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THE INFLUENCE OF SUPPLIER CAPABILITY ON THE PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS ACT [CHAPTER 22:23] PERFORMANCE IN ZIMBABWE'S SOES

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ABSTRACT
This study sought to examine the influence of supplier capability on Public Procurement and Disposal of Public Assets (PPDPA) in Zimbabwe. The research adopted a mixed method approach which was both quantitative and qualitative, to carry out a survey with Zimbabwe's State-owned enterprises. Two hundred and five respondents from the Procurement, Finance, Administration, Information and Communication Technology departments were interviewed using structured, semi-structured questionnaires and a semi-structured interview guide. Data analysis was done using the Statistical Package for Social Sciences Version (SPSS) 20 and Amos version 25. The study revealed that strengthening supplier capability would minimise procurement costs and enhance value for money in the public service delivery system.

1. INTRODUCTION
Public procurement plays a key role in service delivery and the performance of public entities (Dzuke and Naude, 2015). From a global perspective, public procurement accounts for 15% - 20% of the world's Gross Domestic Product (GDP) (World Bank, 2017). Mendes and Fazekas (2017) argue that approximately 15% of the European Union's (EU) GDP is directed towards the acquisition of goods and services. Suppliers are one of the most important groups of stakeholders for assuring the success of an e-procurement system (Panda and Sahu, 2012). Early supplier involvement is closely related to success, and they must be involved in every step of the implementation. Demonstrating the proposed solution to the suppliers and discussing concerns and issues such as the development and maintenance of supplier catalogues are important (Vaidya *et al*., 2006). Allowing suppliers to offer feedback should be encouraged and may allow the purchasing department to find areas of improvement and adjust practices accordingly (Panda and Sahu, 2012, Vaidya *et al.,* 2006). Furthermore, suppliers may see the e-procurement initiative as an attempt to force prices down through increased leverage, especially if they are uncertain about the benefits to be gained. Suppliers should therefore be educated on benefits that can be provided to them as early as possible in the project (Vaidya *et al*., 2006). The e-procurement system should also be simple and effective so that most suppliers can use it (Panda and Sahu, 2012). The success of the e-procurement initiative may well be related to the electronic readiness of suppliers, and communication with suppliers is therefore important (Vaidya *et al*., 2006).

2. METHODOLOGY
The study was guided by a pragmatism approach wherein a mixed method inquiry using both qualitative and quantitative data were used to improve on the reliability of the study results. The target population was comprised of government entities, employees and relevant stakeholders. A sample of 250 respondents was

selected using a 95% confidence level, a 5% State owned enterprise error, and a hypothetical 50% response rate. A total of 250 individuals constituted the sample which was drawn from buying department, accounts department, stores department and the administration (senior management) at different organisations. In picking the sample, a simple random sampling method was done using random number tables. Simple random sampling method was used because the sample frame was known characteristics of the population were similar. The minimum required sample size was calculated using the RAOSOFT online sample.

In collecting the information, the researcher used three instruments which are interview guides, document review and structured questionnaires. The questionnaire was pre-tested for likeability and comprehension through a number of techniques combined before being administered to the sampled population. Regression analysis was used in this study. Logistic regression is a particularly suitable method for this study, as it makes relatively few statistical assumptions and is a good representative of the human decision-making process (Abd-el-salam & Shawky, 2013; Sharma, 2018). In addition, factor analysis was also used. Factor analysis is a multivariate statistical method that can be used to develop, refine and evaluate tests, scales and measures (Yong & Pearce, 2013; Amodu et al., 2018). A pilot survey which consisted of 10 respondents was conducted at the Chinhoyi University of Technology (CUT) Information and Communication Technology (ICT) department.

3. RESULTS

The initial specific objective of the current study was to determine the influence of supplier capability on the PPDPAA in relation to SOEs performance. Descriptive statistics were used to analyse the data and are presented in Table 1. The table illustrates mean ratings and standard deviations for each of the items

Table 1: Descriptive statistics for supplier capability

Item Code	Item Description	Mean score	Mean response	SD
SCA1	The organisations engage into supplier appraisal	3.51	Agree	1.286
SCA2	Supplier selection strategies are used	3.51	Agree	1.316
SCA3	Supplier performance is monitored	3.54	Agree	1.388
SCA4	Proper supplier selection in done	3.55	Agree	1.373
	Overall	3.53	Agree	1.341

Source: Survey Data (2019)

Under this construct, the average mean was 3.0 and the standard deviation (SD) was above 1.2, this meant that the respondents were neutral with the assertion of supplier capability as a pillar for the designing of a digital framework that enhances e-procurement in state-owned enterprises in Zimbabwe. The overall mean score of 4 means that respondents agreed that the SOEs are responsible for supplier capabilities through different supplier management techniques such as the organizations engages in supplier appraisal, supplier selection strategies are used, Supplier performance is monitored as well as proper supplier selection. According to Table 1, the listed items measured successfully into the Supplier Capability (SCA) construct. The mean responses in the above table fell between 3.51 and 3.55. The average mean score was 3.53. This means that the majority of the responses regarding this objective fell in the median range of neither agree nor disagree (Table 1; Survey Data (2019). This meant that during the interviews conducted using the structured questionnaire, the respondents did not clearly express their opinions regarding the impact of supplier capability in relation to SOEs performance.

Hypothesis Testing

H_1: *H1*: Supplier capability has a positive effect on the PPDPAA performance in Zimbabwe's SOEs

There was a significant relationship between supplier capacity and e- procurement planning. The correlation coefficient was 85.2%, an indication that the two variables are significantly related. The probability value of

0.000 resulted in the non-acceptance of the hypothesis of independence of the two variables. Supplier capacity and e-procurement planning are dependent on each other.

Table 4. 33: Symmetric Measures

		Value	Asymp. Std. Error[a]	Approx. T[b]	Approx. Sig.
Nominal by Nominal	Contingency Coefficient	0.852			0.000
Interval by Interval	Pearson's R	0.943	0.015	40.205	0.000[c]
Ordinal by Ordinal	Spearman Correlation	0.908	0.022	30.946	0.000[c]
N of Valid Cases		205			

a. Not assuming the null hypothesis.
b. Using the asymptotic standard error assuming the null hypothesis.
c. Based on normal approximation

Source: Survey Data (2019)

4. DISCUSSION

Supplier capability has been identified as one of the key variables that determine public procurement efficiency in most countries (Nzau and Njeru, 2014; Mukarumongi et al., 2018). The ability to select the right supplier plays an important role in ensuring that suppliers add value to the public SCM. According to Mwikali and Kavale (2012), competent suppliers tend to drive efficiency and competitiveness in public procurement settings. Accordingly, supplier evaluation should assess suppliers' quality commitment, suppliers' financial capacity and suppliers' competence" as part of supplier suitability determination. Mwikali and Kavale (2012) argued that evaluating the supplier's capability should also consider trust and commitment, adequate finance and quality, technological capabilities among other factors. For instance, in Kenya, Chepkesis and Keitany (2018) concurred with Mukarumongi et al. (2018) that supplier capability was significantly correlated to efficiencies related to public procurement legal instruments. In a similar recent study in Rwanda that included 650 respondents, Mukarumongi *et al*. (2018: p. 138) concluded that supplier capability had an impact factor of 6:383 on procurement performances of government ministries in that country. Invariably, supplier capability, which is linked to the ability to select the right supplier, impacts the performance of the public procurement legal environment.

5. CONCLUSIONS AND IMPLICATIONS

Study findings showed that strengthening supplier capability through information sharing and transparency facilitated by the proposed e-procurement model would minimise procurement costs and enhance value for money in the public service delivery system. Supplier identification, selection, performance monitoring was found to be some of the teething issues within the current SOEs sector. From the literature review and support of the respondents' annotations, it was concluded that there was a need to develop objective tools with reliable data analytics and performance assessment capabilities with minimum or no human interference. According to the findings of this study, automation of the supply side of the public service delivery system would not only improve service delivery but would also infuse confidence into public institutions which is critical in growing investor confidence and attract foreign direct investment into the country. Millions of dollars that are lost annually through the awarding of tenders to briefcase and under-or non-performing and intermediary businesses would be curbed once the SOEs embraced the digital procurement framework. It would be possible to entrust projects of a national strategic nature to credible and objectively selected suppliers with the requisite capability.

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