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An analysis of de-dollarization on procurement practises in Zimbabwe. A case of Radio Solutions

By

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Dedication

To my mother Ruth Munyavi, for her immense and unwavering support throughout this academic journey. A special feeling and gratitude also goes to my maternal grandmother Susan Munyavi, who has been my biggest cheerleader in both my academic and personal lives.

I would also like to dedicate this dissertation to all the feminists in this world, and all the women who work tirelessly day and night for the betterment of other women.

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ABSTRACT

The purpose of the research study was to examine procurement challenges during de-dollarization. Radio Solutions a private company that specialise in digital security systems was used a case study of reference. The study made use of mixed research approach. Convenience and purposive sampling techniques were used in the study. The sample size for this study was 25 non-executive and 5 executive employees. Interviews and questionnaires were used as a data collection instrument. From the findings, it was noted that that procurement challenges during de-dollarization are depressing as limited goods to procure at an expensive rate means business will operate to just barely survive. Unique procurement challenges during de-dollarization include cash shortages as a result of market speculators who may try to chance on the exchange rates fluctuations. These unique procurement challenges during de-dollarization are unfortunately not novel as they have been documented in the literature although theoretical. This study confirmed the impact of those procurement challenges during de-dollarization therefore prudent for companies to have strategies in place to curb some of the discussed effects. The study concluded that the economy of Zimbabwe has faced quite a complex phase in terms of economic performance. This means that the quality of service delivery is affected due to lack of means that cannot simply be substituted by some of the suggested procurement challenges solutions such as brand awareness or procurement budget. The study recommended that may be prudent for local companies to convince their employees who are cynical of foreign accounts on why they are important especially in a volatile economy. In addition, the study concluded that, it is necessary for Radio Solutions to also educate its employees about the value of intellectual property such as their brand as evidence show that they did not think it was an important solution to curb some of the procurement challenges such as lack of goodwill. Having good publicity means companies can give goods on credit with an understanding of the situation, a privilege only reserved to those with good reputation.

DEFINITION OF KEY TERMS

Private procurement- refer to the private activities which are not governed by government on purchasing goods and services as the need of individual or organization or government or country to perform its functions (Arrowsmith, 2010).

De-dollarization-the intent of nations to trade exclusively in local currency (Garlake, 2017)

Exchange rate– the rate of exchange between the United States dollar and the South African rand using the indirect quotation system, taking the Zimbabwean Dollar as the home currency (Mapfumo, 2017)

Dollarization - is the use of foreign currencies as a medium of exchange, store of value, or unit of account is a notable feature of financial development under macro-economically fragile conditions (Mecgani, et al, 2015).

Index – is a guide, key or indicator.

Peso- monetary unit of several countries in the Americas and the Philippines

ACRONYMS

GNU – Government of National Unity

RTGS – Real Time Gross System

RS – Radio Solutions

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CHAPTER ONE

General Introduction

1.0 Introduction

This Chapter sets the scene. It follows a programmatic approach whereby it will introduce the company being utilised as case study named Radio Solutions (Pvt) Limited , followed by the background of study, research objectives and research questions. The limitations as well as delimitations will be explained in this Chapter. The operative terms of this study are also explained in this Chapter so that the reader is abreast with the important terms from the onset.

1.1 Radio Solutions (Pvt) Limited

Many companies have focused upon their core capabilities in order to develop their competitive advantages and have procurement departments to source their products this is the case for Radio Solutions (Pvt) Ltd. The company is into digital security systems and operates in Zimbabwe and Botswana. They offer technical support services and high quality security technology based products which they procure from South Africa, China, Korea and Japan. The procurement landscape however constantly produces new challenges, risks and opportunities, which makes purchasing and supply management increasingly complex. Most of these challenges came to light for Radio Solutions (Pvt) Ltd in 2019 after the de-dollarization policy introduced by the government of Zimbabwe.

1.2 Background of the study

Some of Zimbabwe's biggest headaches over the past two decades have been currency issues, specifically the choice of an appropriate currency regime and periods of extreme currency instability. Zimbabwe acquired relative prominence in mainstream media in the late 90s, predominantly due to the country's perpetuating economic and financial dissonance (characterized by hyperinflation at its worst) which culminated in the adoption of official dollarization in 2008 (Noko, 2011). These events came in the backdrop of the fast-track land reform programme, which entailed the expropriation of white-owned commercial farms for redistribution to the landless black majority (Mlambo,2010). Though there is a direct nexus between the two processes, the former cannot be exclusively ascribed to the latter; there are a host of other issues that have contributed to the economic and financial breakdown in Zimbabwe.

Zimbabwe's currency history has been through various phases. For most of the period between independence in 1980 and 2009, Zimbabwe officially operated a fixed (managed) peg regime, with the Zimbabwean dollar pegged to the US dollar (Mlambo, 2012). While pegged exchange rates were commonly historical, since the collapse of the Bretton Woods agreement in 1973 there has been a steady shift internationally towards more flexible exchange rate regimes (Garber, 2006).

Many African countries adopted fixed or pegged exchange rates on attaining independence. Pegged exchange rates were intended to support macroeconomic stability, but in many cases could not be maintained as the currencies became overvalued relative to economic fundamentals (Fukuda, 2004). The same happened in Zimbabwe, and the peg to the US dollar despite periodic adjustments, the Zimbabwean exchange rate became increasingly unsustainable (Jabara, 2009). As in several other African countries although to a much more extreme degree in Zimbabwe – the cause of this was largely government budget deficits and rapid growth of the money supply. Between periods 2004 to 2009, the budget deficits were -1.65%; -8.11%; -6.24%; -1.42% and -1.30% respectively.

The inconsistencies of the macroeconomic policy framework and the resulting hyperinflation led to unofficial dollarization of the economy in the late 2000s, as the Zimbabwean dollar could no longer perform the conventional functions of a currency. Following the 2008 elections and the formation of the Government of National Unity (GNU), a multi-currency regime (with multiple legal tenders) was introduced in February 2009, while the Zimbabwean dollar was to all intents abandoned (Noko, 2011). Notably, although the GNU ran a largely balanced budget (driven by cash budgeting principles, i.e. only spending money that had been collected), since 2014 budget deficits began to rapidly increase, exacerbated by government borrowing and externalisation. These inconsistencies resulted in increasing US dollar shortages in the financial system leading to the introduction of Bond Notes in November 2016 at par with the USD which also evidently failed. Bond notes later morphed into (RTGS dollars) which in turn led to a loss of convertibility between dollars held in the banks (RTGS Dollars)and US dollars (in the form of cash or for transfers/payments outside of the country (Mutingwende,2019). There was an insufficient supply of foreign currency at the official pegged rate thus a parallel market emerged with a heavily depreciated local currency. Although the RTGS dollar was initially worth one US dollar, this parity could not be maintained in practice since its inception.

This regime lasted until mid-2019, when the Zimbabwean dollar was formally reintroduced and made the sole legal tender through SI 142/2019. Since its formal reintroduction the exchange rate depreciated rapidly, on both the official and parallel markets (Chakravarti, 2019).There are examples of countries that introduced a new currency in place of a pre-existing foreign or regional currency, including Botswana (which dropped the South African rand in 1976), the Czech and Slovak republics on the break-up of Czechoslovakia in 1993, and South Sudan on achieving independence in 2011. The first three of these were successful, but South Sudan’s was not and the same fate awaited Zimbabwe. The crucial factors in the successful cases were the credibility of these countries' central banks and macro-economic policies. These factors are not yet present in Zimbabwe which is attempting to introduce a new currency with a two-decade history of economic and currency crisis, and a central bank being the RBZ still trying to re-establish its credibility(Mutingendwe, 2019).

Since Zimbabwe experienced full dollarization from 2009–2019, following hyperinflation and the collapse of the Zimbabwean dollar (Bhoroma, 2019), the period prior de-dollarization saw Zimbabweans relying on procuring goods from Southern Africa and Asia. The trend to procure business products and services is one factor that has contributed to procurement becoming more important to organizations (Guinipero, 2010). During the last decade, procurement has become one of the major issues in many sectors of the corporate sector (Cigolini*et al*., 2011). According to Pouder*et al*. (2011), 82 percent of large and medium-sized firms apply procurement. This trend has led to organizations becoming increasingly reliant upon their suppliers (Axelsson*et al*., 2015). It also means that organizations are dependent upon their purchasing function not just for procuring and maintaining supply, but also for identifying and utilizing innovations that arise from within the upstream and downstream supply chain (Accenture, 2009; J O’Brien, 2009; Mouzas Ford, 2012).

Back in the day, Zimbabwe was previously known as a commodity exporting based economy (bread basket of Africa). However, over the years many Zimbabweans (business and people) have been importing most of their tradable for sale. Hence when the government decided to de-dollarize, the Zimbabwean Dollar depreciated and this introduced a lot of challenges in the procurement of products for local business people (Mavhunga. 2019). The persistent rise and fall in Zimbabwe’s exchange rate was being driven by the continuous exchange rate depreciation. The problem was that any fluctuation in the exchange rate introduced uncertainty which had detrimental effects on procurement flows (Kairiza, 2019).

Banning the use of the multi-currency hurt companies that do not export but needed to import as they now had no other source of foreign currency except the interbank were liquidity was already tight. Most were forced to buy foreign currency on the black market at a higher exchange rate (Mutingendwe,2019). The interbank market continued to fail in satisfying market demand and those who procured their goods abroad were affected the most.

Other effects were that SI 142/2019 created uncertainties which increased the risk level of traders particularly risk adverse traders. Secondly, the incentive to raise their prices was high lowering their competitive advantage and leading to lower sales making it difficult for most companies to stay afloat. These are some of the procurement challenges experienced by Radio Solutions (Pvt) Ltd one of Zimbabwe's leading importers of security systems. The company was greatly impacted by SI 142/2019 in 2019 as it changed the economic environment affecting its procurement relationship with suppliers and consumers.

Literature on the intersectionality between de-dollarization and procurement challenges is arguably non-existent in Zimbabwe. There is existence of some acknowledgement on the impact of de-dollarization on corporates by online press such as Techzim (2020) but it is far from detailed and barely examine procurement challenges per se. Yet, as stated above, the issue of de-dollarization is not a unique Zimbabwean concept or any novels financial approach, hence literature in places like Botswana for example have explored this issue (Manikwane, 2019; Tswalepe, 2019).

The stated literature in Botswana informs us on some of the procurement challenges that were faced by corporates especially the retail sector initially which can be used to inform us about the procurement challenges that de-dollarization had on Zimbabwean companies. Although this is persuasive idea, comparative methodology from scholars such as Garlake (2017) inform us that comparing a situation from two countries homogeneously can have the loophole of cultural insensitivity. Of course, Botswana and Zimbabwe have similar cultures since they are all Southern countries, however, the financial reality between the pula (Botswana) and Zimbabwean dollar cannot be ignored. Botswana in the past decade have made significant financial strides to the extent of increasing their GDP by almost 60% in the last five years (Botswana Finance, 2020). Moreover, the very fact that the de-dollarization was a success story in Botswana alone makes it somewhat improper to try to use it as a shadow template of the Zimbabwe situation.

Currently, the issue of procurement vis-à-vis corporate world is commonplace (Runiga, 2020). The discussion is on navigation of goods considering Covid-19 pandemic has restricted movement of people as well as goods (closure of borders). Most of the discussion centre on digital procurement (Finley, 2020) and post Covid-19 backlog procurement (Stephens, 2020). None of these discussions are particularly useful for this research study per se. Nonetheless, acknowledging their existence places the study in the context of the time of writing. Equally, it shows that the research study has a home in the contemporary period.

Against the above background, this study seeks to assess the procurement challenges that de-dollarization had on the corporate sector. The study investigates the potential business impact of the de-dollarization and subsequent exchange rate depreciation on Radio Solutions (Pvt) Ltd during the 2019 period.

1.3 Statement of the problem

Whereas the problems of de-dollarization to the economy of Zimbabwe are well documented (Chirevo, 2019; Madzivo, 2020; Magaisa 2020 and Mahere 2020), little study has been conducted in relation to the effects of procurement challenges post de-dollarization. This is concerning as it means that companies have no source of reference in resolving the procurement challenges hence are left out to resolve this issue in a "off the cuff" manner. Second guessing in business is not ideal thus the lack of comprehensive examination of the procurement challenges needs a panacea. As a result, companies can then resolve some of their procurement challenges post de-dollarization with confidence.

1.4 Objectives

i. To identify procurement challenges at Radio Solutions during de-dollarization
ii. To measure the impact of procurement challenges faced during de-dollarization at Radio Solutions
iii. To determine the effectiveness of de-dollarisation procurement strategies at Radio Solutions

1.5 Research questions

i. What are the procurement challenges at Radio Solutions during de-dollarisation?
ii. What is the impact of procurement challenges faced during de-dollarisation at Radio Solutions?
iii. How effective are de-dollarization procurement strategies at Radio Solutions?

1.6 Significance of the study

1.6.1 To the researcher

This is in partial fulfilment for the Bachelors of Commerce Honours in Retail and Logistics Management.

1.6. 2. To the Stakeholders

The findings from the proposed study may contribute in helping the stakeholders in understanding and be aware of the challenges in procurement and suggest the ways in which they can be able to solve those challenges.

Furthermore, the information may be useful to policy makers both at private and public sector level.

1.6.3 To the University

The information will also be used in the resource centres of higher institutions to increase knowledge on the challenges associated with procurement in the corporate sectors and the study acts as the source of knowledge and information by helping the academicians to get access to more references and information when carrying out research on the issues concerning procurement in Zimbabwe.

1.7 Delimitations

The study is a case study of a company based in Zimbabwe hence has geographical delimitation. Secondly, the study has a delimitation period of time which is de-dollarization period of 2019.

1.8. Limitations

Due to Covid-19 was limited access and time to spend with the employees and management due to lockdown restrictions. However the researcher had to set up appointments with management before the visit and gave employees to fill in questionnaires at a convenient time.

1.9 Organisation of Study

Chapter 1 comprises of the introduction to the study, the background of study, justification of the study and the research objectives.

Chapter 2 is the literature review. It consists of the work done on the concept of procurement challenges during de-dollarization.

Chapter 3 is the research methodology. This sets out the research approach, research design, the sampling method to be used in the study, and the sample size. Ethical considerations when conducting this research will also be stated in the study.

Chapter 4 of this study illustrates the findings from the research conducted.

Chapter 5 proffers recommendations.

1.10 Chapter Summary

The chapter firstly outlined the overview of the whole chapter followed by the background of the study and highlighted the statement of the problem. The research question and sub-research questions were illustrated. The value to different stakeholders of this study was set out in the significance of the study. Delimitations and limitations of the study were explained established. A chapter summary concluded the chapter. The literature review is presented in the next chapter.

CHAPTER TWO

Literature Review

2.0 Introduction

This Chapter will contain the study's literature review. The goal of the literature review is to highlight some gaps within the existing literature by means of appraising the significance as well as limitations of established theories and points of view. Equally, this Chapter will identify areas of further research deduced from the review of existing literature vis-à-vis procurement challenges during de-dollarization.

2.1 Overview of de-dollarization

Mane, (2019) stated that de-dollarization entails a mix of macroeconomic and microeconomic policies to enhance the attractiveness of the local currency in economic transactions and to raise awareness of the exchange-risk related costs of dollarization, thus providing incentives to economic agents to de-dollarize voluntarily. It may also include measures to force the use of the domestic currency in tandem with macroeconomic stabilization policies.

A more simplistic definition of de-dollarization is often by (Graham, 2019) who suggested that de-dollarization can then be defined as a process of returning back to the normalcy or rather substituting the US dollar as a means of currency. In the context of Zimbabwe for instance, based on this definition, de-dollarization means the return of the Zimbabwean dollar and real time gross value (RTGS) as medium of exchange as opposed to the US dollar.

Most de-dollarization experiences include some shock treatment to bank dollar deposits and loans. For instance Cherin, (2017) argued that in Chile bank dollar loans mostly financed by capital inflows were converted to inflation-indexed loans in a market-friendly way using the sweetener of a generous fiscal package, designed to solve the 1982 banking crisis.

According to Rubin, (2019), in Argentina, Mexico and Pakistan dollar deposits were forcibly pacified inflicting capital losses in the conversion. The evidence of countries that have avoided the surge of dollarization or re-dollarization of bank deposits also points to consistent anti dollarization prudential regulation (Moyo, 2019).

Bridges, (2017) states that success in Latin America has also been accompanied by strong financial prudential policies favouring local currency lending such as legal restrictions to dollar bank deposits. For example, Yen (2018) states that in Chile there was prohibition to lend to borrowers in the non-tradable sector. Whilst Mojito, (2019) states that in Mexico there was quantitative limitations on lending and prohibition for households to hold dollar deposits whilst Runiga, (2019) states that in Brazil there was prohibition of dollar lending except on-lending of foreign credit and prohibition of dollar deposits and in Colombia and Venezuela there was a ban or strong legal restrictions on dollar deposits.

At the same time, in the literature we can deduce that dollar repression is also associated with failure more often than not. For example, Nickson (2016) states that Bolivia and Peru bluntly prohibited bank dollar deposits in the early 1980s only to see extreme macroeconomic instability, financial disintermediation and capital flight that led them to allow again dollar deposits (remaining very highly dollarized to this day). In the same scenario in Zimbabwe (Bonga et al, 2014) concur with (Munsaka, 2014) that a country cannot make its goods cheaper by devaluating its currency and also that unfamiliarity with a new currency makes it easy for counterfeiting.

From the lessons that exist in literature this far, for success in de-dollarization, we learn that it is important for the existence of an indexed sovereign currency instrument attractive as a dollar substitute to hedge surprise inflation, which can be used as a carrot to sway repressed dollar depositors to local currency deposits. King, (2019) states that Mexico created an inflation indexed unit of account in the 1990s which was offered by banks. Mark, (2018) states that Chile had inflation-indexed sovereign currency (peso in this instance) instruments from a crisis decades ago. By contrast, Venezuela and Zimbabwe for example, have not counted with any such financial innovation (Muredzi, 2020).

According to Perci, (2019) the particularly successful case of Chile is revealing as to the combination of policy sticks, carrots (and favourable preconditions) that allowed it to de-dollarize and then build a solid financial system around indexation for 20 years. The key was the embracing of indexation.

According to Moana, (2016) reasonable access to foreign financing to offset a potential temporary surge in capital outflows, is also important to contain the risks of strong anti-dollarization prudential policy. Alternatively, effective temporary controls on capital outflows could achieve the same goal; although a repeat is difficult to imagine nowadays, Chile's long experience and legal tradition with dual exchange rate capital controls was key to limit off-shore dollarization before capital inflows were ample in the 1990s (Herrera and Valdes, 2003).

The most disastrous cases of failed de-dollarization are characterized by periods of instability, capital flight, and lack of access to external financing. Shock treatment of dollar deposits appears extremely risky under those circumstances. According to Maseko, (2017) in Argentina there was arbitrary de-indexation in the 1970s and change of index base in the aftermath of the recent crisis, although it is fair to say that pacified dollar-indexed claims fared even worse.

This was also the case of Zimbabwe in 2019 when the government introduced the bond notes at par with the USD, allowing foreign exchange only when using the government index. There is the related concern that due to inevitable lags hyperinflation would still dilute inflation indexation, thus weakening its attractiveness.

Considering the impact of dollarization it is interesting to note that most countries have not attempted to fight against it. Perhaps an explanation to this is that it is only after recent experiences that the staggering costs of high dollarization have been revealed, so we can expect more policy action in the future (Kunaka, 2019). Recent trends indicate that a number of countries are currently embarked in de-dollarization (e.g. Argentina, Colombia, Peru, Uruguay, and Zimbabwe) and that dollarization is slowly receding.

The de-dollarization purpose and achievement is clear in the structure of public debt of major countries: Mexico has been paying down foreign (dollar) public debt after the Tequila crisis, Brazil dramatically legislated indexation or contracting would also be at risk, including dollar indexation (witness Argentina's specification of dollar contracts).

In fact, Herrera and Valdes, (2003) conclude that learning from the dollarization-driven crises of the early 60s and 80s helped policymakers and market agents to converge in the healthy financial system developed afterward. Chile reduced dollar and dollar-indexed liabilities (debt and guarantees) for local currency debt at a substantial cost, and Argentina also drastically reduced its share of dollar public debt in the context of its recent debt restructuring by offering a valuable (that is, relatively expensive) conversion option for inflation-indexed bonds.

Yet, according to Basil, (2018) the timidity of the de-dollarization strategies even today suggests that de-dollarization policy, like all investments, impose up-front costs but delivers benefits only in the future; it is possibly too costly or risky to launch in bad economic situations and too unappealing to short-sighted politicians in good economic situations. The implication is that it will be important to think in domestic institutions or outside influence, for example conditionality by multilateral organizations, that can help compensate this status quo bias.

2.2 Defining and explaining procurement challenges

2.2.1 Defining procurement

Procurement, in simple terms, according to Jen, (2016) is the acquiring of different products or services in a series of steps meant for an organization or a business. It includes obtaining the best possible products at the best possible price. Morgan, (2017) posits that it is important for those in procurement to understand the business policies, the exact requirement, the features, or the benefits that the supplier provides while abiding with the social and corporate responsibility of the organization.

Kabwe, (2018) explains that purchasing is a subset of procurement. This means that purchasing is the last step involved in procurement. Procurement is the whole process of sourcing, negotiating, strategic selections of suppliers among other things. Therefore, purchasing is a part of procurement, while procurement itself is an elaborate process.

2.2.2 Significant Challenges in Procurement

2.2.2. 1 Risks

According to Lee (2016) risks involved in procurement can prove to be fatal for the whole cycle of the supply chain process, and hence, it is essential to understand and overcome these risks on time. Some major risks involved are market risks, potential frauds, compliance risks like anti-corruption, policy adherence and cost, quality, and delivery risks. Gregory, (2018) posits that a risk in procurement can hinder the business processes and lead to an overall decline in the business. Hence, considering the supply risk is important during procurement.

2.2.2.2 Inaccurate Data

Another challenge in procurement is access to inaccurate data especially with online procurement processes. Duncan, (2019) suggests that the challenge of inaccurate data is inevitable especially when the size of projects increases, the risk associated with them also increases. In relation to inaccurate data, Hen, (2018) states that it can motivate bad or illinformed decisions, which ultimately reflect as a loss on the business cycle. Kingsman, (2018) states that purchases that are made based on inaccurate data lead to problems like inventory shortage and excess inventory. Having access to accurate data is essential in big projects as it helps in putting up a strong case in front of the management or the primary decision-makers. A decision that is driven by data has a slim chance of being unsuccessful as compared to a decision made with inaccurate data.

2.2 2.3 Lack of Strategy

Dube, (2017) argues that one of the challenges of procurement is a lack of strategy. He posits that most people think procurement as an operational process as opposed to a strategic process. He argues that strategic considerations should be taken into account in each step of procurement so that it is in sync with company policies and is optimized for risk mitigation. However, implementing a strategy in each step for every business unit.

2.2.2. 4 Supplier Issue

Moore, (2018) states that one of the challenges of procurement is finding the right supplier who delivers the quality promised and in the dedicated timeline can be a real task. Matters related to the supplier are probably the most significant challenges that supply chain professionals have to face.

The supplier-related issues all have the same solution which according by Banks, (2019) is continuous monitoring and evaluation. Supplier performance can be monitored by ensuring they deliver the right products, in the right time frame and according to the quality guidelines specified by both the parties. Just like customer relationship management, Tibet, (2016) suggests that a supplier relationship is also crucial for the smooth functioning of the procurement process. Overviewing more than three suppliers and understanding their relationship can help develop a good supplier process in the organization.

2.2.2. 5 Long Cycle

Kane, (2016) suggests that the procurement process can be considered a long cycle, but in many instances, products or services are ordered in an urgency to complete a project or to make some deadline. As a result, proper steps and cycles are not followed, which leads to an increase in risks and challenges. Berthwaile, (2018) suggests that these shortened cycles lead to incomplete preparation of the technical specifications, overlooking the procurement schedule, extending the timeline for bids or proposals, failure to start the evaluation process on time, or the setbacks or lack of time for contract negotiation leading to poor deliveries and overpriced products.

2. 2.2.6 Stakeholders

Pritchard, (2019) states that stakeholders can be challenging to manage, more so when they vary in their interests and have different opinions on the outcome of a project. Some stakeholders have a direct impact on the project, while others might have indirect. So, the priority of stakeholders can be variable. Such versatility in stakeholders makes it difficult to manage and coordinate between them to produce a productive and fruitful outcome.

2.3 Procurement Challenges during de-dollarization

Stein, (2018) suggest that most global trade is conducted in the United States dollar and more than 50% of all global foreign exchange reserves are held in United States Dollar (Clackson, 2014). This on its own places United States at great advantage over other states. In specific terms, this has given the US an enormous built-in advantage. However, with the aid of decades of incredibly bad decisions by America, the said advantage is starting to erode, (Clackson , 2014). Russia and China appear to be finding allies willing to 'de-dollarize'. The problem with this especially to developing countries like Zimbabwe in procurement terms is finding tender with the default transacting currency being in United States dollar (Calvin, 2018).

2.3.1 Procurement challenges during de-dollarization in Zimbabwe

2.3. 1.1 *Cash Allocations*

Chigumira et al, |(2009) stated that when a country surrenders its privilege to print an own currency, it gives away the ability to directly influence its economy including among other factors, its right to administer monetary policy and control the exchange rate regime. This meant that the Zimbabwean government had less control on monetary policies one amongst which is externalization. There was an atrocious USD cash shortage in the country as businesses and people externalized their USD cash and equivalences for safety purposes. Hence subsequently the Reserve Bank of Zimbabwe suffered from a liquidity crunch meaning that those companies who procure global like Radio Solutions who would have applied for USD cash allocations from the bank according to the government laws would have to wait longer than expected in the queue thereby affecting the whole supply chain.

2.3. 1. 2 *Expensive*

Bonga, Dzoro, (2015) alluded that the proper conditions to de-dollarize include the ability for the Central Bank to retain its credibility as an autonomous entity to the country politics, stability in the economy and money supply linked to the reserves, international relations need to be restored , need for political stability amongst other things. The government of Zimbabwe venturing into de-dollarization without meeting the above prerequisites meant that it had ventured into forced de-dollarization and forced de-dollarization has its own repercussions amongst which was lack of confidence in the Zimbabwean dollar (RTGS). This meant that local suppliers for private companies where no longer comfortable for selling their products in (RTGS) thus creating shortages in the market which heavily affected the supply chain. For the few cases of those who sold their products in (RTGS|) regardless they also inflicted heavy exchange rates on their prices so as to prevent themselves from possible losses. For local companies this meant that procurement would be expensive thereby transferring the burden to the end customer affecting business relations.

Equally, companies in Zimbabwe had to go through database repricing of goods every other day on top of all the other day-to-day business activities so as to match the prevailing exchange rate as everyone was mandated to price in USD. There were times when the rate would increase triple in one day meaning that for example if one had priced their good at the rate of US $1:25 , they would then have to change to US $1:30 then later also change to US1:40 to curb losses. At this rate most company later resorted to charging at a way higher rate in advance in-order to not overwhelm themselves with more work. This literally translated toe good and services being more expensive than the usual. This also affected relationship between companies like Radio Solutions and their clients.

2.3. 1. 3 *Limited choices*

(2017) indicate that developing countries like Zimbabwe are increasingly adopting the "looking at the East" economic policy as a result of being isolated by world super powers such as United States and United Kingdom via economic sanctions. Thus, with little choice of trade partnership, it is ending up participating in the 'de-dollarized' ambiance. For companies in Zimbabwe, as argued by Barwe, (2020), companies end up just procuring what they can get not what they may necessarily want.

2.1. 1. 4 *Lack of Goodwill*

Without favourable conditions to de-dollarization, (Mbare, 2019) stated that the sole printer of the sovereign currency (Reserve Bank) through underhand dealings may continue to drive the black market by buying forex to meet import requirements. This is accurate as during de-dollarisation in Zimbabwe the bank cash liquidity crunch gave birth to black market forex exchange at inflated rates which meant that companies would acquire the United States dollar expensively and the burden would be borne by the customers (Mutemachani, 2021). Consequently, the services given by customers became expensive affecting the business as well as the relationship with customers. Lack of goodwill can thus be deduced as a potential procurement challenge. Without, goodwill, it is difficult to gain trust from suppliers hence difficult to procure goods (Hein, 2019).

Neruto, (2016) posits that Zimbabwe being a third world developing country has many Non Profit Organisations operating and these relatively operate using the US Dollar. Hence if there was any NGO tenders that Radio Solutions qualified for they had to do apply for it in US Dollar. This meant that the tender application process would be complex for private companies as the government would require it to undergo several steps to be able to charge in US Dollars. This in many cases placed private companies at a dis-advantage as other competitors would by chance would be connected hence their process would be slower than the said private company thus meeting deadlines (Mbire, 2018).

Kurinwe, (2019) posit that de-dollarization resulted in a lot of complicated monetary hurdles which meant it difficult for companies that deal with foreign goods. It meant a restructuring of their invoices to reflect the new position. In terms of procurement, it made it difficult for local companies to acquire tenders from NGOs.

2.3.2 International procurement challenges during de-dollarization

2.3.2.1 Bolivia

Duncan, (2018) posits that in 1982 Bolivian authorities attempted to “de-dollarize” the economy by converting dollar-denominated financial instruments to pesos bolivianos at an exchange rate below the prevailing one in the market. Capital controls, price controls, and interest rate caps were also imposed at the time. Real negative interest rates prevailed in Bolivia during the high-inflation period of the early 1980s. In response to this high inflation and the prohibition of holding dollar denominated deposits on shore, offshore deposits grew significantly, and financial intermediation declined sharply (Duncan, 2018, p. 65). From this article, it can be deduced that de dollarisation caused economic problems like increasing offshore deposits which meant that bank cash liquidity was affected which meant companies especially those who depended on imports and globalization who would have applied for cash at bank rate prevailing rates would be on the wait list longer thereby affecting their procurement activities (Luke, 2019).

2.3.2 2. Peru

Chigumira et al, (2009) postulated that, countries that tried to force de-dollarization experienced financial disintermediation and capital flight. This was also the case countries like Peru because they de-dollarized without adequate measures. While this brought problems like cash liquidity in the country it meant Peru companies were only able to pay for their orders not as quick as they used to . Thus companies began to experience strained relationships between them and their suppliers which again is not a good thing in procurement and supply chain. If one is not in good books with a supplier they are bound to experience problems like quality issues, longer lead times and even in some cases access denial of promotional products which has been proven to adversely affect the supply chain by different schools of thought.

2.4 The impact of procurement challenges during de-dollarization

2.4.1 The legal puzzle

Dzuke and Naude, (2015) remark that the requirements of the legal framework is a major impact of de-dollarisation on procurement which is mainly caused by the fact that every stage and activity of the process is regulated and is exacerbated by the requirement that all activities, such as approval of tender documents and adverts, have to follow the "new monetary" policy, perhaps one that favours the established sovereign currency. This has the impact of making procurement process more rigid and lauded with red tape.

Similarly, a study done in Mexico upon de-dollarisation demonstrate that despite the reform processes in public procurement and the employment of supply chain management as a strategic tool, problems identified in the public procurement practices included non-compliance with legislation and policies related to procurement and supply chain management, as well as tender irregularities (Ambe&Badenhorst-Weiss, 2012). Livhuwani, (2012) found that the supply chain management section in Mexico was experiencing problems of poor service delivery as a result of insufficient training, lack of experience and inadequate qualifications. This resulted in the failure of the procurement personnel to interpret policies, acts, rules and regulations that govern supply chain management, and they tended to award contracts to unqualified service providers who bribed public officials via monetary reward.

2.4.2 The international procurement impact

Reinhart et al, (2003) propounded that in 20 developing countries that experienced a significant drop in their dollarized portion of their deposits during 1980-2001, 16 countries experienced rebounds. Most de-dollarization experiences include some shock treatment to bank dollar deposits and loans. For instance, Cherin, (2017) posits that in Chile bank dollar loans mostly financed by capital inflows were converted to inflation-indexed loans in a market-friendly way using the sweetener of a generous fiscal package, designed to solve the 1982 banking crisis. Here, the impact to procurement will be favourable too due to the generous fiscal package.

Gregory, (2018) states that Israel imposed a mandatory holding period for dollar deposits valued at administrated rates (an implicit tax).

According to Rubin, (2019), in Argentina, Mexico and Pakistan dollar deposits were forcibly pacified inflicting capital losses in the conversion. The evidence of countries that have avoided the surge of dollarization or re-dollarization of bank deposits also points to consistent anti dollarization prudential regulation (Moyo, 2019).According to Kennedy, (2018), in Israel banks are required to actively hedge currency risks or impose higher collateral in the case of dollar lending to the non-tradable sector.

Bridges, (2017) states that success in Latin America has also been accompanied by strong financial prudential policies favouring local currency lending such as legal restrictions to dollar bank deposits. For example, Yen, (2018) states that in Chile there was prohibition to lend to borrowers in the non-tradable sector. Whilst Mojito, (2019) states that in Mexico there was quantitative limitations on lending and prohibition for households to hold dollar deposits whilst Runiga, (2019) states that in Brazil there was prohibition of dollar lending except on-lending of foreign credit and prohibition of dollar deposits and in Colombia and Venezuela there was a ban or strong legal restrictions on dollar deposits. Here, procurement was impacted in terms of those who procure outside whereas those who locally procure goods benefited.

Nickson, (2016) states that Bolivia and Peru bluntly prohibited bank dollar deposits in the early 1980s only to see extreme macroeconomic instability, financial disintermediation and capital flight that led them to allow again dollar deposits (remaining very highly dollarized to this day). In the same scenario in Zimbabwe (Bonga et al, 2014) concur with (Munsaka, 2014) that a country cannot make its goods cheaper by devaluating its currency and also that unfamiliarity with a new currency makes it easy for counterfeiting for it has a negative impact of de-dollarisation on procurement of goods.

Finch, (2019) argues that Venezuela did not suffer from financial dollarisation in banking due to regulatory prohibitions but faces massive capital flight and bouts of financial instability. Even in countries where the experience of banning onshore dollar bank deposits can be considered satisfactory, like Brazil, Colombia and Mexico, there is a substantial degree of offshore dollar bank deposits which reduces domestic financial intermediation and contributes to larger external debt (Veru, 2018) which effectively reduces goodwill of the country making it much more expensive to procure goods because of lack of trust.

2.4.3 Local procurement impact

Chimberengwa et al, (2020) attribute de-dollarisation as a cause for poor service delivery in Zimbabwe as a result of procurement process. These problems include stock shortages of essential goods such as medicines (caused by shortage of cash as it was being obtained at black market), strained supplier relations, longer- lead times, access denial to promotions and also the poor quality of procured goods.

2.5 Chapter Summary

In summary, this Chapter has identified relevant literature that discusses dollarization and post de-dollarization. From the systematic review, gaps have been identified. Gaps exist on the literature that identify procurement challenges during de-dollarization. The literature although noting economic challenges during de-dollarization, explicit reference to procurement per se is non-existent. From the economic challenges, the impact of procurement challenges during de-dollarization from literature can be deduced yet empirical evidence to support this is not well round

CHAPTER THREE

Methodology

3.0 Introduction

This Chapter will constitute the research design used. Furthermore, the unit of data and sampling method used including the sample size will be discussed. In addition, this Chapter will examine the data collection methods. The trustworthiness of the study as well as the pilot study that was used to retest the research instrument will be discussed. It will also examine the data presentation and analysis used. Prior to the conclusion, the ethical considerations researcher adhered to during the course of the research will be discussed.

3.1 Research philosophy

A research philosophy is a belief about ways which data should be gathered, analysed and used. Examples of research philosophies include positivism, interpretivism, axiology, epistemology, ontology and realism.

According to Gregory (2016) epistemology consists of what is of veracity or at least known to be true. Conversely, ontology consists of a belief of veracity of what an individual considers as fact. As far as research philosophy is concerned, there are arguably many sources of 'knowledge' and these include but not limited to intuitive knowledge, logical knowledge, empirical knowledge and authoritarian knowledge. Needless to say, research process may integrate all these sources. This is applicable for this research study at hand, it integrated all sources available to the researcher at the time of writing.

Axiology is a study of values that is 'goodness' and how that come to a society. According to Palesa, (2000) axiology seeks to understand the nature of values. Equally, ontology is a philosophical study of 'being': a critical star of why things exist if they exist at all. A classic example of feudalism (an obsession of why things exist or how they came into existence). Realism on the other hand is a philosophical concept that argues that whatever one perceives to be real is indeed real or exists.

Positivism argues that people's actions are directly a result of the social norms they are exposed to whereas interpretivism argues that people are complex thus each individual has their own objective reality. Using positivism is appropriate for quantitative research method which require the research to be reliable and valid whereas interpretivism may be appropriate for qualitative research methodology which is more concerned on greater validity as opposed to reliability or representativeness. For this research, both interpretivism and positivism approach was used because the mixed research methodology was adopted.

3.2 Research Design

Quantitative methods were employed in this dissertation since a combination of such designs can provide factual evidence when dealing with complex research questions. The qualitative data will provide a deep understanding of responses, and statistical analysis will be employed to provide detailed assessment of responses**.** The rationale for using this mixed approach is that neither quantitative nor qualitative methods are sufficient by themselves to capture the trends and details of the situation. When used in combination, quantitative and qualitative methods complement each other and allow for more complete analysis (Katsirikou Anti & Christos Skiadas, 2012).

Mauch& Park, (2003) argued that one research approach may prove more suited to a given problem than another. Thus, it is essential to choose the investigative approach that best promises to match the problem and its setting and to result in the most believable and dependable solution. In some instances, a qualitative design may well be the approach of choice. Hence a combination of these two will be used during this study.

Research will be conducted in **<u>three phases</u>** wherein the historical approach of the qualitative methods will be used during the **<u>first phase</u>**. Qualitative research is "an inquiry process of understanding" where the researcher develops a "complex, holistic picture, analyses words, reports detailed views of informants, and conducts the study in a natural setting" (Creswell, 1998, p. 15). This will be used in acquiring secondary data in particular and fitting data collection methods will be applied.

In the **<u>second phase</u>**, quantitative methods will be used to develop and employ models based on mathematical approach, and theories in relation to the nature of the research phenomena which focuses on the connectivity between empirical observations and mathematical expressions of quantitative relationships. Evidence will be evaluated iteratively, and concepts and theories will be refined leveraging on statistical approach. The rationale for this approach is that the quantitative data and results provide a general picture of the research problem, particularly identifying the procurement challenges during de-dollarization at Radio Solutions.

For the purpose of the quantitative survey, the participants for the study will be selected using a purposive consecutive sampling method this is used when a diverse sample is necessary or the opinion of experts in a field is the topic of interest. The major drawback of this technique is researcher bias; however, this will be used in conjunction with other statistical sampling methods i.e., multistage sampling etc.

The third phase will involve substantiation of findings and here a convergent design to compare findings from qualitative and quantitative data sources. Here data will be transformed from qualitative data sets into quantitative scores, and thus jointly displaying both forms of data. As well the quantitative results will be fittingly explained in more detail qualitative methods.

3.3 Target population /unit of data

The unit of data used in this research study were the procurement managers, administration officers, warehouse officer, finance managers and the executive team at Radio Solutions.

3.4 Sampling

Sampling refers to the process of selecting participants of the research study. (Hoover, 2018). For this dissertation, the researcher used convenience sampling because of restrictive time limit as well as budget constraints. According to Fiona, (2017), convenience sampling is the best approach for research that needs to be completed within a short amount of time because it depends on participants that are of close proximity to the researcher. Of course, convenience sampling is often accused of researcher bias (Cane, 2017) and not authoritative because of its reliance of subjects that are close by not really useful or relevant to the study per se (Yen, 2016). In order to curb these potential drawbacks, the researcher modified the convenience sampling method by incorporating some of the mechanisms of purposeful sampling thus:

a. The participants were chosen because of convenience but were made part of this study if they satisfy the purposeful criterion.
b. The purposeful criterion was rounded off by the response of the participant to the question: *Do you know any procurement challenges you faced during de-dollarization?*

c. An answer that stated ‘NO’ would automatically disqualify the participant in spite of how convenient to the researcher they may have been. Conversely, a ‘YES’ answer would mean the participant becomes part of the research study.

3.4.1 Sample Frame

According to Saunders, Lewis, and Thornhill, (2000) the sampling frame is a comprehensive list of all the cases in the population from which your sample will be drawn. The research will be undertaken at Radio Solutions. In this regard the sampling frame refers to Radio Solutions employees that include non-executive employees (operational staff) and executive employees. These employees were selected due to the knowledge they possess that will contribute to the study.

Designation	**Total number**
Executive	5
Procurement Team	20
Finance Team	10
Total	**35**

Table 3.1: Sample frame

3.4.2 Sample Size

According to De Paulo, (2011) the sample size should be small in order to obtain quality and in-depth information from the respondents. He recommends that the sample size when conducting qualitative research should be based on the information the researcher wants to obtain. The sample size for the study was 30. It is essential to make sure the sample size is a reflection of the population so as to augment the validity and reliability of research findings and to get a decent image of employee attitudes, feelings and views towards procurement challenges during de-dollarization at Radio Solutions.

Designation	**Total number**

Executive	5
Non-executive	25
Total	**30**

Table 3.2: Sample Size

3.5 Data collection methods

This study is based on both primary and secondary data that are collected from various sources.

Primary data will be collected by use of various techniques such as:

1. Input obtained from the various iterations of the questionnaire and interviews.

Secondary data collection, published data will be used and these are collected from:

1. Various publications on the area of de-dollarization from related industries (e.g., draft bills, monetary policies, reports of financial sector players among many other necessary documents)
2. Various research reports prepared by research scholars, universities, various sources from university libraries, as well technical and research journals, previously published articles, thesis, conference document
3. Finance specialists

3.5.1 Triangulation, reliability and credibility of data

This dissertation used more than one method to collect data that eventually led to the formation of the proposed framework. Triangulation of data was conducted to assure the validity of research via the usage of variety of methods of data collection identified above. The purpose of the use of triangulation of data for this dissertation was not to cross validate data per se but rather capture the different dimensions of procurement challenges during de-dollarization.

3.6 Trustworthiness

The trustworthiness of a research study according to Gregory, (2015) is measured by the reliability and validity of the data. In relation to reliability of data of this research study, the ethical considerations were adhered to. Because of the satisfaction of the basic reliability test, researchers might use the information established in this research study to formulate their own opinions or complement the findings of the research (generalisability).

In addition, the reliability of data is strengthened by this Chapter which discusses, among other things, the processes of gathering data and how it was gathered including some of the measures that were put in place to ensure that the research study was *reliable*. According to Shanda (2016) the goal of the methodology section of the research project is to authenticate that the research – the research followed a design and process and was not just conducted without thought which would have otherwise rendered such a research study unreliable.

In relation to validity of the data, the process of seeking permission from the relevant authority at MSU and getting that approved as well as the role of the supervisor during the entire writing of this research study fulfils what is known as internal validity of the research study. According to Mane, (2017), internal validity of a research study is important as it demonstrates that other people other than the researcher examined the process of the research study writing hence the final output is not purely *subjective*. With internality validity of data secured, the external validity of data of a research study is concerned with how the data can be used by other researchers to draw more or less the same conclusions if they follow the stated methodology (Stuart, 2016). Nevertheless, it must also be acknowledged that it may not be easy to reach same conclusions as reached by this research study not because it lacks external validity but because some of the methodology explored may be of unique nature to the extent that it may not be easily reciprocated by other research studies in literal homogenous fashion.

3.7 Retesting the research instrument /pilot study

A pilot study was done at a local finance company to assess its procurement challenges during de-dollarization. In that pilot study it was discovered that

(a) Mixed method was a better approach as opposed to either qualitative or quantitative. Because of the emphasis on procurement challenges it meant the feelings of those affected at Radio Solutions needed to be captured via qualitative methods whereas the actual impact needed to be calculated via quantitative approach.

(b) A sample size of less than twenty (20) was likely to lead to unsatisfactory result.

The study at hand was guided by the observation of that pilot study above.

3.8 Data analysis and presentation

3.8.1 Quantitative data analysis methods

Descriptive and inferential statistical methods will be applied where appropriate for the purposes of analysing data:

Descriptive statistics which include measures like frequency, mode percentiles, range among many other will be instrumental in expressing and detailing critical phenomena during research,

Inferential statistics will be employed for multivariate analysis, generalizing and making predictions and inferences where appropriate. These help in understanding relationships between various variables unlike in descriptive statistics which often deals with absolute variables.

3.8.2 Qualitative data analysis

A deductive approach to qualitative data analysis will be used where data will be coded and classified, patterns and relationships will be identified and here critical analysis and thinking will be applied since there are no universally prescribed or applicable techniques. However, the following broad categories for qualitative data analysis will be used to provide a strong guideline.

Content analysis. This refers to the process of categorizing verbal or behavioural data to classify, summarize and tabulate the data.

Narrative analysis. This method involves the reformulation of stories presented by respondents considering context of each case and different experiences of each respondent. In other words, narrative analysis is the revision of primary qualitative data by researcher. These among other techniques will be employed as shall be seen fit by the researcher, during the course of research.

3.9 Ethical Considerations

The researcher followed several ethical considerations in her conduct of this research study. According to Dos, (2018) ethical considerations are key foundations of a sound research study. In light of the forgoing, this research study adhered to the following ethical considerations:

i. **Intellectual Property** – Simpson, (2015) suggests that it is good research ethics to respect the intellectual property rights that are owned by others. One of the means that demonstrates respect to protected intellectual property rights such as copyright is acknowledging the author (s) of the original works. The researcher acknowledges all the sources that are not her own intellectual creation by utilising the referencing system of Harvard to give sufficient acknowledgement.

ii. **Anonymity –** Zaire, (2017) posits that research ethics compels the researcher, in as far as possible, to withhold the names of participants to the research study – not state them explicitly. In other words, the original names of participants including characteristics that may make them identifiable in 'real' life should not be included in the research study. In this study, alphabetical letters were used to distinguish different participants - Participant A, Participant B and so on.

iii. **Voluntary and Informed Consent –** Caleb, (2016) states that participants in a research study should participate freely, willingly and with full consent. In this study, all participants contributed their information freely and willingly. Equally, informed consent was sought prior to handing the questionnaires and their participation in the interviews. The participants were clearly informed of the purpose of the study via word of mouth and written consent document provided. In addition, no incentives were given to the participants for participation. Consent was also sought from the participants to use information they had provided in this research study.

iv. **Permission –** The researcher followed the stated procedure of conducting research as far as seeking permission, firstly, from the university. A letter was sought from the relevant MSU authorities to start the research.

3.10 Chapter Summary

The chapter highlighted the research methodology that will guide collection of data required by the study. It explained the use of the qualitative research design and the case study research approach that will be employed by the researcher. The chapter also justified the use of convenience and purposive sampling techniques that will be used in the study. Furthermore, the chapter explained the use of interviews as a data collection instrument. The chapter also set out the challenges the researcher will face while conducting the study especially due to this pandemic.

CHAPTER FOUR

Data Presentation, Findings And Analysis

4.0 Introduction

The preceding chapter outlined the research methodology for the study. This chapter analyses the responses and feedback from interviews and questionnaires which were methods used to collect meaningful information for this research. Data collected using questionnaires and interviews were presented through the use of descriptive statistics (tables and narrations). The data was then analysed in order to satisfy the research objectives set in chapter one of this research pertaining to procurement challenges faced during de-dollarization. The questionnaires and interviews were analysed and interpreted in relation to the research objectives and research questions, and the results that emerged were presented.

4.1 Response Rate

Group	Targeted Responses	Returned	Variance	Response Rate
Executive	5	5	-	100%
Procurement	20	18	2	90%
Finance	10	7	3	70%
Total	**35**	**30**	**5**	

Table 4.1: Field Research 2021

In a bid to answer the research questions the researcher had initially targeted (35) managerial staff for questionnaires at Radio Solutions. As shown in the **table 4.1** above, out of the targeted Radio Solutions procurement team participants of twenty (20), fifteen (18) of the questionnaires where returned. This brings the response rate of the procurement team to 90%. Since the questionnaires were distributed blindly to the procurement team and returned blindly, the researcher could not follow up to enquire the reasons for lack of return of the questionnaires from the two members of the procurement team at Radio Solutions. The reason the researcher did not distribute in person the questionnaires was because of Covid-19 rules which advocate for social distancing. Equally, it is good research ethic to distribute questionnaires ‘blindly’; that is to say without knowing who responded to what, otherwise, the person may answer to please the researcher or out of respect hence lack the authenticity (Matthews, 2019).

The questionnaires were also distributed blindly to the finance team. Blindly in this context means one of the finance team members at Radio Solutions was given the questionnaires to distribute to his or her co-workers and then one of then collected the completed questionnaires. Out of the targeted ten (10) finance team, five (7) returned the questionnaires. This gives the response rate of 70%.

Saunders *et al*, (2016) argue that response rate more than a 60% is generally considered representative of the population, with a lower response rate considered to be biased, and not fully representative of the total population. Basing on Saunders *et al*, (2016)’s submission above, the researcher considered the response rate to be a fair representation of the population, and therefore used it as the basis for data analysis

In relation to the interviews, five (5) of executive team at Radio Solutions, were the targeted participants. All five (5) managed to attend the interviews.

4.2 Demographic characteristics

The information from demographics as stated by Leroy, (2016) gives data regarding the unit of data and helps to determine whether the participants in a particular study represent a sample of the target population thus balanced. Information in demographics are independent variables therefore cannot be skewed.

4.2.1 Gender

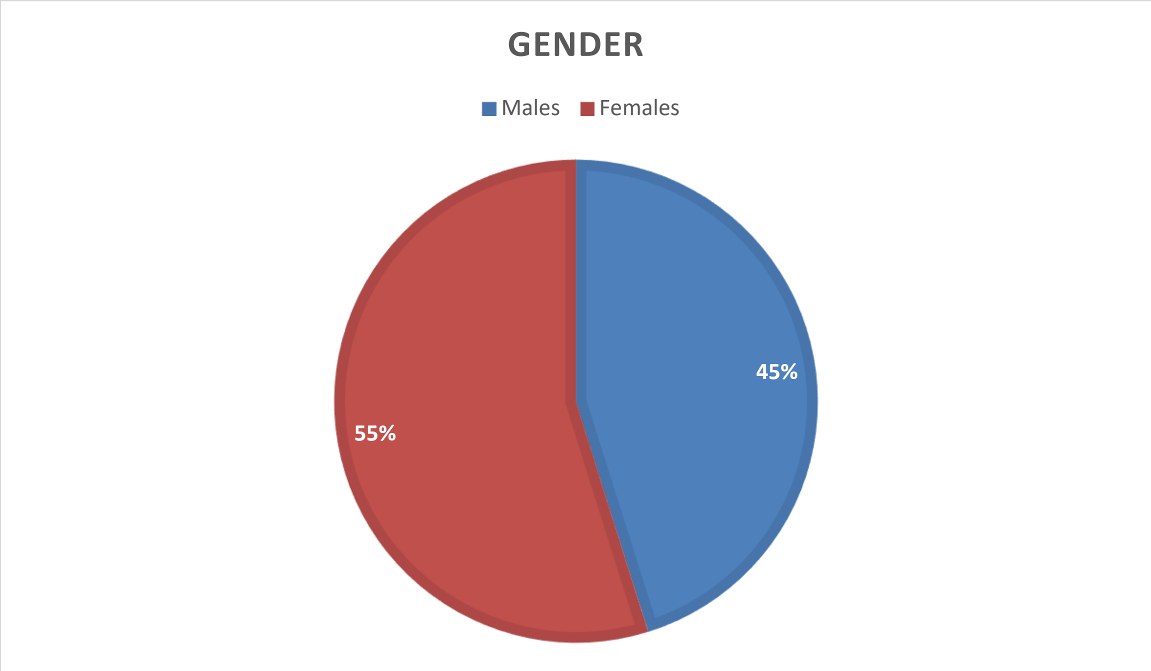

Figure 4.1: Field Research 2021

In brevity, the gender representation of the respondents is 55% female and 45% male as shown by **Figure 4.1** above. Fourteen (14) out of the thirty (30) respondents identified themselves as males. Sixteen (16) of the thirty (30) respondents identified themselves as females. However, no female was part of the executive team interviewed for the study.

From the findings, the respondents were 55% female and 45% male. According to Palgrave, (2017), it is critical for modern studies to be gender sensitive in order to give a balanced view of both feminine and masculine perspectives. In light of this, the researcher gives a wide range of responses which are reflected by gender balance in the analysis on the views on how human resources management can be leveraged for effective service delivery. Therefore, in the analysis, there will be a mixture of feminine and masculine views on the examination of ways which HR function can achieve service delivery.

4.2.2 Age of Respondents

Group	Participants	Age Median (20-30 years)	Age Median (30-40 years)	Age Median (40-50 years)	Age Median (50 years and above)
Executive	5	-	-	1	4
Procurement	18	2	6	10	
Finance	7	2	4	1	-

Table 4.2: Field Research 2021

From **Table 4.2** above, Radio Solutions had employees of different ages and this is proven by the variance in the ages of the respondents. It is worth noting that, only four (4) of their staff members were between the age of fifty (50) years and above, and these four (4) were part of the executive team. This may be due to the company's new drive for promoting youth and giving the young opportunities. The other participant of the executive team was between the ages of 40-50 years. From the eighteen (18) procurement team at Radio Solutions who returned the questionnaires, two (2) of them were between the ages of 20-30 years, six (6) were between the ages of 30-40 years and ten (10) were between the ages of 40-50 years.

Out of the seven (7) finance officers, four (4) of the participants were between the ages of 30-40 years, one (1) were between the ages of 40-50 whilst (2) were between the ages of 20-30 years.

From the findings there were conspicuous differences in terms of age hence views would come from people of different ages who have different experiences. The findings reported the majority of the participants came from the youthful age between (20 years and 50 years). Combined participants of ages between 20-30 (4 participants), 30-40 years (10 participants), and 40-50 years (12 participants) form more than 50% of the participants. This is a shift from prior studies whereby 60% of the participants will be from 50 years and above (Chavez, 2018). A criticism of such a scenario was that the views obtained from such studies were that recommendations stated in those studies could not be utilized for a long time since most of those participants may have retired. Of course, the age of respondents is significant in understanding the opinions about a problem. When examining the responses age becomes important as the levels of understanding can be determined by the age of employees.

4.2.3 Education qualifications

Five (5) executive participants interviewed for the study had a master's degree. Out of the eighteen (18) designated staff, thirteen (13) stated that they had a Degree whilst two (2) had a diploma. Out of the seven (7) finance staff, five (5) had a Degree whilst only two (2) had a diploma.

According to Basil, (2019), qualifications are of importance in the responses since it means they have a firm understanding of what they are speaking about. Of course, education, by and large influence the responses given, hence it is critical for the researcher to understand the level of education of the participants. Education qualification are important in responses as they reflect the way the participant view and understand a certain issue as it is determined by the qualification of the employee.

4.2.4. Length of service

Group	**Participants**	**Length of Service (0-3 years)**	**Length of Service (3-7 years)**	**Length of Service (7 years and above)**
Executive	5	-	-	5
Procurement	18	2	6	10
Finance	7	_	2	5

Table 4.3: Field Research 2021

The respondents from which data has been collected from have served the organization for many years. Including the executive team, making the total of the participants, thirty (30) participants. Twenty (20) have served the organization for seven (7) years and above. Eight (8) have served the organization for at least three (3) to seven (7) years. Only two of the participants have served in the organization for less than three (3) years.

According to Chavez, (2018) a research study benefits from having a wide range of participants who have served a particular organization for a certain period. Participants who have served for long periods are able to provide a historical perspective while those who are new to the organization offer a fresh novel perspective. Therefore, it was important for the study for the researcher to obtain a wide range of information of the participants so as to effectively meet the objectives of the study.

4.3 Procurement Challenges at Radio Solutions during de-dollarization

4.3.1 Understanding procurement challenges

The motive of the researcher was to get critically ascertain information that will enable her to identify the procurement challenges faced during de-dollarization. The starting point was to gather from the participants at Radio Solutions, their understanding of procurement challenges. From the eighteen (18) participants of the procurement team, eighteen (18) stated that they understood what procurement challenges were. Out of the seven (7) participants of the finance team, five (5) stated that they understood what procurement challenges were. The other two (2) members of the finance team at Radio Solutions stated that they were not sure of what procurement challenges were. All five (5) of the executive team posited that they knew what procurement challenges were at Radio Solutions.

According to Younge, (2017), a favourable understanding among the participants of the subject matter is imperative as it reflects well on the research and overall research findings. From the findings, less than 2% of the participants stated that they did not understood what procurement challenges meant. From the responses that were made by the two members of the finance which are:

> *I do not know what procurement challenges are but I suspect they constitute barriers to get goods imperative to service we provide here.*

The other participant from the finance team stated that

> *I wish I could say definitively that I know what procurement challenges as I do not work on procurement but I suspect it is issues surrounding difficulty in assessing request item. In fairness, we probably tell them we just do not have the money*.

It is clear from the above statements that the participants although admitting not to know what procurement challenges are, their responses shared common characteristics of procurement challenges in the literature of (Graig and

Hawson, 2016) as well as (Petra, 2018) which are basically the difficulty in obtaining goods and services crucial to the running of an organisation.

4.3.2 Main procurement challenges faced during de-dollarization

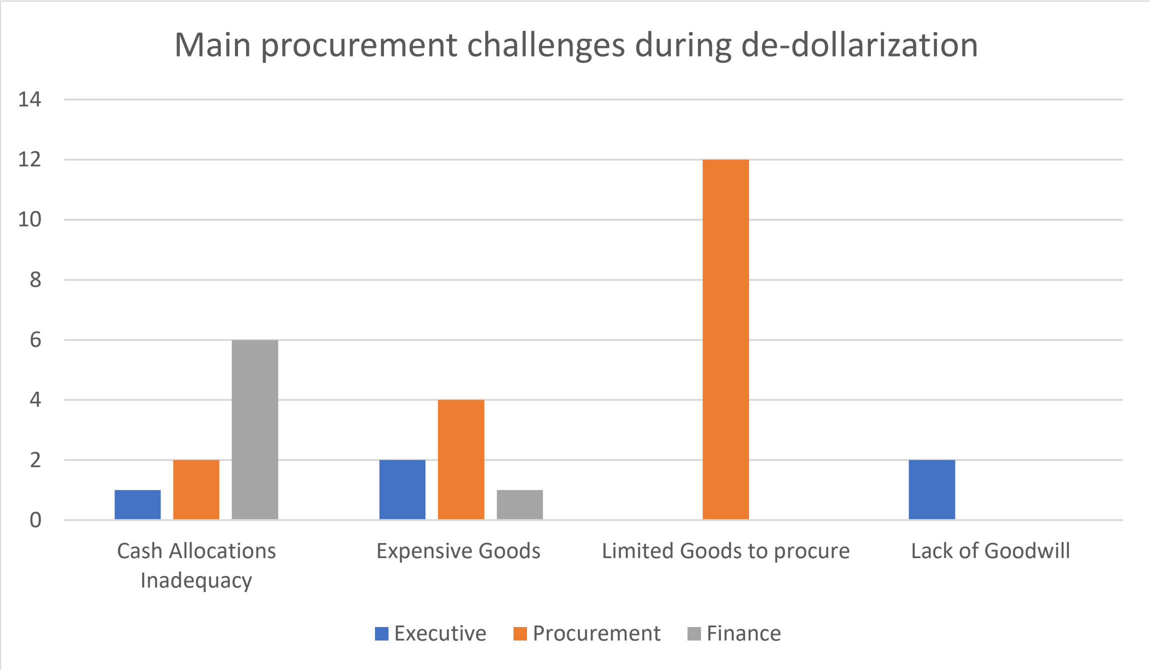

Figure 4.1: Field Research 2021

From **Figure 4.1** above, twelve (12) out of eighteen (18) of the procurement members at Radio Solutions stated that limited goods to procure were the main procurement challenge they faced during de-dollarization. The other four (4) stated that expensive goods were the main procurement challenge they faced during de-dollarization. The remaining two (2) of the procurement members stated that cash allocations inadequacy was the main procurement challenge.

From the executive department at Radio Solutions, two (2) out of five (5) stated that lack of goodwill was the main procurement challenge they faced during de-dollarization. The other two (2) executives stated that expensive goods where the main procurement challenge, they faced during de-dollarization whereas one (1) of the executive stated that cash allocation inadequacy was the main procurement challenge.

From the finance department, six (6) out of seven (7) stated that cash allocations inadequacy was the main procurement challenge. Only one (1) from the finance department stated that expensive goods was the main procurement challenge.

From the findings, it seems the procurement challenges that were faced at Radio Solutions differ depending on the department. From the procurement department, the majority (70%) stated that the main procurement challenge they faced were limited goods to procure. This is consistent with the view expressed in literature by Madamombe, (2019) that during de-dollarization in Zimbabwe, goods become scarce in the shelves because of unstable currencies, people did not want to sell their goods but instead hoarded them. Equally, as evident in Peru as stated by Elvis, (2016), during the first phase of de-dollarization unscrupulous businesspeople, kept vital goods out of stock and then sell them to one individual who would sell the good at an unreasonable price. Therefore, the observation by the majority of procurement team at Radio Solutions has veracity especially during de-dollarization.

The other four (4) members of the procurement team at Radio Solutions stated that expensive goods were the main procurement challenge they faced during de-dollarization. This is a view that is also shared by one (1) member of the finance team as well as two (2) executives at Radio Solutions. One of the two (2) executives who has worked at Radio Solutions for more than seven years posited that

> *Goods were just ridiculous especially during the first phase of de-dollarization. We can all see that de-dollarization here in Zimbabwe did not last long because of the effects of it. It was just complete mayhem.*

The other executive who holds a master's degree in agreement stated

> *Unoziva zvinhu zvaidhura zvisingaite. Ipapo imwe mari yairamba vakungotora mabig notes apo woenda kubank voti mari hatina. Basa ranga rakasunga.*
>
> *(Things were just expensive. The other notes, especially the small denominations started getting refused…. you would go to the bank, but you could not get the money. It was just difficult to work).*

From an economic perspective, Rusere, (2018) argues that goods and services being expensive is reported as the main effects of de-dollarization without supporting framework as evident in countries that have failed to survive economically during de-dollarization like Zimbabwe. From an economic angle, the participants may have a case for regarding expensive goods as the main procurement challenge, they faced during de-dollarization.

Two (2) out of five (5) stated that lack of goodwill was the main procurement challenge they faced during de-dollarization. Studies such as by Palser, (2004) highlights how goodwill is likely to be lost in unstable countries especially those who deal with foreign customers. He argues that foreigners generally want to invest in countries they have confidence in. Without this confidence, it may be trite to posit that no one would want to invest their money in such countries.

Gregory, (2017) gives empirical evidence that highlights that private companies such as Radio Solutions are the ones that lose the most in countries with unfavourable monetary policies. One of the executives at Radio Solutions who has worked for the company for more than seven years stated that

We could not get any investor on board. Immediately you tell them you are from Zimbabwe; they would put their phone down.

From the extract above, it is evident that lack of goodwill alone, may shun potential customers as they already have a perception that you may not be able to deliver good service.

Six (6) out of Seven (7) participants from the Finance Department posited that cash allocations inadequacy was the main procurement they faced during de-dollarization. Of course, finance departments of most organisation are responsible for the finances of the company include allocating cash. As stated by Lee (2014), the finance department works hand in hand with the procurement department in organisation in a ‘hand and glove’ fashion. Therefore, from the finance department perspective, they could not give the procurement department the money they requested to procure goods because the cash was not there. To the finance department, this is naturally their main procurement challenge they faced because they could not resolve it as the company did not have the cash to allocate to them.

4.4 Strategies in resolving procurement challenges

The procurement department as stated above, in their majority, stated that they had difficulty in procuring goods. In response, they stated that they initially got cheaper goods from local companies which did not help with the usual security clients as they complained about the quality of goods they were now selling. This approach was discussed by Matthews and Caleb, (2017) in their effects of de-dollarization. They argued that de-dollarization if not managed properly via favourable conditions discussed in Chapter Two of this study, companies end up giving sub-standard services and goods to keep afloat. However, the downside of this approach is losing loyal customers who may have remained loyal because of exceptional goods and services provided. One of the executives who has worked at Radio Solutions for more than seven years stated

> *It was very difficult to come up with a strategy to survive but we did. We initially started to sell cheaper security equipment and had to reduce some of our security staff but it did not help as clients started to complain. They were like, you now just like any other security company. As an executive, that is very hurtful comment because you know you are responsible for the running of the company.*

One of the participant who holds a Diploma suggested that he did not feel the company had a strategy at all but rather just float along. He argued

> *Personally, I do not think the company had a strategy at all to deal with procurement challenges we were facing during de-dollarization. Because it seems no strategy was the strategy. We survived because no one was doing better but not because of a strategy*.

It is an interesting response as it shows what is in the literature vis-à-vis survival of companies during de-dollarization when favourable conditions are not in place. For instance, Mpungo, (2016) suggests that companies are likely to unwind at best or become non-existent because of economic conditions such as raising tariffs as a result of de-dollarization. It may be difficult for companies such as Radio Solutions to anticipate procurement challenges or even if they do may not even have the capacity to set aside finances for the effects of things like de-dollarization hence may not even have an internal strategy to deal with it when it occurs. An executive from Radio Solutions seem in retrospective to have wished to have had some set aside funds for it. He argues

> *I honestly think we should have at least have had a plan. We knew de-dollarization was occurring even when the Government did not publicly admit it at the time but from what was going on in the black market, we ought to have done something.*

This support the suggestions by Fisher and Bell, (2019) that companies have to follow market trends in order to survive as they do not operate in a vacuum to completely disregard what is occurring around them.

4.5 Impact of the procurement challenges during de-dollarization

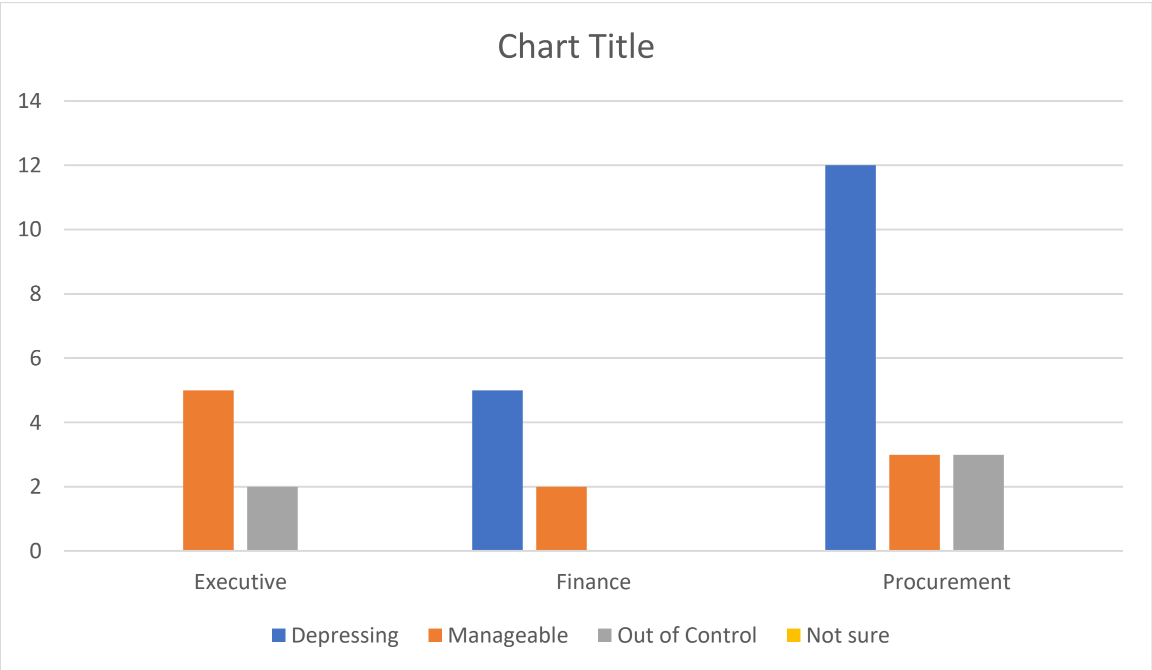

Figure 4.2: Field Research 2021

Five (5) out of Five (5) of the executives stated that they found the impact of procurement challenges manageable. Five (5) out of seven (7) participants from the finance team stated that the impact of procurement challenges was depressing. The other two (2) members of finance team stated that they found the impact of procurement challenges manageable. However, twelve (12) out of (18) participants of the procurement team found the procurement challenges depressing whereas (3) found them out of control. The other three (3) stated that they found the procurement challenges manageable.

From the findings, it is clear that they are differing views on the impact of procurement challenges during de-dollarization at Radio Solutions. A cynical view may suggest that the executives at Radio Solutions may be downplaying the impact of procurement challenges as manageable in order to maintain their reputations. From the interview, one of the executives who has worked there for seven years stated that

> *We did well consider the circumstances, yes, it was difficult, but we survived.*

The other executive of the five posited that

> *It was manageable most of the time. We may have borrowed here and there but we did not go bust*.

The third executive of the five also stated

> *Like any company during this time, we did what we could. We did not have what was unique to only us*.

The other executive also stated

> *To put it succinctly: we still open and operating, right? So it wasn't that bad, to be honest with you.*

The fifth executive stated

> *I may have to say manageable because out of control just sounds a bit panicky. Business was up and down but that is the nature, nothing out of the ordinary really.*

From the above extracts, although arguably cynical, it is clear that none of the executive's opinion is really stating that it was manageable completely. In fact, it appears depressing as just surviving is their view of manageable. This is one of the effects of de-dollarization if not manageable as suggested by (Oliver, 2016), it thwarts any ambition as the bare minimum becomes a fortune.

From the procurement participants, it is evident that the impact was depressing as they could not find goods to procure as well as get the cash, they wanted from the finance team. Equally, the majority of the finance team at Radio Solutions also suggest that the impact of procurement challenges was also depressing.

4.6 Internal challenges that facilitated some of the impact of procurement challenges during de-dollarization

Internal Challenge	**1 Highly Important**	**2 Important**	**3 Neutral**	**4 Not Important**	**5 Highly Irrelevant**
Lack of Supporting Initiatives	10	15	5	-	-
Lack of Governing Strategy	20	5	5	-	-
Lack of Leadership/Human Capital	5	-	25	-	-
Lack of Money	22	8	-	-	-

Table 4.4 Field Research 2021

Out of the thirty (30) participants, as shown above on **Table 4.4** ten (10) gave lack of supporting initiatives a score of 1 which is highly important as an internal challenge that facilitated procurement challenges during de-dollarization at Radio Solutions. Fifteen (15) gave lack of supporting initiatives a score of 2 which is important whereas five (5) gave it a score of 3 which is neutral. No one gave the lack of supporting initiatives as an internal challenge that worsened procurement challenges during de-dollarization at Radio Solutions a negative score of 4 or 5.

According to Leen, (2017) once the elementary setup requirements are in place there is an identified requirement to then focus on enacting the core fundamentals that address the challenges of embracing the programs aimed at procurement. Poor internal supporting initiatives due to costs had derailed the progression of the program, because of competing needs, most of these programs end up being abandoned. Therefore, when de-dollarization occurs without supporting initiatives as it seems was this case at Radio Solutions, the effects can be devastating.

Out of the thirty (30) participants, an overwhelming twenty-two (22) gave lack of money a score of 1 which is highly important as an internal challenge that facilitated procurement challenges during de-dollarization at Radio Solutions. The other (8) gave lack of money a score of 2 which is important. No one gave the lack of money a negative score as not important (4) or highly irrelevant (5). From the findings, it seems lack of money was the most internal challenge that made the procurement challenges during de-dollarization at Radio Solutions difficult to manage. From studies by Bedu (2016) financial uncertainty is the main effect of de-dollarization if it occurs without the favourable conditions.

Out of the thirty (30) participants, five (5) gave lack of leadership and human capital a score of 1 which is highly important as an internal challenge that facilitated procurement challenges during de-dollarization at Radio Solutions. Twenty Five (25) out of thirty (30) gave lack of leadership or human capital a score of 3 which is neutral. No one gave the lack of leadership as an internal challenge that worsened procurement challenges during de-dollarization at Radio Solutions a negative score as not important (4) or highly irrelevant (5). This issue was raised in the paper of Funku, (2018) where he suggested that for most organisations, an internal research and development Centre may need to establish. This centre will to entail that more exploratory work could be done in an effort to further identify areas of improvement in regard to financial literacy as well as procurement. From the feedback, the fact that neutral was the most scored option indicate that perhaps leadership is not in crisis at Radio Solutions although it can be improved in order for it to withstand futuristic procurement challenges during or post de-dollarization.

Out of the thirty (30) participants, five (5) gave lack of leadership and human capital a score of 1 which is highly important as an internal challenge that facilitated procurement challenges during de-dollarization at Radio Solutions. Twenty Five (25) out of thirty (30) gave lack of leadership or human capital a score of 3 which is neutral. No one gave the lack of leadership as an internal challenge that worsened procurement challenges during de-dollarization at Radio Solutions a negative score as not important (4) or highly irrelevant (5). This issue was raised in the paper of (Funku, 2018) where he suggested that for most organisations, an internal research and development Centre may need to establish. This centre will to entail that more exploratory work could be done in an effort to further identify areas of improvement in regard to financial literacy as well as procurement. From the feedback, the fact that neutral was the most scored option indicate that perhaps leadership is not in crisis at Radio Solutions although it can be improved in order for it to withstand futuristic procurement challenges during or post de-dollarization.

4.7 External challenges that facilitated some of the procurement challenges during de-dollarization

Internal Challenge	**1** **Highly Important**	**2** **Important**	**3** **Neutral**	**4** **Not Important**	**5** **Highly Irrelevant**
Laws	20	10	-	-	-
Exchange Rate	15	10	5	-	-
Cash Inadequacy	30	-	-	-	-

Table 4.5 Field Research 2021

Out of the thirty (30) participants, as shown above on **Table 4.5** twenty (20) gave laws a score of 1 which is highly important as an external challenge that worsened procurement challenges during de-dollarization at Radio Solutions. Ten (10) gave laws a score of 2 which is important. No one gave laws as an external challenge a negative score highlighting its potential negative impact. In relation to the laws, Jude (2019) posits that the government during de-dollarization continued to enact laws that made monetary policy more complicated instead of simplified hence it becomes difficult for companies such as Radio Solutions to procure goods.

Out of the thirty (30) participants, fifteen (15) gave exchange rate fluctuations a score of 1 which is highly important as an external challenge that worsened procurement challenges during de-dollarization at Radio Solutions. Ten (10) gave laws a score of 2 which is important.

Five (5) gave it a score of 3 which is a neutral score. As stated in the literature by scholars like (Ruzvidzo, 2016), during de-dollarization in Zimbabwe, the blank market thrived as they had the favourable exchange rate against the official bank rate which meant companies like Radio Solutions had to increase their service rate in order to match the black market which shifted daily. This made it difficult as acknowledged by the participants to operate.

All thirty (30) participants gave cash shortage a score of 1 which is highly important as an external challenge that worsened procurement challenges during de-dollarization at Radio Solutions. The constant and rapid changes in the Zimbabwean economy from dollarization, multi-currency system, and introduction of RTGS as well as de-dollarization meant that cash became scarce as it was kept by cash barons who anticipated or gambled on the way the policy was likely to shift (Museke, 2017). During de-dollarization as acknowledged by (Mahere ,2019) cash was only available on black market and banks did not have it especially foreign currency which is crucial for procuring goods abroad.

4.8 Solutions to some of the procurement challenges

Procurement Solution	**1 Highly Important**	**2 Important**	**3 Neutral**	**4 Not Important**	**5 Highly Irrelevant**
Emergency Procurement Budget	20	5	5	-	-
Brand Awareness	5	3	17	5	
Foreign Accounts	10	3	3	4	10
Increase Stockpile	20	10	-	-	-
Internal Procurement Policy	10	15	5	-	-

Table 4.6 Field Research 2021

Out of the thirty (30) participants, as shown above on **Table 4.6** twenty (20) gave emergency procurement budget as a solution to procurement challenges during de-dollarization a score of 1 which is highly important. Five (5) out thirty (30) gave emergency procurement budget a score of 2 which is important whereas the other Five (5) gave emergency procurement budget a score of Five (5) which is neutral. No one gave an emergency procurement budget a negative score perhaps a signal of its believed importance as a possible panacea to procurement challenges during de-dollarization namely cash allocation.

However, scholars such as Matthews (2018) do not think budgets necessarily solve challenges faced by de-dollarization such as exchange rate being unstable as the budgeted money might actually be lesser depending on how the de-dollarization process is conducted.

Out of the thirty (30) participants, five (5) gave brand awareness as a solution to procurement challenges during de-dollarization a score of 1 which is highly important. Three (3) out thirty (30) gave brand awareness a score of 2 which is important, seventeen (17) gave brand awareness a score of 3 which is neutral. Five (5) gave brand awareness a score of 4 which is not important.

From the findings, unlike cash allocation budget, which received an overwhelming highly important score, it seems the majority of the participants were neutral in relation to its possible impact on resolving procurement challenges during de-dollarization. An explanation of this can be found from (Guadamuz, 2016) who posits that the majority of people do not understand the value of brand as well as the importance of keeping goodwill. They underestimate this and usually end up not getting important deals because of this misplaced ignorance.

Out of the thirty (30) participants, ten (10) gave foreign accounts as a solution to procurement challenges during de-dollarization a score of 1 which is highly important. Three (3) out thirty (30) gave foreign accounts a score of 2 which is important, Three (3) out of Thirty (30) gave foreign accounts a score of 3 which is neutral, Four (4) out of thirty (30) gave it a score of 4 which is not important. Ten (10) out of thirty (30) gave a score of highly irrelevant as a solution to procurement challenges faced during de-dollarization. The issue of foreign accounts as a means of offsetting budgets has been controversial especially in Eurocentric literature as it has been accused as a vehicle for money laundering (Alex, 2016) and tax avoidance (Yen, 2019). The negative response from the respondents who saw it as highly irrelevant may have interpreted it from those lens. However, scholars such as Mane, (2018) argues that foreign accounts are imperative for companies that operate in unstable economies to ensure their working capital and cash flows remain intact.

Out of the thirty (30) participants, twenty (20) gave stockpile increase as a solution to procurement challenges during de-dollarization a score of 1 which is highly important. Ten (10) out thirty (30) gave stockpile increase score of 2 which is important. No one gave increase in stockpile a negative score because increasing stockpile is usually regarded as a wise move especially for business. Redman, (2016) suggest that a healthy business have items on stockpile ready to last them over the financial year in the event unforeseen circumstances occurs to the supplier or the market. According to Beyon, (2016), it will be foolhardy to only have what is in stock without any in the stockpile as it shows the business is 'akin to food to mouth approach which is basically a survival strategy as opposed to profit making'.

Out of the thirty (30) participants, ten (10) gave internal procurement policy as a solution to procurement challenges during de-dollarization a score of 1 which is highly important. Fifteen (15) out thirty (30) gave internal procurement policy a score of 2 which is important. Five (5) out of thirty (30) gave it a score of 3 which is neutral. No one gave internal procurement policy a negative review. Scholars such as Tibet, (2017) suggests that it is important for companies to have procurement internal policies that have guidelines on how to deal with things such as procurement challenges during de-dollarization. It is unclear from his scholarship how the internal procurement policy can help with procurement challenges such as goodwill for example. Nonetheless, things such as cash allocation can easily be tabulated for emergency situations.

CHAPTER FIVE

Summary, Conclusion And Recommendations

5.0 Introduction

This chapter gives a summary, conclusions and recommendations of the research study.

5.1 Summary

The study was guided by objectives which are:

- To identify procurement challenges at Radio Solutions during de-dollarization
- To measure the impact of procurement challenges faced during de-dollarization at Radio Solutions
- To determine the effectiveness of de-dollarization procurement strategies at Radio Solutions

5.2 Conclusions

5.2.1 Procurement challenges faced during de-dollarization

The main procurement challenges that were faced at Radio Solutions during de-dollarization are limited goods to procure, cash allocation inadequacy , lack of goodwill and expensive goods. From the study, it is clear that the issue of procurement challenges differ from departments with those who work directly in procurement at Radio Solutions in their majority suggesting that difficulty in procuring goods as a result of goods being limited as the main procurement challenge they faced. Naturally those who work in the finance in the majority suggested that cash shortages were the main procurement challenge they faced during de-dollarization. The Executive with the mandate among other things to ensure the reputation of the company is good indicated that lack of goodwill was the main procurement challenge they faced. Expensive goods was also considered by some participants as the main procurement challenge they faced. As suggested in the literature review and confirmed in the findings by one of the Executives at Radio Solutions, because of limited goods in procurement, opportunistic and unscrupulous business people make their goods expensive because companies have limited options.

The findings confirm what is in the literature in relation to procurement challenges during de-dollarization as shown in literature review in countries such as Peru who experienced de-dollarization albeit with favourable conditions also faced initially challenges such as cash shortages which affected the finance department at Radio Solutions.

5.2.2 The impact of procurement challenges during de-dollarization

Based on the procurement officers who participated in this study, the impact of procurement challenges during de-dollarization was regarded as depressing by the majority. However, a significant number of the participants from the procurement department found the impact of those procurement challenges out of control. In contrast, the Executive stated that they found the impact of procurement challenges manageable. Although the Executive stated that the impact of procurement was manageable, a more drawn in analysis of their position indicated that they were able to manage the situation to just a 'survival' basis.

From the literature review it was shown that during de-dollarization a lot of companies wind up due to the failure to manage some of the economic effects of de-dollarization. In this regard, the Executives at Radio Solutions' manageable assertion has veracity as the company did not wind up during de-dollarization.

However, from procurement participants, the study found that the impact was depressing to a greater extent since the procurement officers could not find goods to procure as well as get the cash allocation, they wanted from the finance team.

5.2.3 Strategies to reduce the impact of procurement challenges

The impact of procurement challenges as noted in the study can be depressing. As stated by Funks, (2018), human beings are people of great fortitude and are able to find resolve. From the study, the foregoing gospel is confirmed in the findings, as the procurement officers in their majority stated that they initially got cheaper goods from local companies. This strategy of downgrading quality to manage expenses was discussed in literature review of Matthews and Caleb, (2017) in their effects of de-dollarization. They argued that de-dollarization if not managed properly via favourable conditions companies end up giving sub-standard services and goods to keep afloat. However, the downside of this strategy is losing loyal customers who may have remained loyal because of exceptional goods and services provided. One of the executives who has worked at Radio Solutions for more than seven years from the findings confirmed that this was the case.

Some of the participants at Radio Solutions suggested that they did not think Radio Solutions had a strategy in relation to directly curb the impact of procurement challenges during de-dollarization. This confirms what was established in the literature during the review of Moors , (2018) who suggested that during de-dollarization confusion may occur that may cause participants to have no solutions or strategy.

5.2.4 Internal and External Challenges that impacted procurement challenges

One of the sub-objectives of the study was to identify the internal as well as the external challenges that may have influenced the impact of procurement challenges at Radio Solutions. From the study, lack of supporting initiatives was given by the majority as an important internal challenge that facilitated the impact of procurement challenges at Radio Solutions such as limited goods to procure. Lack of money was overwhelming regarded by almost all participants as a highly important internal challenge that facilitated the impact of procurement challenge such as cash shortages inadequacy. This confirmed what was stated in the literature by Bedu, (2016) who argued that lack of money is the effect of de-dollarization.

Lack of leadership was also regarded as an important internal challenge that caused the impact of procurement challenges at Radio Solutions although by a few participants. Most participants did not regard this to be an important internal challenge but rather remained neutral on the matter. This is different from what is in the literature review as studies by Mudege, (2015) for example seem to argue that lack of leadership during financial alterations policy such as de-dollarization can have highly important impact. Such a ‘highly important' impact was clearly lost on the participants of the study.

From the study, three external challenges that impacted procurement challenges at Radio Solutions were analyzed in terms of their respective importance. These external challenges include laws, exchange rate fluctuations and cash shortages. Laws were given a high score on importance scale as an external challenge that worsened the impact of procurement challenges at Radio Solutions as the shift in laws meant a lot of hurdles to procure goods as the law was complicated on the financial arrangements. With the procurement challenge of goods being expensive, extra legal hurdles meant an increase in money which worsened the situation as it meant the procurement process became even more expensive.

Exchange rate fluctuations were also given a score of importance by the majority of participants. With unstable exchange rate, it was found from the study that Radio Solutions could not procure goods with ease as it meant they may end up buying goods at an expensive rate whilst selling them at a lower rate because of the exchange rate fluctuations.

The other external challenge that was noted in the study and was also scored as the highly important external challenge by the majority of participants as worsening the impact of procurement challenges was cash shortages. The constant and rapid changes in the Zimbabwean economy from dollarization, multi-currency system, and introduction of RTGS as well as de-dollarization meant that cash became scarce as it was kept by cash barons who anticipated or gambled on the way the policy was likely to shift (Museke, 2017). During de-dollarization as acknowledged by (Mahere, 2019) cash was only available on black market and banks did not have it especially foreign currency which is crucial for procuring goods abroad. This made it difficult for Radio Solutions to procure the limited goods as they had no cash to do so.

5.2.5 Solutions to procurement challenges

Some of the identified possible solutions to procurement challenges include emergency procurement budget which did not get a negative score on the importance score scale demonstrating its perceived importance as a possible panacea to procurement challenges during de-dollarization namely cash allocation.

The other identified possible solution was brand awareness. In terms of its perceived importance among the participants, it was not scored highly with less than 5% viewing it as an important solution to procurement challenges during de-dollarization. The reason for this as stated in the literature is because a lot of people, evident with the participants at Radio Solutions do not understand or consider brand as an important financial asset.

Foreign accounts as possible solution to cash shortages procurement challenges during de-dollarization was also noted considered important. In fact, the majority considered it as highly irrelevant. The negative response from the respondents who saw it as highly irrelevant may have interpreted it the lens of seeing foreign accounts as haven of corruption as stated in the literature review of the study.

Stockpile increase got highly favorable score in terms of importance as a solution to procurement challenges during de-dollarization. No one at Radio Solutions gave increase in stockpile a negative score because increasing stockpile is usually regarded as a wise move especially for business. Equally, no one at Radio Solutions gave internal procurement policy as a possible solution to procurement challenges during de-dollarization a negative review. However, is unclear from the literature how the internal procurement policy can help with procurement challenges such as goodwill for example. Nonetheless, things such as cash allocation can easily be tabulated for emergency situations.

5.3 Contributions to new knowledge

Based on the research findings, the following conclusions were made:

5.3.1 Procurement Challenges during de-dollarization

The research has demonstrated that procurement challenges during de-dollarization are depressing as limited goods to procure at an expensive rate means business will operate to just barely survive. Unique procurement challenges during de-dollarization include cash shortages as a result of market speculators who may try to chance on the exchange rates fluctuations. These unique procurement challenges during de-dollarization are unfortunately not novel as they have been documented in the literature although theoretical. This study hence confirms the impact of those procurement challenges during de-dollarization therefore prudent for companies to have strategies in place to curb some of the discussed effects.

5.3.2 Economy contributory factor to procurement challenges

The study concluded that the economy of Zimbabwe has faced quite a complex phase in terms of economic performance (Dube, 2016). This means that the quality of service delivery is affected due to lack of means that cannot simply be substituted by some of the suggested procurement challenges solutions such as brand awareness or procurement budget. Therefore, it is worthy considering the limiting external circumstances when we are discussing the procurement challenges during de-dollarization.

5.4 Recommendations

The Government through its trade relations with countries such as Peru (who have successfully de-dollarized) could embark on exchange programmes to ensure knowledge transfer and easy diffusion of knowledge to help bolster de-dollarization understanding among local experts. Furthermore, the Government could also ensure that perpetual researches on the subject matter receive funding so as to ensure that the various industries have knowledge as well as inclusion of such trends in de-dollarization in the curriculum for tertiary education.

Economic enhancing policies should be enforced to cut across all industries to further realize the potential and benefits of those facets of the economy in order to improve their performance. This will help reduce the external challenges such as cash shortages during de-dollarization.

Radio Solutions who are still growing might need to have external funding mechanism in place that may withstand financial uncertainty that exists in Zimbabwe. It may be prudent for them to convince their employees who are cynical of foreign accounts on why they are important especially in a volatile economy like Zimbabwe. Successful local start-up companies such as Fresh in the Box suggest foreign accounts as a solution to limiting some of the procurement challenges during de-dollarization (Fresh in the Box, 2019).

In addition, it is necessary for Radio Solutions to also educate its employees about the value of intellectual property such as their brand as evidence show that they did not think it is an important solution to curb some of the procurement challenges such as lack of goodwill. Having good publicity means companies can give goods on credit with an understanding of the situation, a privilege only reserved to those with good reputation.

5.5 Suggestions for Further Research

This research has used Radio Solutions to identify procurement challenges during de-dollarization. Future studies can expand the findings made by this research and further introduce more perspectives to the ways thus enriching the efforts of this research. The field of procurement was altered by Covid-19, thus resultantly future work could then dwell on how such pandemics could be solved by the suggested procurement challenges recommendations.

5.6 Chapter Summary

In summary, this Chapter demonstrated that the research study achieved its mandate, namely, to identify procurement challenges during de-dollarization. It is clear from the unit of data that for companies to withstand procurement challenges during de-dollarization they is need for the enabling environment to conducive. This is the prerogative of the government. Yet, it is also clear that the company itself has to make sure that their in-house procurement policies are robust to have solutions to identify procurement challenges during de-dollarization.

QUESTIONNAIRE FOR RADIO SOLUTIONS

APPENDIX 111

QUESTIONNAIRES FOR RADIO SOLUTIONS STAFF

Dear Respondent

You are invited to participate in an academic research study conducted by an undergraduate student with Midlands State University department of Retail and Logistics Management. The objective of the research study is to identify procurement challenges during de-dollarization. Your accurate and honest responses are pivotal for the research and urge you to be truthful and sincere in completing the questionnaire.

Please note the following:

- This study involves a questionnaire and will require less than 20 minutes of your time.
- There is no right or wrong answer.
- You are assured that the answers you give will be treated with strict confidence. (Please ensure your name does not appear anywhere on this document).
- Your participation in this study is voluntary.
- The results of the study will be used for academic purposes only.
- If you have any questions or concerns about completing the questionnaire feel free to notify the researcher.
- Kindly return the questionnaire at your earliest convenience.

Thank you for taking time to participate in this study.

QUESTIONNAIRE GUIDE FOR RADIO SOLUTIONS STAFF

Section A: Demographic Information

1 Please indicate your gender Female ☐ Male

2 What is your age group?

20-30 years ☐ 30-40 years ☐

40-50 years ☐ 50 years and above ☐

3 What is your highest level educational and professional qualification?

'O' Level ☐ A' Level ☐ Diploma ☐

Diploma ☐ Degree ☐ Higher Degree ☐

4 Can you indicate your level in the organisation?

Senior Management ☐ Middle Management ☐

Junior Management ☐ General Staff ☐

5 How long have you been working at Radio Solutions?

☐ 0-3 years ☐ 4-7 years ☐ +8years

Section B

1. **Do you understand what procurement challenges are? Please tick your answer**

Yes ☐ No ☐

2. **Please tick what you consider the main procurement challenge you faced during de-dollarization**

Cash Allocations Inadequacy ☐ Expensive products ☐

Limited goods to procure ☐ Lack of Goodwill. ☐

3. **How did you resolve the challenge you stated in question 3?**

____

____

____

____

4. **How would you describe the impact of the procurement challenges here at Radio Solutions during de-dollarization? Please tick your answer**

Depressing ☐ Manageable ☐

Out of Control ☐ Not sure ☐

5. **On a scale of 1-5, please give your score to the internal challenges that facilitated some of the impact of procurement challenges at Radio Solutions during de-dollarisation?**

Internal Challenge	**1 Highly Important**	**2 Important**	**3 Neutral**	**4 Not Important**	**5 Highly Irrelevant**
Lack of Supporting Initiatives					

Lack of Governing Strategy					
Lack of Leadership/Human Capital					
Lack of Money					

6. **On a scale of 1-5, please give your score to the external challenges that facilitated some of the impact of procurement challenges at Radio Solutions during de-dollarisation?**

Internal Challenge	**1 Highly Important**	**2 Important**	**3 Neutral**	**4 Not Important**	**5 Highly Irrelevant**
Laws					
Exchange Rate					
Cash Inadequacy					
Economy Meltdown					

7. **On a scale of 1-5, please give your score to the following ways that can be used to reduce the procurement challenges faced during de-dollarization here at Radio Solutions?**

Procurement Solution	**1 Highly Important**	**2 Important**	**3 Neutral**	**4 Not Important**	**5 Highly Irrelevant**

Emergency Procurement Budget					
Brand Awareness					
Foreign Accounts					
Increase Stockpile					
Internal Procurement Policy					

THANK YOU FOR YOUR VALUED TIME AND COOPERATION

APPENDIX 3

INTERVIEW GUIDE FOR EXECUTIVES

My name is Kudzai Maurine Munyavi an undergraduate student with Midlands State University department of Retail and Logistics Management. The objective of the research study is to identify procurement challenges during de-dollarization. Your accurate and honest responses are pivotal for the research and urge you to be truthful and sincere during this interview. Pease be informed that the research is purely for academic purposes and your responses and any company specific information will be kept with strict confidentiality.

Interview questions

1. What is your general understanding of procurement?
2. What are some examples of procurement challenges?
3. Which procurement challenges did Radio Solutions face during de-dollarization?
4. What was the impact of procurement challenges at Radio Solutions during de-dollarization?
5. How were some of the impact of procurement challenges at Radio Solutions resolved?
6. In what ways did Radio Solutions offset some of the financial effects of the impact of procurement challenges during de-dollarization?

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