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Value for money in public procurement: Experience from Zimbabwe's rural district councils

David Chikwere^{1*}, Lovemore Chikazhe² and Marian Tukuta¹

Abstract: The method by which government and public institutions make acquisitions lays the groundwork for development of rural district councils by enabling critical investments in terms of physical infrastructure and institutional capacity building. The purpose of this study was to establish the relationship between procurement objectives, procurement process, procurement management, and value for money on Zimbabwe's Rural District Councils (RDCs). The study was guided by the Practice Based View and the Supply Chain Practice Perspective. A structured, closed-ended, self-administered Google form questionnaire was used to collect responses from 30 out of 60 randomly chosen RDCs in Zimbabwe. 207 useful responses were obtained from 264 supervisory staff and procurement officials. The procurement process, procurement objectives, and procurement management were found to positively influence value for money. The results also indicate that procurement objectives positively influenced the procurement process, while the procurement process was found to have a positive effect on procurement management. This study provides fresh insights and validates existing knowledge on the procurement process, procurement objectives, procurement management, and value for money in the RDCs. As this study demonstrates how procurement practices have a direct impact on value for money, it advances our understanding of public procurement and value for money in developing countries like Zimbabwe. Moreover, the study findings support both the Practice Based View and the Supply Chain Practice Perspective in that the results show that procurement practices when effectively managed and aligned with the objectives of the organization, they contribute to achieving value for money in procurement. outcomes.

Subjects: Corporate Governance; Organizational Studies

Keywords: procurement process; procurement management; value for money; rural district councils; Zimbabwe

1. Introduction

Before Zimbabwe gained political independence in 1980, only large-scale commercial farms and urban regions had access to development. The majority of rural communities, formerly known as tribal trust lands, lacked the most basic amenities, such as good roads, schools, power, clinics, and

reticulated water facilities (Mashapure et al., 2022; Moyo, 2022). This led to the amendment of the District Councils Act, which decreased the number of new District Councils being formed. It was assumed that they would have a better chance of mobilizing local resources and would therefore be more viable (Munyede & Mapuva, 2020).

Later, the marginalized district councils were constituted into more formal quasi-government entities known as Rural District Councils responsible for developmental projects in their areas of jurisdiction through the Zimbabwe constitution and an act of parliament (Nyama & Mukwada, 2023). Consequently, Section 74 of the Rural District Councils Act [Chapter 29:13] charged rural district councils with development responsibilities, including offering social and infrastructure services such as health amenities, recreation, and facilities, as well as generating income. These services and infrastructure are mostly available through the public procurement activities of the different rural district councils in their areas of jurisdiction (Kaondera et al., 2023). In the public sector, procurement refers to a procedure used to acquire products, services, and labor that complies with applicable rules and regulations (David, 2022). In accordance with the Public Procurement and Disposal of Public Assets Act, [Chapter 22:23] this includes the purchase of goods, tangible property, capital equipment, constructed assets, and services.

The method by which the government and institutions of the public sector acquire their inputs lays the groundwork for the development of rural district councils by enabling critical public sector investments in terms of physical infrastructure and institutional capacity building (Mungu, 2021). In many government departments and local authorities, procurement expenses are high and constitute a significant portion of the limited resources (Chikwere et al., 2022). The success or failure of public investment is largely determined by the caliber, timeliness, and appropriateness of the procured inputs (Munyede & Mapuva, 2020). The success of public investment is hinged to efficient decision-making, a component of good governance (Ahmad Almansour et al., 2016). Therefore, an effective public procurement governance system is essential to attaining value for money and, as a result, accelerating the growth and development of rural local authorities.

On the other hand researchers have also noted that value for money in public procurement is greatly influenced by governance, Ahmad Almansour et al. (2016); Alkhuzai and Asad (2018) and Agama et al. (2021). They contend that effective governance ensures transparency in the procurement process.

The procurement administration in the public sector must guarantee that resources are used in the procurement process (Chikazhe et al., 2023) in the most effective, moral, and transparent way possible to maintain the inhabitants' living standards and the economy's sustainable growth (Lessambo, 2022). It is important to keep in mind that the employees who act as purchasers play a significant part in achieving value for money because of how complex and varied procurement is (Bosio et al., 2022). The concept of value-based management highlights the necessity for individuals to assess and enhance procurement procedures, while boosting team performance also places a premium on the qualifications of those involved in the management of public procurement (David, 2022).

Some components of corporate governance and processes, such as open competition and award criteria to evaluate bids, can be used (Mungu, 2021). The examination of submitted tenders becomes a significant step in the procurement process given that award criteria enable public purchasers to compare the relative merits of received offers to institutions' objectives (Engdaw, 2022). Therefore, efforts must be made to ensure that the outcome is satisfactory and that it has been achieved fairly and transparently (Munyede & Mapuva, 2020). The main legal framework governing procurement in Zimbabwe, the Public Procurement and Disposal of Public Assets (PPDA) Act Chapter 22:23, provides for the use of a range of evaluation strategies, including the most economically advantageous tender (MEAT) criteria, in an attempt to obtain value for money.

However, the effective application of the MEAT criterion by the country's quasi-government organizations, particularly rural district councils, is noticeably low.

The regulatory framework provided by the Rural District Councils Act Chapter 29:13 and PPDA Act Chapter 22:23 informs the parameters within which all operations in the public procurement for rural local authorities in Zimbabwe are carried out in order to advance governmental objectives wherever viable and legal (Panganayi et al., 2021). Its principal goal was to promote a professional approach to public procurement through an increase in public organizations' competence and knowledge in procurement. However, given that procuring entities focus on accepting the lowest bid price made by suppliers of products and services, there appears to be no alignment between the procurement processes and the accomplishment of value for money. On the other hand, effective procurement management, which is supposed to guarantee value for money, is in disarray, owing to political meddling and corruption. All of these procurement flaws compromise the achievement of procurement objectives of economy and efficiency, which are linked to value for money. Hence, prompted the researcher to get to the bottom of the issues through this study.

The available literature shows that little attention has been paid to rural local authorities, with only a handful of publications on their procurement by Munyede and Mapuva (2020), Chirisa et al. (2022), and Dewa (2023). However, evidence is missing regarding procurement activities related to value for money. Thus, it is crucial to assess how procurement goals, procurement management, and the procurement process affect value for money to make an informed decision on why there seems to be minimal value for money realization in rural local authorities, especially in developing nations such as Zimbabwe. Understanding how these three factors have impacted or hindered government agencies, particularly rural local governments, in their efforts to efficiently and cost-effectively procure goods and services is the core of this study.

2. Literature review

The initial step in the literature review procedure is to explore the theories underpinning the study and create a conceptual framework that explains how variables interact. Both theoretical and conceptual frameworks for this investigation are presented in the following paragraphs.

2.1. Theoretical framework

The theories underpinning this study are the Practice Based View (PBV) and the Supply Chain Practice Perspective (SCPV). The (PBV) describes the variations in organizational output by the firms' practices and serves as the foundation for this study (Bromiley & Rau, 2016). More precisely, the PBV emphasizes how crucial it is to comprehend how the performance impact of adopting practices is formed, and investigates this effect by contrasting the performance gaps between adopters and non-adopters. Thus, the ability to mimic, comprehend, and spread potentially useful and transferable techniques may improve the output of companies that do not perform well (Bromiley & Rau, 2016). Customary practices on firm performance piqued the researcher's interest in PBV.

However, to extend the PBV to the inter-organizational level of analysis, Carter et al. (2017) supply chain practice viewpoint (SCPV) was applied. SCPV is required because supply chain partner involvement in supply chain management (SCM) procedures such as supplier quality control and procurement management regularly cross organizational boundaries (Carter et al., 2017). Unlike the first PBV, the SCPV considers the combined performance across organizations. A fundamental assumption of the SCPV, according to Carter et al. (2017), is that imitable inter-organizational SCM practices can explain performance variations both inside and between enterprises. The study's theoretical view on PBV and its extension is compelling, and that SCPV is particularly convincing within the setting of public procurement. Therefore, instead of focusing on public organizations' competitive advantage, this study argues that research on public procurement should concentrate on how well they execute.

2.2. Conceptual framework

The study used rural district councils in Zimbabwe to examine the nexus between value for money and procurement practices in quasi-government organizations. In this study, value for money is the dependent variable, while procurement objectives, processes, and management are the independent components.

2.3. The study hypotheses

To explain the relationships between the variables in Figure 1, the following hypothesis was developed:

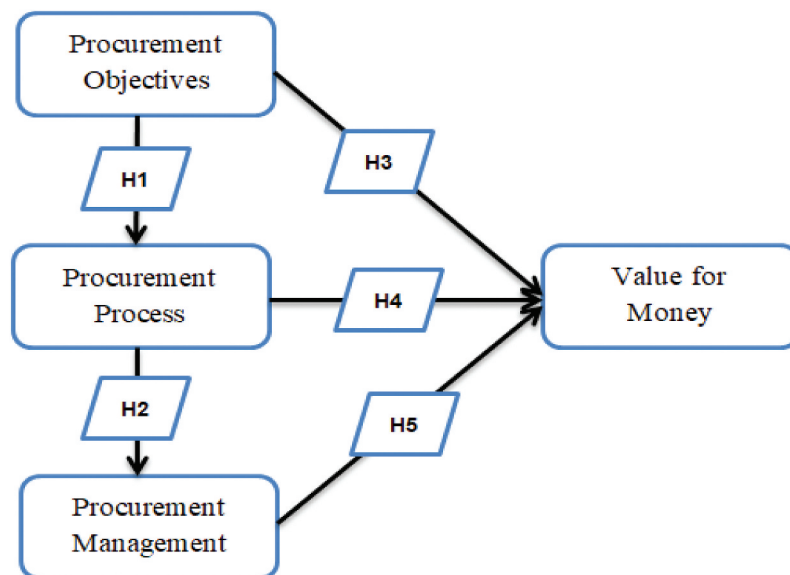
- H1: Procurement objectives have a positive influence on procurement process.
- H2: Procurement process has a positive influence on procurement management.
- H3: Procurement objectives have a positive influence on value for money.
- H4: Procurement process has a positive influence on value for money.
- H5: Procurement management has a positive influence on value for money.

2.4. Value for money in public procurement

Value for money (VFM) is based on the idea of distributing costs and benefits based on the total cost of ownership (Mungu, 2021). As noted by Karanja (2021), effective public sector procurement is based on value for money (VFM). This is the accomplishment of the desired procurement objectives at the best price possible, not necessarily the lowest price, but based on a fair assessment of financial and non-financial aspects pertinent to procurement (Adi & Dutil, 2018). Value for money bolsters the idea that greater results are obtained when resources are employed more effectively and bought from competitive markets (Murebwa et al., 2023).

Munyede and Mapuva (2020) emphasized that all levels of government must apply judgment when making decisions, due to the delicate nature of public procurement. To determine whether

Figure 1. Conceptual framework.



a product or service is worth the money, one should consider its overall life costs rather than the lowest bid price (Adi & Dutil, 2018). Most rural local authorities have limited resources at their disposal; therefore, optimizing the use of restricted financial resources requires assuring value for money in their procurement activities (Asian Development Bank [ADB], 2018). In light of the foregoing, achieving value for money should be a cornerstone of government objectives through efficient monitoring, control, and management of public resources in all procurement procedures and initiatives.

For procuring organizations to attain value-for-money during procurement operations, a variety of aspects other than the purchase price must be taken into consideration. One such component accepts the lowest price provided by suppliers of goods, contractors, and service providers (Musanzikwa, 2013). The procurement strategy, which is created during the planning phase of the procurement cycle, offers the highest opportunity for getting value for money (Bosio et al., 2022). Procurement activities affect the quality of results (ADB, 2018). Most government departments spend a significant amount on procurement activities, which warrants them to be efficiently managed to get the most value out of them (Musanzikwa, 2013).

Value for money (VfM) in public-sector procurement is a crucial criterion by which procuring entities can defend their purchase decisions. It demonstrates how value for money is worth (output) connected to a specific cost from the users' or the targeted public's viewpoint (input). This position was also averred by Karanja (2021), who broadly defined value for money by linking it to economy, effectiveness, and efficiency of the work produced (the output), as well as service. Chikwere et al. (2022) noted that the rural district council's ability to deliver services cost-effectively and provide value for money depends largely on how these principles are applied in the procurement process, management, and ultimate service delivery.

2.5. Procurement objectives

Public procurement objectives are goals that governments and public sector organizations aim to achieve through their procurement processes. Some common public procurement objectives include obtaining the best value for money that is, obtaining the best possible quality at the most competitive price (Changalima et al., 2021). Encouraging competition among suppliers is another objective that ensures the government receives the best possible goods or services at the best possible price (Manu et al., 2021). Public procurement should be transparent and accountable, with clear rules and procedures accessible to all potential bidders. Ensuring compliance with regulations designed to ensure compliance with relevant laws, regulations, and ethical standards (Abul Hassan et al., 2021).

It is also imperative that public procurement be used to promote innovation by encouraging suppliers to develop new and innovative products or services (Changalima et al., 2021). These novel products or services are critical for supporting environmental and social goals, such as reducing carbon emissions, promoting sustainable development, or supporting social enterprises.

2.6. Procurement process

The procurement process involves various stages, including identifying the need for a product or service, finding potential suppliers or vendors, evaluating their offerings, negotiating the terms of the contract, ultimately selecting a vendor, and finalizing the purchase (Chikwere et al., 2022). These processes have an impact on the achievement of procurement outcomes (Broms et al., 2019). Procurement is an essential function in many organizations, particularly those that rely heavily on external resources to operate. Aimable et al. (2019) also highlighted that effective procurement processes enable organizations to receive quality goods and services at the best possible prices while minimizing risk and ensuring compliance with legal and regulatory requirements.

2.7. Procurement management

Public procurement management pertains to all the processes and practices that are employed by governments and public entities to source goods, services, and work from external suppliers (Dotoli et al., 2020). Effective procurement management is essential in enabling organizations to obtain quality products and services at the best possible price while also minimizing risk and ensuring compliance with legal and regulatory requirements (Kakwezi & Nyeko, 2019). The key elements of public procurement management include procurement planning, supplier selection, contracting, and stakeholder engagement (Adi & Dutil, 2018). Overall, effective public procurement management is critical to ensuring that governments and public organizations can achieve their goals and objectives, in addition to encouraging competition, accountability, and openness in the procurement process.

3. Empirical literature

3.1. Procurement objectives and procurement process

The achievement of procurement objectives in the public sector is determined by the efficiency of the procurement process (Kakwezi & Nyeko, 2019). The achievement of procurement objectives was shown to be positively correlated with the procurement process in Thumbi and Mutiso's (2018) study on the impact of procurement process audits on performance in public health institutions in Kiambu County. This study affirms the findings of Chiavenato (2017), who observed that planning as part of the procurement process is a function of administration that is carried out in advance to determine the procurement objectives to be accomplished. This study highlighted that it is a blueprint that informs the procedures for future procurement.

The provision of public services to residents at the appropriate amount, quality, and timing, as well as at the appropriate cost, is a consequence of the efficiency of the procurement process in the acquisition of commodities, services, and public works. A study carried out by Kakwezi and Nyeko (2019) observed that poor performance of procurement objectives resulted from non-adherence to proper processes and procedures. The more general procurement objectives should be incorporated into public procurement processes, such as improving environmental performance, encouraging innovation, or making it easier for most competitive organizations to access public contracts (Stritch et al., 2020). Hence, it is hypothesized that

H1: Procurement objectives have a positive influence on procurement process

3.2. Influence of procurement process on procurement management

The delicate nature of procurement processes calls for experienced employees and procurement managers with an appropriate attitude to effectively perform tasks in the procurement cycle (Kakwezi & Nyeko, 2019). Hence, the procurement processes involved in public procurement inform the management of tasks. Agama et al. (2021) contended that procurement processes should be trailed by equivalent management practices in pursuit of predetermined procurement objectives.

In Zimbabwe, it is the responsibility of any procuring institution to ensure that the Public Procurement and Disposal of Public Assets Act (Chapter 22:23) adheres to all procurement processes, as mentioned in section 14 (2) of the Act. The Act spells out the necessary processes involved in public procurement, which are supposed to be managed by the procuring entity. Consequently, public procurement professionals must strike a balance between three competing interests: the need to satisfy commercial interests, whose main concerns are value for money, economy, efficiency, and effectiveness; regulatory interests, whose main concerns are competition, transparency, equality, and compliance; and finally, the social interests that are concerned with public interest, employment issues, social exclusion, economic development, and the environment (Ganfure & Kedir, 2020). Thus, it can be hypothesized that

H2: Procurement process has a positive influence on procurement management

3.3. Procurement objective and value for money

To attain value for money, public procurement activities should be coordinated with government objectives and value for money. Procurement entities should ensure that the primary goals of contract management, such as the delivery of high-quality goods and services on time and at a reasonable cost, are met to achieve value for money (Somani, 2022). The findings of Somani (2022) confirm the relationship (procurement objective and value for money) by Asare and Prempeh (2016), which revealed that the challenge of non-compliance with procurement objectives negatively impacts the value for money objectives of an institution. Consequently, the value-for-money objectives are achieved through effective contract performance monitoring and management, as indicated in a study by Kgobe and Chauke (2021).

As much as going through the documentation process is important, it is not as crucial as being clear about how vendors match projects and government objectives (Chikwere et al., 2022). Hence, vendors must be able to explain their value for money strategy and prior performance before they are awarded the tender (Bosio et al., 2022). This is critical in guaranteeing that the vendor is capable of delivering value for the monetary objective. The performance measurement of value for money presumes that goals and objectives are clearly stated and consistent at both the policy and project levels and that procuring entities invest in data collection, monitoring, and evaluation systems (Kgobe & Chauke, 2021). Hence, we hypothesize that

H3: Procurement objective has a positive influence on value for money

3.4. Procurement process and value for money

As noted by Bosio et al. (2022), achieving value for money may become a distant objective because of the rigid regulations governing public procurement processes, which are further complicated by the appeal procedure. In their study in Rwanda, Aimable et al. (2019) found that the procurement process significantly affects the value for money. This position is evident in Zimbabwe, where an appeal can take more than a month before any further action is taken to the contract. In terms of sections 55(2), 60(14), and 74 (3) of the (PPDPA) Act (Chapter 22:23), a challenge can only be filed during the 14-day window where a notice of award has been issued. The aggrieved party can also make an application for review of procurement proceedings by review panel in terms of Section 74, which requires considerable time for the hearing and may again appeal to the Administrative Court against the decision of review panel within 20 days as provided by Section 74 of the Act. Moreover, a study carried out by Asare and Prempeh (2016) showed that inadequate bidding or improper application of the bidding process was a challenging factor in achieving value for money. Hence, the current study takes a different direction focuses on the influence of the procurement process on value for money. Thus, it is hypothesized that

H4: Procurement process has a positive influence on value for money

3.5. Procurement management and value for money

Procurement management includes all actions taken by the procuring entity from the beginning of a procurement requisition until all activities pertaining to procurement fulfillment are completed (Aimable et al., 2019; Denhere et al., 2023). In Zimbabwe, Section 79 of the Public Procurement and Disposal of Public Assets Act (Chapter 22:23) states that a procuring entity is accountable for managing its procurement contracts and must set policies, implement them, and provide the material and human resources required for efficient contract administration. The Act also states that procurement systems in Zimbabwe should have a high level of openness, compliance, and

accountability. These conditions are critical for attaining the value for money. However, risk management and value maximization through employment of managerial abilities are important throughout the procurement process (Karanja, 2021). A study by Mungu (2021) on the influence of local contractors' capacity on the performance of road construction projects in Kenya identified a lack of sufficient procurement skills and ineptitude among managers and staff members in public procurement as hindrances to the achievement of value for money.

To achieve the anticipated VFM, procurement management is essential to ensure that both the supplier and customer adhere to their contractual obligations regarding time, cost, and quality (ADB, 2018). Procurement entities can execute their contractual duties to achieve value-for-money through systematic and effective planning, execution, monitoring, and evaluation (Adi & Dutil, 2018). This confirms the earlier findings of Asare and Prempeh (2016) on the measures of ensuring value for money in public procurement in Ghana, which revealed that inadequate monitoring, procurement evaluation, and lack of senior management support compromise VFM. Accounting officers and their procurement staff must be able to manage suppliers and procurement activities efficiently and understand the markets to get the best out of them (Karanja, 2021). Hence, we hypothesize that

H5: Procurement management has a positive influence on value for money

5. Methodology

5.1. Sample and data collection procedure

To gather comprehensive information about the rural district councils in Zimbabwe, a quantitative approach and descriptive research design which entails statistically identifying and collecting data in order to analyze data were utilized in this study (Matto et al., 2021b). Supervisors and procurement staff of Rural District Councils in Zimbabwe were asked to complete a self-administered Google questionnaire in January 2023 to provide data for the current research. The sample of this study was determined using the RAOSOFT sample size calculator, which consisted of 264 procurement and finance supervisors and procurement officers. Only 264 respondents consented to participate in this study. The respondents were selected by simple random selection from the supervisory personnel and procurement officials of 30 out of 60 rural district councils in Zimbabwe, which translates to half of all RDCs engaged in public procurement. Before distributing the questionnaires, a pilot test was conducted with 30 respondents, and the instrument was refined to avoid ambiguity. Each organization first sought permission to gather data. The goal of the research was explained to the respondents, who were invited to participate in the investigation. Each participant received a self-administered Google questionnaire, which they were required to complete within a week of receiving. Data were gathered using a closed-ended structured questionnaire that included Likert-type questions with response options ranging from 1 (strongly agree) to 5 (strongly disagree). The questions of the structured questionnaire were adapted from related studies (Chikazhe et al., 2023; Chikwere et al., 2022; Somani, 2022) to meet the needs of the present investigation. Table 1 lists the items used during the data-collection exercise.

The data were cleaned, coded, and imported into the 26th version of the Statistical Package for Social Sciences (SPSS) for analysis. Descriptive and inferential statistics were used for the data analysis. To test the proposed hypotheses, structural equation modeling with AMOS version 25 was carried out. Tables and charts were used to present the data.

6. Results

6.1. Demographic analysis

A total of 207 of the 264 questionnaires that were distributed were returned, translating to a 78 percent response rate. The high response rate showed that participants' research interests, incentives for

completing surveys, survey duration, and assurances of secrecy and privacy contributed to the response rate. This perspective substantiates the study by Saleh and Bista (2017), which showed that participants were more motivated to complete the survey if they had a vested interest in the topic. Male respondents accounted for 68% of the total respondents ($n = 141$), whereas female respondents made up 32% ($n = 66$). These findings corroborate previous studies showing that men make up the majority of workers in public procurement (Churchil, 2018; Smith, 2018).

6.2. Reliability and validity (Measurement model)

Cronbach's Alpha and Composite Reliability (CR) coefficients were used to assess construct reliability.

The Cronbach's alpha values, which can range from 0.00 to 1.00, reveal the homogeneity of the measurement items' internal composition. In contrast, a score of 0.00 demonstrates that the measurement items used to assess a particular latent variable are not homogeneous. However, if the latent variable's value is 1, the measurement items are 100 percent homogeneous. In other words, the reliability level increased as the value approached 1. Where the value was low, the measurement items could not be as evenly distributed because there were not as many of them. The coefficient values for the four latent variables in this study were calculated using the reliability method in SPSS (version 26). Standardized Cronbach's coefficient alpha was used in this study to evaluate the internal

Table 1. Items for the instrument

PROCUREMENT OBJECTIVES (PROB)

Integrity, accountability, transparency and value for money are the main procurement objectives in RDCs.

The RDC's procurement goals enable efficient service delivery.

Adherence to objectives exposes RDCs' unethical conducts in procurement management system.

The clarity of RDC's procurement objectives determines the level of service delivery.

Transparency objective in RDCs procurement guarantees high quality service delivery.

Unclear public procurement objectives in RDCs delays service delivery.

PUBLIC PROCUREMENT PROCESS (PROP)

The RDC's contracts in public procurement are always won by the best evaluated bidder.

During the evaluation, only the criteria listed in the bid document are applied.

All discounts and alternatives are read out at the bid opening to guarantee transparency in RDCs.

The RDC employs only official communication when contacting bidders or their representatives.

The bidder or its agents have no influence over the RDC's bid evaluation process.

The RDC's protracted procurement processes are the cause of delays in service delivery.

PROCUREMENT MANAGEMENT (PROM)

All the RDC's procurement activities are managed by a specialized procurement department.

The RDC has systems for comparing deliverables to procurement specifications.

The RDC has mechanisms for detecting poor performance in service delivery.

The RDC has a clear record management system of supplier performance for all procurements.

The RDC makes timely payments to suppliers.

All the RDC's departments have clear procurement plans.

All the RDC's procurement requirements are carried out on schedule.

VALUE FOR MONEY (VAFM)

The RDC uses correct procurement procedures in its service delivery.

The RDCs' evaluation committees adequately analyze bids.

The Public Procurement Act of 2018 has strengthened the RDCs' spending control.

The RDC compares its purchase plan to the procurement budget to identify expenditure inconsistencies.

The RDC's projects are commissioned immediately after completion.

The RDC uses procurement best practices to reduce costs.

Table 2. Reliability and validity

Latent Variables	Cronbach's Alpha Score	KMO and Bartlett's Test
Procurement Objectives	.785	0.825
Public Procurement Process	.827	0.839
Procurement Management	.776	0.798
Value for Money	.792	0.715

reliability of each latent variable, as shown in Table 1. A higher Cronbach's coefficient alpha, particularly one that is closer to 1, is a sign of a measurement item's reliability. Stronger item-total correlations, as seen in Table 2, were also used in the current investigation to indicate statistical agreement among the examined items in addition to Cronbach's coefficient alpha.

The KMO and Bartlett tests, which integrated all pertinent data for examination, were employed to ascertain the validity of the data in the current study. Noijaroen and Theppitak (2022) further established that KMO is the best tool to use in such circumstances. The data were considered strongly correlated if the KMO score was greater than 0.5, and Bartlett's test significance threshold was less than 0.05. The degree of collinearity shows how tightly a variable is related to other variables. The results of the KMO and Bartlett tests used in this study, which are shown in Table 3, vary from 0.715 to 0.839, clearly indicating good validity. The research data were deemed valid and reliable after the validity and reliability assessments were conducted.

H1: Procurement objectives have a positive influence on procurement process.

7. Sem-path analysis

The current study which indicated a linear link between procurement objectives and the procurement process were both favorable and significant is consistent with prior literature. Abul Hassan et al. (2021) conducted a similar study and found a positive relationship between procurement objectives and the procurement process. Their findings lend credence to the idea that when firms establish defined procurement objectives, the entire procurement process is positively impacted. On the other hand, Kakwezi and Nyeko (2019) conducted a meta-analysis of various procurement studies and observed a strong and significant relationship between procurement objectives and process. The SEM results supporting or refuting this theory are presented in Table 3. The table demonstrates the strong positive (C *** p-value less than 0.001; t-value less than 6.526) and highly significant (path coefficient of 0.78) relationship between procurement objectives and the procurement process. These earlier conclusions are supported by the SEM findings of the current investigation, which also show a substantial positive association (path coefficient of 0.78), between procurement objectives and the procurement process. These findings contribute to a better understanding of how organizations can optimize their procurement activities to achieve their objectives effectively.

Table 3. Hypothesis 1 SEM results

Variables	Path	Variables	Hypothesis	Path coefficient	Standard Error	Critical Region	P-Value
Procurement Objectives	→	Procurement Process	H1	0.78	0.104	6.526	C***

Table 4. Hypothesis 2 SEM results

Variables	Path	Variables	Hypothesis	Path coefficient	Standard Error	Critical Region	P-Value
Procurement Process	→	Procurement Management	H2	0.79	0.143	6.784	C***

H2: Procurement process has a positive influence on procurement management

The current study also suggests that the procurement process and procurement management have a positive and significant linear relationship. This finding aligns with prior literature that has recognized the importance of effective procurement processes for achieving successful procurement management. In their study, Agama et al. (2021) observed that procurement process is critical in achieving successful procurement management which encompass improved supplier relationships, cost savings, risk reduction, and better overall performance. This hypothesis ascertains how the procurement process affects procurement management. By examining Table 4, which contains the SEM results, we can gain further insights into the specific findings of the current study. According to the findings of the (H2), the procurement process has a strong positive (path coefficient of 0.79; C*** or -p-value greater than 0.1; t-value of 6.784) and significant (t-value of 6.784) influence on procurement management. This suggests that as the procurement process is effectively managed, it positively influences the overall procurement management outcomes. This perspective aligns with prior literature, which often emphasizes the importance of establishing robust processes and systems to ensure compliance, quality, and efficiency in procurement operations.

H3: Procurement objectives have a positive influence on value for money

The current study which suggests that there is a positive and significant relationship between value for money and procurement objectives is consistent with previous literature. In their study, Kgobe and Chauke (2021) found a positive relationship between procurement objectives and the value for money. Their findings give credibility to the notion that organizations should align their procurement objectives with the goal of achieving value for money to maximize the benefits and outcomes from their procurement activities. Additionally, Bosio et al. (2022) conducted a meta-analysis of various procurement studies and observed a strong and significant relationship between procurement objectives and value for money. By examining Table 5, which presents the SEM results, we can gain further insights into the specific findings of the current study. The table demonstrates that the relationship between value for money and procurement objectives is significant (path coefficient of 0.95) and strongly positive (C *** - p-value less than 0.001; t-value of 5.213). The validation of Hypothesis H3 based on the results in Table 5 supports the proposition that procurement objectives positively and significantly affect the value for money. The findings

Table 5. Hypothesis 3 SEM result

Variables	Path	Variables	Hypothesis	Path coefficient	Standard Error	Critical Region	P-Value
Procurement Objectives	→	Value for Money	H3	0.95	0.146	5.213	C***

Table 6. Hypothesis 4 SEM results

Variables	Path	Variables	Hypothesis	Path coefficient	Standard Error	Critical Region	P-Value
Procurement Process	→	Value for Money	H4	0.87	0.135	5.301	C***

confirm that the relationship between value for money and procurement objectives is not merely due to chance, and the observed relationship is unlikely to occur by random variation

H4: Procurement process has a positive influence on value for money

The value for money and procurement process has a significant and positive linear relationship, as shown in Table 6. This finding aligns with prior literature that has recognized the importance of effective procurement processes for achieving value for money. In their study, Aimable et al. (2019) observed that procurement process is critical in achieving value for money. The findings of this investigation supported the claim made in the current study that the procurement process advances value for money. A high and positive path coefficient of 0.87 supports the significant positive impact of the procurement process on value for money.

H5: Procurement management has a positive influence on value for money

The current study also suggests a significant and positive linear relationship between procurement management and value for money which is consistent with previous literature. This hypothesis was developed to determine how procurement management affects money value. A study by Mungu (2021) observed a positive relationship between procurement management and value for money. The finding give credibility to the notion that procurement management is essential to ensure that both the supplier and customer adhere to their contractual obligations regarding time, cost, and quality to achieve value for money. A meta-analysis of numerous procurement studies was also carried out by Matto et al. (2021b), who found a substantial and significant correlation between procurement management and value for money. Table 7 displays the SEM findings that confirm or contradict this theory. The results of the fifth path (H5) show that procurement management has a strong positive (C *** p-value less than 0.001; t-value of 5.894) and highly significant (path coefficient of 0.89) value for money. These findings contribute to a better understanding of how organizations can optimize their procurement management through methodical and efficient planning, implementation, monitoring, and assessment, of their contractual obligations to achieve value for money.

Table 8 summarizes the research hypotheses results.

8. Discussion and implications

Most developing countries, particularly African states, are concerned about the value of money. Studies examining how procurement objectives, processes, and management affect the value of money have not received much attention. This study aims to determine how procurement

Table 7. Hypothesis 5 SEM results

Variables	Path	Variables	Hypothesis	Path coefficient	Standard Error	Critical Region	P-Value
Procurement Management	→	Value for Money	H5	0.89	0.408	5.894	C***

Table 8. Summary of hypotheses

S/n	Hypothesised relationship	CR	P-value	Remarks
H1	Procurement Objectives → Procurement process	6.526	C***	Supported
H2	Procurement Process → Procurement management	6.784	C***	Supported
H3	Procurement Objectives → Value for money	5.231	C***	Supported
H4	Procurement Process → Value for money	5.301	C***	Supported
H5	Procurement Management → Value for money	5.894	C***	Supported

Notes: CR = critical ratio; C*** = significant at $p < 0.001$.

objectives, procurement processes, and procurement management affect the value of money. Consequently, research of this kind is crucial, as it offers novel insights and confirms existing information on procurement objectives, procurement processes, and procurement management on value for money within the public sector. This type of research adds to the body of knowledge about the value of money in public procurement.

8.1. Theoretical implications

The study validates a general agreement in the literature that procurement objectives and processes advance value for money in procurement (Aimable et al., 2019; Bosio et al., 2022; Chikwere et al., 2022; Kgobe and Chauke, 2021; Somani, 2022). Moreover, this study demonstrates that the relationship between procurement objectives and the procurement process is highly influenced by procurement management, which ensures compliance throughout the procurement process. This confirms an earlier study by Chikwere et al. (2019) which observed that public procurement management can guarantee value for money when procurement processes are carried out in a transparent, equitable, and responsible way by adhering to procurement regulation requirements. This implies that the value of money in public procurement can be enhanced by procurement objectives, processes, and management. Hence, governance is essential in order to obtain value for money in public procurement.

The study's findings also confirm the positive relationship between procurement objectives and the value for money. This aligns with the main goal of procurement of cost reduction while meeting the organization's needs in the most transparent and equity manner, which advances value for money. Asare and Prempeh (2016) emphasized that adherence to clear procurement objectives is required to attain value for money. This study also validates the link between procurement processes and procurement management. A similar study conducted by Matto (2021) revealed that compliance with procurement processes enhances sound procurement management which promotes value for money. They concluded that value for money in public procurement can be realized by compliance with government procurement processes, codes of ethics, and appropriate management by the procuring entity. Previous research also confirms a favorable correlation between the procurement process, procurement management, and value for money (Bosio et al., 2022; Fourie & Malan, 2020; Matto et al., 2021b). This implies that governance component of procedural compliancy in public procurement is critical in the attainment of value for money.

Lastly, the study corroborates the practice-based view and supply chain practice perspective theories underpinning the study. The practice-based view states that variations in organizational output are determined by the practices that the firm employs. Hence, the current study established that firm practices determine changes in organizational performance, of which organizational performance is a result of an increase in output or sales. In addition, the Supply Chain Practice Perspective theory claims that imitable inter-organizational supply chain management practices can explain performance variations both inside and between enterprises. Accordingly, the current study concludes that the procurement process influences both procurement management and value for money. This finding is in line with the Supply Chain Practice Perspective theory, since supply chain management within the organization may result in partners such as suppliers imitating inter-organizational practices as they try to copy business demands.

8.2. Practical implications

The desire for a more thorough understanding of the connections between procurement objectives, procurement process, procurement management, and value for money in Zimbabwe's rural district councils (RDCs) served as the driving force behind the current study. The study observes that value for money, which ensures that taxpayer monies are used effectively and efficiently to produce the best results for the public is a basic idea in public procurement. In the quest to attain value for money from public procurement in rural district councils, procurement managers should consider the studied parameters of procurement objectives, procurement process, and procurement management, as this plays a key role in public procurement.

This study suggests that all administrative levels play an important role in all procurement activities in their respective RDCs. Instead of using a piecemeal outcome-based approach, the focus should be placed on each procurement stage in the cycle. Furthermore, it is imperative to increase the flow of funds into the procurement area, particularly in developing countries, where technical advancement receives less attention to achieve value for money. E-procurement, which reduces delays caused by bureaucratic procedures, can be adopted to enhance improved technology in the procurement management system. In of the study findings, it is therefore recommended that the government of Zimbabwe implement the application of corporate governance in their rural local councils. Although the RDCs' current performance is not at all very bad, the ineffective attainment of value for money is caused by a lack of governance practices.

8.3. Future implications

Only rural district councils as part of the local authorities were used for the research, and Zimbabwe was the only developing country involved, making it difficult to generalize the results of the study to other developing countries in the region. Therefore, it is suggested that future studies of this kind should encompass all local authorities, including the urban district councils, and various developing countries to address the generalization problems. If various aspects of the management system for public procurement are used to relate value to money, the study might yield more intriguing findings.

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