managers can apply appropriate purchasing approaches in Table 5.1 to manage complexity and value for that category.

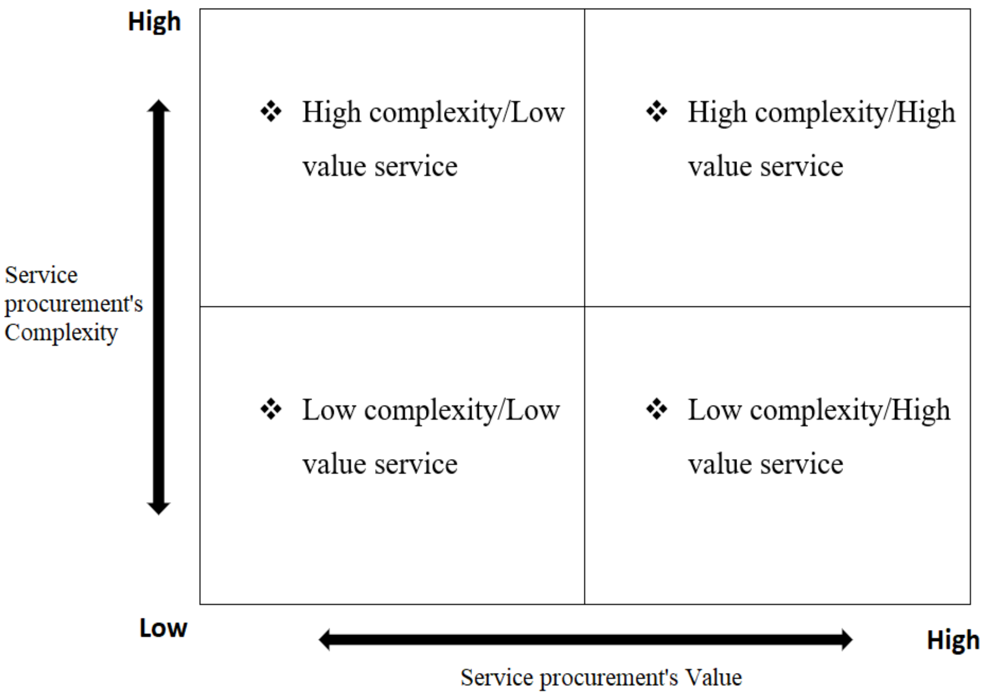

Figure 5. 1 Service categorization matrix for managing service procurement categories (Researcher 2020)

Table 5. 1 Proposed approaches of managing service procurement categories

Service category	**Approaches**	**Strategy**
High complexity/High value service	Specifications	High collaboration is needed among all stakeholders. If it is possible to involve an external expert and experienced supplier is also recommended.
	Source identification and selection	Evaluate potential providers very carefully by conducting assessments for the vendor's market and apply the competitive tendering approach. If possible, the client organization should conduct pre-award vendor's site inspection and check reference from previous customers about their experiences with the vendor.
	Negotiation and contracting	Apply the win-win negotiation approach to have mutual agreements and cost-reimbursement contracts which allow flexibility and maintaining long-term relationships with the vendor.
	Contract management and follow-up	The contract should be managed strategically by appointing a special service procurement contract manager (team) to evaluate vendor performance with collaboration from users to assess their level of satisfaction.

Low complexity/High value service	Specifications	Specifications need tactical requirements in defining them to ensure value for money. The external technical expert can be hired to assist the setting of the statement of requirement or terms of reference.
	Source identification and selection	In the source selection process, the competitive tendering approach is much recommended. Proposals (Bids) must be examined against the requirements and government or company policy. If one of vendor complies with relevant to an award decision, therefore, the best value proposal will be selected.
	Negotiation and contracting	Negotiation must be aggressively by maintaining client interests. The win-lose negotiation approach can be applied to win the company's interest.
	Contract management and follow-up	Due to the less complexity and high procurement value, the strategy to be used to manage service contracts is the application of full purchasing power. The contract manager has to supervise the provider by making sure KPIs and service level agreements are achieved.
High complexity/Low value service	Specifications	Low cost but complex to acquire, therefore, the specifications must be carefully defined through collaboration by identifying bottleneck.
	Source identification and selection	A service provider with experience, modern technology with the least cost is recommended. Competitive tendering is recommended to acquire suppliers who can overcome the bottleneck for minimum/reasonable cost.
	Negotiation and contracting	Long-term contract agreements are recommended with an appropriate relationship with the provider. The buyer must be carefully agreed with the interests of a vendor who can manage the bottleneck even by losing of some company's interests. In addition to that, flexible terms and conditions of the contract must also be considered.
	Contract management and follow-up	Follow-up must give the service provider time to understand and overcome the bottleneck. In that sense, an internal contract manager with normal contract management skills can be appointed to manage a contract.
	Specifications	Less collaboration is needed between stakeholders. No need to involve an external expert and experienced supplier, the only internal stakeholder can define the requirements.

Low complexity/Low value service	Source identification and selection	No need to apply competitive tendering, few local service providers can be invited to avoid high sourcing and other service ordering cost.
	Negotiation and contracting	Apply a win-win negotiation approach to have mutual agreements. Fixed cost contract with short-term relationships with the vendor.
	Contract management and follow-up	The contract should not be managed strategically. No need to appoint a special service procurement contract manager (team) to evaluate vendor performance. Users themselves may assess service providers.

Source: Researcher (2020)

The companies are different in terms of financial and management capability. The perception of service procurement complexity of one company may differ from one to another. Similarly, high and low-value service procurement's perception may also differ from one company to another company due to the procurement rules and regulations of a particular country and financial outstanding of a company. The maximum minor value service procurement of one company or country can be treated as high-value service procurement by another company. In that regard, it is difficult to generalize particular service is at a low or high complexity as well as is at a low or high value due to the nature and size of the organizations.

From the finding of this study, generally, several services from all six cases were grouped into seven groups; operational services, Logistics services, facility management services, Market and sales services, Consultancy services, Technical services, and financial and auditing services. Organizations perceived differently in terms of the complexity and value of such services. Thus, it is difficult to make a general conclusion of a particular group of services fall into a certain category. Eventually, the study formulated a Service categorization matrix Model that can be used by service procurement managers to assign services based on their perceptions on how to apply proposed service procurement managing approaches and strategies effectively.

CHAPTER SIX

CONCLUSION

6.0 Chapter Introduction

This chapter provides a summary of the research as well as the conclusion regarding the research objective(s) the managerial implications of the findings. Furthermore, the chapter mentions the limitation of the study and suggest opportunities for further studies.

6.1 Research summary

This study has sought to explore effective approaches to managing service procurement for the business organization. Specifically to understand approaches that can be used in different organizations, identifying barriers hindering the execution of effective service procurement managing approaches, to understand how approaches of managing services procurement differ to goods procurement, to discover outcomes of using different service procurement's managing approaches to the procurement of services by using existing literature and related services procurement documents with the combination of qualitative research design conducted through a multiple case study.

The study found effective service procurement's managing categorized into two; approaches within the procurement cycle and approaches outside of the procurement cycle in both public and private organizations. It has also found barriers that hinder effective managing approach for procurement of service are categorized into two groups, which are barriers within the procurement process which considered as service procurement approaches' barriers and general barriers that considered barriers outside the service procurement approach. The study also found that there are no differences in approaching service procurement and goods procurement since both use the same process, but the only differences occur between activities that are conducted within each stage of procurement.

In addition to finding, the study has also found in managing service procurement process, there are some elements to put under consideration including the issue of welfare for the vendor and its personnel, the effect of services to the environment, importance of external authorities to regulate procurement for not only public but also the private sector and the procurement should be simplified to minimize procurement inconveniences.

6.2 Managerial implications

The findings generated from this study hold important managerial implications for service procurement field for both private and public sectors in the following perspective:

When the organization wants to achieve effective service procurement should focus on approaches within the procurement process by considering the complexity and the value of the service to be purchased. The value and complexity have impacts on which level and procurement strategy to be applied from initial phases of the procurement process (setting specifications, source identification and selection, and contract and negotiation) to operational phases of service contract management (follow-up and performance evaluation) of the service provider. The effective management of the service contract will be achieved when a special person, team, or department can monitor and evaluate the vendor performance appointed instead of depending on the customer's reaction on level of satisfaction.

In addition to that, the approaches outside of the procurement cycle also must be used to support those approaches within the procurement process by using procurement guidelines and if the organization purchasing multiple services apply the service categorization matrix model presented by this study.

Last but not least, for the purpose of maintaining good organization reputation, the organizations should not only focus on financial factors in making service procurement decisions but also taking social and environmental factors by practicing sustainable procurement.

6.3 Limitations of the study

Doing any research works involve several challenges that may face the researcher while undertaking the research. This does not mean this report is invalid, but it had some challenges during the design process and data collection. This study has following limitations:

Firstly, this study was a qualitative research design conducted through a multiple case study where it was challenging work due to the time limit. Therefore, it was decided to select only six cases from two countries (Norway and Tanzania) wherein Tanzania someone with research knowledge was employed to collect the data on behalf.

Secondly, the issue of confidentiality was a challenge for this study. Some respondents were not giving much cooperation which makes difficult for the interviewer to ask them question comfortable. Also, the study did not involve other service procurement stakeholders' especial users to provide their views regarding the procurement of service because it was to get them due to their busy work and research time limit.

Thirdly, as was mentioned before, the services procurement has been introduced in recent decades, so, the number of publications in this field is limited. That means the challenge was a lack of sufficient prior research on this topic. Therefore, it was difficult to get enough papers that exactly wrote about the topic.

6.4 Suggestions for further research

To give other researchers and readers the chance to evaluate the quality and future use of this study, this section presents the area(s) that provide opportunities for further research.

First, this study focused only on six cases by using interviews. Therefore, it is suggesting for future researcher to conduct a survey study to test the findings of this study by extending more cases that involve other stakeholders.

Second, this study has been conducted through a cross-sectional time horizon which allows collecting data at one point at a time to gather opinions. Thus, further research can be conducted through a longitudinal study to see how the approaches for procurement of services change over time.

Third, the study focused on approaches for managing service procurement without regarding cost implications in managing services procurement. Therefore, further research should be undertaken to explore the cost implications of managing the procurement of services.

Fourth, small and big organizations tend to have different level operations thus resulting in a different amount of services needed. In that regard, small organizations tend to have less experience and little amount of operations needed and big organizations tend to have more experience, and a high amount of operations needed to be outsourced. Therefore, further research should be undertaken to explore approaches to be used in managing service procurement for small organization and matured organizations.

Reference

Adler, Terry R, Robert F Scherer, Sidney L Barton, and Ralph Katerberg. 1998. "An empirical test of transaction cost theory: Validating contract typology." *Journal of Applied Management Studies* 7:185-200.

Albano, Gian-Luigi, Giacomo Calzolari, Federico Dini, Elisabetta Iossa, and Giancarlo Spagnolo. 2006. "Procurement Contracting Strategies." *HANDBOOK OF PROCUREMENT at SSRN 908220*:41.

Alpi, Kristine M, and John Jamal Evans. 2019. "Distinguishing case study as a research method from case reports as a publication type." *Journal of the Medical Library Association: JMLA* 107 (1):1-5. doi: 10.5195/jmla.2019.615.

Anane, Augustine, Victor Adoma, and Gabriel Awuah. 2019. "The Effect of Procurement Practices on Service Delivery: A Case Study of VRA, Ghana." *Asian Journal of Economics, Business and Accounting* 13 (1):1-23. doi: https://doi.org/10.9734/ajeba/2019/v13i130164.

Arrow, Kenneth J. 1969. "The organization of economic activity: issues pertinent to the choice of market versus nonmarket allocation." *The analysis and evaluation of public expenditure: the PPB system* 1:59-73.

Aspelund, Jens Gunnar, and Vetle Helland. 2019. "Supply Chain Risk Management beyond tier-one suppliers." Master in Supply Chain Management Master Thesis, Molde University College - Specialized university in Logistics.

Axelsson, Björn, and JYF Wynstra. 2002. *Buying business services*: John Wiley and Sons Inc.

Baily, Peter, David Farmer, Barry Crocker, David Jessop, and David Jones. 2008. *Procurement principles and management*. Tenth ed. London, UK: Pearson Education.

Baily, Peter, David Farmer, Barry Crocker, David Jessop, and David Jones. 2015. *Procurement principles and management*. 11th ed. ed. Harlow: Pearson.

Bao, Yongchuan, Yeqing Bao, and Shibin Sheng. 2011. "Motivating purchase of private brands: Effects of store image, product signatureness, and quality variation." *Journal of Business Research* 64 (2):220-226. doi: https://doi.org/10.1016/j.jbusres.2010.02.007.

Boon-Itt, Sakun, Chee Yew Wong, and Christina WY Wong. 2017. "Service supply chain management process capabilities: Measurement development." *International Journal of Production Economics* 193:1-11. doi: https://doi.org/10.1016/j.ijpe.2017.06.024.

Braun, Henry I, and Howard Wainer. 1988. *Test Validity: Papers of a Conference Entitled" Test Validity for the 1990's and Beyond", Held May 28-29, 1986 at the Educational Testing Service, Princeton, NJ*: Lawrence Erlbaum Associates.

Bryan, Kalms. 2003. Purchasing Specifications and Standards. 1 -52. Accessed 16/02/2020.

Bäckstrand, Jenny, Robert Suurmond, Erik van Raaij, and Clive Chen. 2019. "Purchasing process models: Inspiration for teaching purchasing and supply management." *Journal of Purchasing and Supply Management* 25 (5):100577. doi: https://doi.org/10.1016/j.pursup.2019.100577.

Cavinato, Joseph L, and Ralph G Kauffman. 1999. *The purchasing handbook: A guide for the purchasing and supply professional*. Sixth ed. New York: McGraw-Hill.

Creswell, John W, and J David Creswell. 2009. *Research design: Qualitative, quantitative, and mixed methods approaches*. Third ed. California, United States of America: Sage publications.

Dey, Ian. 2003. *Qualitative data analysis: A user friendly guide for social scientists*. London and NewYork: Routledge Taylor and Francis Group.

Dimitri, Nicola. 2013. "Best value for money in procurement." *Journal of Public Procurement* 13 (2):149-175.

Edirisingha, Prabash. 2012. "Interpretivism and Positivism (Ontological and Epistemological Perspectives)." *An International Journal* 9 (4): 319–324.

Edmonds, W Alex, and Thomas D Kennedy. 2016. *An applied guide to research designs: Quantitative, qualitative, and mixed methods*. Second ed. California, United States of America Sage Publications.

Eisenhardt, Kathleen M. 1989. "Building theories from case study research." *Academy of management review* 14 (4):532-550.

Ellram, Lisa M. 1996. "The use of the case study method in logistics research." *Journal of business logistics* 17 (2):93-138.

Ellram, Lisa M, Wendy L Tate, and Corey Billington. 2008. "Offshore outsourcing of professional services: A transaction cost economics perspective." *Journal of operations Management* 26 (2):148-163. doi: https://doi.org/10.1016/j.jom.2007.02.008.

Epp, Christian. 2001. *Internet based Technologies and Systems for the support of indirect procurement*. Hamburg, German: German National library.

Eriksson, Päivi, and Anne Kovalainen. 2015. *Qualitative methods in business research: A practical guide to social research*. Second ed. London, UK: Sage Publication Limited.

Fitzsimmons, James A, Jeonpyo Noh, and Emil Thies. 1998. "Purchasing business services." *Journal of business & industrial marketing* 13 (4/5):370-380. doi: DOI:10.1108/08858629810226672.

Golafshani, Nahid. 2003. "Understanding reliability and validity in qualitative research." *The qualitative report* 8 (4):597-607.

Gudel, Paul J. 1998. "Relational contract theory and the concept of exchange." *Buffalo Law Review* 46 (4):763-797.

Hirschman, Elizabeth C. 1986. "Humanistic inquiry in marketing research: philosophy, method, and criteria." *Journal of marketing Research* 23 (3):237-249.

Holma, Anne-Maria, Jukka Vesalainen, Anne Söderman, and Johanna Sammalmaa. 2019. "Service specification in pre-tender phase of public procurement-A triadic model of meaningful involvement." *Journal of Purchasing and Supply Management*:18. doi: https://doi.org/10.1016/j.pursup.2019.100580.

Hudson, Laurel Anderson, and Julie L Ozanne. 1988. "Alternative ways of seeking knowledge in consumer research." *Journal of consumer research* 14 (4):508-521.

Kallio, Hanna, Anna-Maija Pietilä, Martin Johnson, and Mari Kangasniemi. 2016. "Systematic methodological review: Developing a framework for a qualitative semi-structured interview guide." *Journal of advanced nursing* 72 (12):2954-2965.

Kotabe, Masaaki, Janet Y Murray, and Rajshekhar G Javalgi. 1998. "Global sourcing of services and market performance: An empirical investigation." *Journal of International Marketing* 6 (4):10-31.
Kothari, Chakravanti Rajagopalachari. 2004. *Research methodology: Methods and techniques*. Second Revised ed. Daryaganj, New Delhi (India): New Age International.
Kraljic, Peter. 1983. "Purchasing must become supply management." *Harvard business review* 61 (5):109-117.
Lake, David A. 1999. "A relational contracting approach." In *Globalization and governance*.
Liinamaa, Johanna, Mika Viljanen, Anna Hurmerinta, Maria Ivanova-Gongne, Hanna Luotola, and Magnus Gustafsson. 2016. "Performance-based and functional contracting in value-based solution selling." *Industrial Marketing Management* 59:37-49.
Lincoln, Yvonna S, and Egon G Guba. 1985. "Establishing trustworthiness." *Naturalistic inquiry* 289 (331):289-327.
Lindberg, Nina, and Fredrik Nordin. 2008. "From products to services and back again: Towards a new service procurement logic." *Industrial Marketing Management* 37 (3):292-300. doi: 10.1016/j.indmarman.2007.07.006.
Lisan, Sharfuddin. 2018. "Service Specification Modelling for Procurement Decision Making." *International Journal of Business and Economics Research* 7 (2):31-41. doi: 10.11648.j.ijber.20180702.12.pdf.
Lovelock, Christopher. 1983. "Classifying Services to Gain Strategic Marketing Insights." *Journal of Marketing (pre-1986)* 47 (000003):9-20. doi: doi:https://doi.org/10.1177/002224298304700303.
Lusch, Robert F., Stephen L. Vargo, Ruth N. Bolton, and Frederick E. Webster. 2006. "The service-dominant logic of marketing : dialog, debate, and directions." In. Oxfordshire, England ;,New York, New York: Routledge.
Lysons, Kenneth, and Brian Farrington. 2006. *Purchasing and supply chain management*. Seventh ed. Harlow, England: Pearson Education.
Mangan, John, and Chandra L Lalwani. 2016. *Global logistics and supply chain management*. Third ed. West Gate, UK: John Wiley & Sons Limited.
Merriam, Sharan B. 1998. *Qualitative Research and Case Study Applications in Education. Revised and Expanded from" Case Study Research in Education."*: ERIC.
Mouzas, Stefanos, and Keith Blois. 2008. "Relational contract theory: confirmations and contradictions." the Proceedings of 24th IMP Conference, Lancaster University Management School, Lancaster, UK.
Mwashiuya, Stephano. 2013. "Assessment of the effectiveness of services outsourcing in public health institutions: A case of Mbeya referral hospital (MRH)." Master of Science in Procurement and Supply Chain Management Master Thesis, School Of business, Mzumbe University.
Noor, Khairul Baharein Mohd. 2008. "Case study: A strategic research methodology." *American journal of applied sciences* 5 (11):1602-1604. doi: DOI: 10.3844/ajassp.2008.1602.1604 · Source: DOAJ.
Nordin, Fredrik, and Henrik Agndal. 2008. "Business service sourcing: a literature review and agenda for future research." *The International Journal of Integrated Supply Management* 4 (3/4):378-405. doi: 10.1504/IJISM.2008.020760.
Omotayo, Temitope, and U Kulatunga. 2015. "The research methodology for the development of a kaizen costing framework suitable for indigenous construction firms in Lagos, Nigeria."1-12. doi: http://www.arcom.ac.uk/..._Dublin-Proceedings.pdf.

Patashnik, and Eric M. 1996. "The contractual nature of budgeting: A transaction cost perspective on the design of budgeting institutions." *Policy sciences* 29 (3):189-212.
Provan, Keith G, and Jule B Gassenheimer. 1994. "Supplier commitment in relational contract exchanges with buyers: A study of interorganizational dependence and exercised power." *Journal of Management Studies* 31 (1):55-68.
Ran, Bing, and Huiting Qi. 2016. "Issues and challenges of public service procurement in China: a collaborative governance perspective." *International Journal of Public Policy* 12 (3-6):339-358.
Ribeiro Soriano, Domingo. 2001. "Quality in the consulting service – evaluation and impact: a survey in Spanish firms." *Managing Service Quality: An International Journal* 11 (1):40-48. doi: 10.1108/09604520110359366.
Riege, Andreas M. 2003. "Validity and reliability tests in case study research: a literature review with "hands-on" applications for each research phase." *Qualitative Market Research: An internatinal Jurnal* 6 (2):75-86. doi: 10.1108/13522750310470055.
Saldaña, Johnny. 2013. *The Coding Manual for Qualitative Qesearchers*. Second ed. London: Sage.
Sampson, Scott E, and Craig M Froehle. 2006. "Foundations and implications of a proposed unified services theory." *Production and operations management* 15 (2):329-343.
Saunders, Mark, Philip Lewis, and Adrian Thornhill. 2019. *Research methods for Business Students*. Eighth ed, *Business Students*. Harlow, United Kingdom: Pearson Professional Limited.
Schiele, Joseph J., and Clifford P. McCue. 2006. Professional service acquisition in public sector procurement. Bradford.
Seawright, Jason, and John Gerring. 2008. "Case selection techniques in case study research: A menu of qualitative and quantitative options." *Political research quarterly* 61 (2):294-308. doi: 10.1177/1065912907313077
Selviaridis, Kostas, Henrik Agndal, and Björn Axelsson. 2011. "Business services 'in the making':(De) Stabilisation of service definitions during the sourcing process." *Journal of Purchasing and Supply Management* 17 (2):73-86. doi: https://doi.org/10.1016/j.pursup.2010.08.001.
Selviaridis, Kostas, Martin Spring, and Luis Araujo. 2013. "Provider involvement in business service definition: A typology." *Industrial Marketing Management* 42 (8):1398-1410. doi: https://doi.org/10.1016/j.indmarman.2013.07.019.
Spring, Martin, and Luis Araujo. 2013. "Beyond the service factory: Service innovation in manufacturing supply networks." *Industrial marketing management* 42 (1):59-70. doi: https://doi.org/10.1016/j.indmarman.2012.11.006.
Stevenson, Mark, and Martin Spring. 2007. "Flexibility from a supply chain perspective: definition and review." *International journal of operations & production management*.
Szász, Levente, and László Seer. 2018. "Towards an operations strategy model of servitization: the role of sustainability pressure." *Operations Management Research* 11 (1-2):51-66.
Tanzania Public Procurement Act. 2011. The Public Procurement Act. edited by National Assembly. Dar Es Salaam: Parliament of the United Republic of Tanzania.
Tanzania Public Procurement Regulations. 2013. THE PUBLIC PROCUREMENT REGULATIONS, 2013 ARRANGEMENT OF REGULATIONS. Dar es Salaam: Government Notice No. 446.
Trinh, Truong Hong, and Voratas Kachitvichyanukul. 2013. "A unified framework for the design of service systems." *International Journal of Services and Operations Management* 15 (3):374-388.

U.S Federal Acquisition Regulation. 2019. Federal Acquisition Regulation System. edited by DEPARTMENT OF DEFENSE. USA: General Services Administration.
Vaidya, Kishor, Guy C Callender, and ASM Sajeev. 2009. *Facilitators of Public E-procurement: Lessons learned from the UK, US, and Australian Initiatives*. Vol. 473, *International handbook of public procurement*.
Van der Valk, Wendy. 2008. "Service procurement in manufacturing companies: Results of three embedded case studies." *Industrial Marketing Management* 37 (3):301-315. doi: 10.1016/j.indmarman.2007.07.007.
van der Valk, Wendy, and Björn Axelsson. 2015. "Towards a managerially useful approach to classifying services." *Journal of Purchasing and Supply Management* 21 (2):113-124. doi: 10.1016/j.pursup.2015.01.001.
Van der Valk, Wendy, and Frank Rozemeijer. 2009. "Buying business services: towards a structured service purchasing process." *Journal of Services Marketing*.
Van Weele, Arjan J. 2009. *Purchasing and supply chain management: Analysis, strategy, planning and practice*. Fifth ed. London, UK: Cengage Learning EMEA.
Vargo, Stephen L, and Robert F Lusch. 2004. "The four service marketing myths: remnants of a goods-based, manufacturing model." *Journal of service research* 6 (4):324-335. doi: https://doi.org/10.1177/1094670503262946.
Venable, John. 2011. "Incorporating design science research and critical research into an introductory business research methods course." *Electronic Journal of Business Research Methods* 9 (2):119-29.
Weiß, Peter, Maik Herfurth, and Jörg Schumacher. 2011. "Leverage Productivity Potentials in Service-oriented Procurement Transactions: E-Standards in Service Procurement." *Proceedings of RESER* 2011.
Wemmerlöv, Urban. 1990. "A taxonomy for service processes and its implications for system design." *International Journal of Service Industry Management* 1 (3):20-40.
Williamson, Oliver E, and Michael H Riordan. 1985. "Asset specificity and economic organization." *International Journal of Industrial Organization* 3 (4):365-378.
Willy, Kibet, and Agnes Njeru. 2014. "Effects of procurement planning on procurement performance: a case study of agricultural development corporation, Nairobi." *International Journal of Business and Commerce* 3 (312):58-68.
Wittreich, Warren J. 1966. "How to buy-sell professional services." *Harvard Business Review* 44 (2):127-136.
Wynstra, Finn, Gerrit Rooks, and Chris Snijders. 2018. "How is service procurement different from goods procurement? Exploring ex ante costs and ex post problems in IT procurement." *Journal of Purchasing and Supply Management* 24 (2):83-94. doi: 10.1016/j.pursup.2017.12.001.
Yazan, Bedrettin. 2015. "Three approaches to case study methods in education: Yin, Merriam, and Stake." *The qualitative report* 20 (2):134-152.
Yin, Robert K. 2013. "Validity and generalization in future case study evaluations." *Evaluation* 19 (3):321-332. doi: 10.1177/1356389013497081.
Yin, Robert K. 2009. *Case study research; design and methods*. Fourth ed. Vol. 5. London, UK: SAGE Ink.
Åhlström, Pär, and Fredrik Nordin. 2006. "Problems of establishing service supply relationships: Evidence from a high-tech manufacturing company." *Journal of Purchasing and Supply Management* 12 (2):75-89. doi: 10.1016/j.pursup.2006.05.002.

Appendices

Appendix A: Interview Guide (Semi-Structured)

1) **Preliminary information**
    i. Tell about your working position and experience within the procurement department

2) **General questions regarding procurement of goods and services in the case organization**
    i. What kind of goods and services do you procure in your company?
    ii. Does your organization have standard guideline to manage procurement?

3) **Procurement manager's approach of procurement for services**

There are numerous services that organizations can buy e.g.

a) Service category 1 (consulting service)
- Facility services
- Financial services
- Information and communication technology services
- Operational services
- Research and development and technical services
- Transportation and distribution services
- Human resource services
- Marketing services

b) Service category 2 (non-consulting service)
- Cleaning services
- Security services

i. Can you mention and describe the processes (phases) that your organization follows in procurement of service X?

The following questions will base on each process that he/she mentioned if a particular process is not clear or mentioned: -

ii. How do you identify the service procurement needs?
iii. How do you define service specification?
iv. How are the internal stakeholders (service users or budget owners) involved in the specification process?
v. Which tendering approach is used?
vi. Which criteria are used in the selection process?
vii. How do you ensure/monitor service provider performed according to the requirements (user's expectations)? If the contract is used which parts of the contract have to be much considered?
viii. How do you measure supplier performance with user expectations?

Similar questions can be asked for another service type. If a company has similar procedures for group services, probably the answers will be provided, then we can proceed to the next services or questions

4) The approach differences between procurement of services from procurement of goods

i. Can you explain how do approaches for procurement of services differ from procurement of goods?

5) The outcomes of application different approaches to the procurement of services

i. If you have different approaches in managing procurement of service can you describe advantage and disadvantage of applying such approach in service procurement?
ii. How do you satisfy with company procurement of service approaches?
iii. What do you think should be done differently in services procurement process apart available company guideline?

6) Which barriers hinder procurement of services?

i. Is the procurement of services more difficult than procurement of goods?
ii. If that is true which factors that make procurement of service more difficult or if the statement is not true why do you think is not difficult to manage?

7) General questions

i. Is there any thing would you like to add?
ii. Would it be possible to get your services procurement guidelines and ethics?

Appendix B: NSD's assessment

NSD NORSK SENTER FOR FORSKNINGSDATA

NSD's assessment

Project title
ANALYSIS OF EFFECTIVE APPROACHES IN MANAGING SERVICE PROCUREMENT FOR BUSINESS ORGANIZATION

Reference number
325239

Registered
09.01.2020 av Abdalla Simai Omar - simai.o.abdalla@stud.himolde.no

Data controller (institution responsible for the project)
Molde University College - Specialize University in Logistics / Department of Logistics

Project leader (academic employee/supervisor or PhD candidate)
Deodat Edward Mwesiumo, Deodat.E.Mwesiumo@himolde.no, tlf: 98821805

Type of project
Student project, Master's thesis

Contact information, student
Abdalla, Simai Omar, simaiabdalla@gmail.com, tlf: 96712596

Project period
25.01.2020 - 15.06.2020

Status
10.01.2020 - Assessed with conditions

Assessment (1)

10.01.2020 - Assessed with conditions

SIMPLIFIED ASSESSMENT WITH CONDITIONS
Having reviewed the information registered in the Notification Form with attachments, we find that this project presents a low risk to the rights and freedoms of data subjects. This assessment is based on the project not processing special categories of personal data or personal data relating to criminal convictions and offences, and not including vulnerable groups. The duration of the project is reasonable, and the processing of personal data is based on consent. We have therefore given a simplified assessment with conditions.

You have an independent responsibility to meet the conditions and follow the guidance given in this assessment. If you meet the conditions and the project is carried out in line with what is documented in the Notification Form, the processing of personal data will comply with data protection legislation.

CONDITIONS

Our assessment presupposes:

1. That you carry out the project in line with the requirements of informed consent
2. That you do not collect special categories of personal data or personal data relating to criminal convictions and offences
3. That you follow the guidelines for information security as set out by the institution responsible for the project (i.e. the institution where you are studying/carrying out research)
4. That you upload the revised information letter(s) for each sample in the Notification Form so that documentation is correct and then select "Confirm send in". NSD will not carry out a new assessment of the revised information letter(s).

1. REQUIREMENTS FOR INFORMED CONSENT

The data subject should receive written and/or oral information about the project and consent to participation. You must ensure that the information at least includes the following:

- The purpose of the project and what the collected personal data will be used for
- Which institution is responsible for the project (the data controller)
- What types of data will be collected and how the data will be collected
- That participation is voluntary and that participants may withdraw their consent, without giving a reason, as long as their personal data are being processed
- The end date of the project and what will happen with the collected personal data; whether it will be erased, anonymised or stored for further use
- That you will be processing personal data based on the consent of the data subject
- The right to request access, correction, deletion, limitation and data portability
- The right to send a complaint to The Norwegian Data Protection Authority (Datatilsynet)
- Contact information for the project leader (or supervisor and student)
- Contact information for the Data Protection Officer (Personvernombudet) at the institution responsible for the project

On our website you will find more information and a template for the information letter: http://www.nsd.uib.no/personvernombud/en/help/information_consent/information_requirements.html

It is your responsibility to ensure that the information given in the information letter corresponds to what is documented in the Notification Form.

2. TYPE OF DATA AND DURATION OF PROJECT

The project will be processing general categories of personal data until 15.06.2020.

3. FOLLOW YOUR INSTITUTION'S GUIDELINES

NSD presupposes that the project will meet the requirements of accuracy (art. 5.1 d), integrity and confidentiality (art. 5.1 f) and security (art. 32) when processing personal data.
If you will be using a data processor in the project, the processing of personal data must meet the legal requirements for use of a data processor, cf. arts. 28 and 29.

To ensure that these requirements are met you must follow your institution's internal guidelines and/or consult with your institution (i.e. the institution responsible for the project).

NSD's ASSESSMENT

Our assessment of the legal basis for processing personal data, of the principles relating to this processing and of the rights of data subjects, follows below, but presupposes that the conditions stated above are met.

LEGAL BASIS

The project will gain consent from data subjects to process their personal data. Presupposing that conditions 1 and 4 are met, we find that consent will meet the necessary requirements under art. 4 (11) and 7, in that it will be a freely given, specific, informed and unambiguous statement or action, which will be documented and can be withdrawn. The legal basis for processing personal data is therefore consent given by the data subject, cf. the General Data Protection Regulation art. 6.1 a).

PRINCIPLES RELATING TO PROCESSING PERSONAL DATA

Presupposing that conditions 1-4 are met, NSD finds that the planned processing of personal data will be in accordance with the principles under the General Data Protection Regulation regarding:

- lawfulness, fairness and transparency (art. 5.1 a), in that data subjects will receive sufficient information about the processing and will give their consent
- purpose limitation (art. 5.1 b), in that personal data will be collected for specified, explicit and legitimate purposes, and will not be processed for new, incompatible purposes
- data minimisation (art. 5.1 c), in that only personal data which are adequate, relevant and necessary for the purpose of the project will be processed
- storage limitation (art. 5.1 e), in that personal data will not be stored for longer than is necessary to fulfil the purpose of the project

THE RIGHTS OF DATA SUBJECTS

So longs as data subjects can be identified in the collected data, they will have the following rights: transparency (art. 12), information (art. 13), access (art. 15), rectification (art. 16), erasure (art. 17), restriction of processing (art. 18), notification (art. 19), data portability (art. 20).

Presupposing that the information meets the requirements in condition 1, NSD finds that the information given to data subjects about the processing of their personal data will meet the legal requirements for form and content, cf. art. 12.1 and art. 13.

We remind you that if a data subject contacts you about their rights, the data controller has a duty to reply within a month.

NOTIFY CHANGES

If you intend to make changes to the processing of personal data in this project, it may be necessary to notify NSD. This is done by updating the information registered in the Notification Form. On our website we explain which changes must be notified. Wait until you receive an answer from us before you carry out the changes.

FOLLOW-UP OF THE PROJECT

NSD will follow up the progress of the project at the planned end date in order to determine whether the processing of personal data has been concluded.

Good luck with the project!

Contact person at NSD: Tore Andre Kjetland Fjeldsbø
Data Protection Services for Research: +47 55 58 21 17 (press 1)