

Supply Chain Management Strategies of the Private Residential Construction Sector in South Africa

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Abstract : The aim of the study was to review and critically evaluate the supply chain management (SCM) strategies and challenges in the private residential construction sector in South Africa. The study was grounded in three theories, namely, theory of constraints, principal-agency theory, and stakeholder theory. A quantitative approach was used to survey 320 private residential construction companies which registered with the National Homebuilders Registration Council (NHBR) within the Gauteng province. The data from 250 questionnaires returned were analysed using SPSS (Versions 23) and Smart PLS. It became evident that the SCM challenges included lack of trust between the supplier and the organization; lack of adoption of SCM system; lack of a sufficiently skilled SCM workforce; and poor implementation of contract management. The findings also indicate that there is a significant positive relationship between the performance of the private residential construction sector in South Africa and SCM challenges, SCM strategies and SCM processes. A framework is proposed comprising SCM practices and strategies of private residential construction sector in South Africa, which will enable them to enhance performance.

Keywords : management challenges, residential housing, South Africa, supply chain management

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