

The Supplier Responsiveness Impact on Procurement Performance of Humanitarian Organizations in Myanmar

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Abstract

Procurement units are critical for all humanitarian organizations to join and communicate with suppliers, share information, and purchase required goods and services. Humanitarian organizations' successes depend noticeably on the performance of procurement units. This study examines the impact of supplier responsiveness (qualification requirements, delivery time, and technical requirements) on the procurement performance of humanitarian organizations in Myanmar. Quantitative research methods were applied to conduct the study, and 50 procurement officers participated in the survey collection. Data are analyzed using statistical software, and findings showed that supplier responsiveness (qualification, delivery, and technical requirements responsiveness) correlates noticeably with procurement performance. The results suggest that humanitarian organizations emphasize supplier communication and achieve supplier responsiveness to achieve success in procurement performance.

Keywords: Supplier Responsiveness, Procurement Performance, Humanitarian Organization, Myanmar.

1. Introduction

Suppliers' bid responsiveness is an essential factor in improving the procurement performance of an organization. It leads to improved design, quality, and cost. Supplier responsiveness is crucial in reducing procurement inefficiencies in public sector procurement. Organizations should embrace supplier responsiveness measures in their bids to improve procurement performance (Chepng'etich & Achuora, 2019). Supply delivering on time with the right quality and in quantities with effective costs to the target beneficiaries who are in need is essential for Humanitarian organizations' Supply and procurement. Donors also increasingly demand accountability, transparency, and value for money in return for their fund contribution. Meeting these higher challenging performance and accountability standards requires humanitarian organizations to be more professional in managing their operations and procurement (Mwesiigwa & Nondi, 2018). Supplier responsiveness has been found to positively impact procurement performance when suppliers are responsive and timely in their product delivery (Nyo, 2019).

Myanmar's security and humanitarian situations have worsened amid ongoing fighting across Myanmar. Humanitarian operations in Myanmar continue hampered by physical and administrative obstacles (OCHA Myanmar, 2023). Previous researchers analyzed the impacts of suppliers' bids responsiveness on procurement performance (Chepng'etich & Achuora, 2019). However, there are still some gaps, mainly to explore the aspect of suppliers' bids responsiveness on procurement performances of Humanitarian organizations in Myanmar. This study examines suppliers' responsiveness on procurement performances of Humanitarian organizations in Myanmar.

2. literature review

Procurement Performance

According to (Moin, 2020), procurement performance refers to evaluating and measuring the effectiveness and efficiency of procurement processes within an organization. Procurement performance involves two main aspects: effectiveness and efficiency (Van Wassenhove, 2006). Effectiveness in procurement considers indicators such as

supplier quality, delivery management, the flexibility of suppliers, material quality defects, supplier profile, inventory incoming on time, order cycle time, and documentation (Makali, 2015). Procurement performance in humanitarian organizations refers to the effectiveness and efficiency of the procurement process in acquiring products and services needed for relief operations. It involves sourcing, purchasing, and managing the supply chain (Moshtari, 2021).

Supplier Responsiveness

Responsiveness is the ability to react purposefully and within an appropriate time scale to customer demand or changes in the marketplace, to bring about or maintain competitive advantage and high procurement performance (Fozia et al., 2016). The supplier's bid responsiveness, including delivery time, technical requirements, financial requirements, and specifications, positively impacts the procurement performance of the buyer (Fozia & Muchelule, 2016).

Responsiveness of Qualification Requirements

(Chu, 2017) argued that financial and other qualifications responsiveness are essential factors in the bidding process, and enhancing competitiveness is crucial for enterprises to build their competitive capacity in bidding. Verifying financial and other qualifications, which comprises the following steps: when receiving submitted supplier information such as financial and other qualifications proof; evaluating against bid invitation requirements whether the supplier is a risk supplier according to the supplier information and provided qualification information; when it is determined that the supplier is not meeting bid invitation information and the risk supplier, the supplier being disqualified from bidding (Basheka, 2020).

Responsiveness on Delivery Time Requirements

Procurement delivery time requires integrated management and coordinative decision-making for effective supply chain management. Delivery time in procurement plays a crucial role in improving procurement performance, and delivery time is one of the critical factors in the relief environment of humanitarian organizations (Aghajani & Torabi, 2020). Cesare and Michele (2015) reported that the bid will be rejected if it does not meet delivery requirements per the bid invitation. Moreover, there is a lack of additional incentives for on-time delivery on competitive bids for a fixed-price procurement contract. However, most buyers apply liquidated damages to protect the buyer from the expected losses due to project delays.

Responsiveness on Technical Requirements

Reviewing and evaluating technical requirements' responsiveness in procurement involves assessing the technical aspects of bids or proposals submitted by suppliers. The quality of the supplier's proposed products or services, technical design, or solution must meet the buyer's requirements (Roi et al., 2021). In procurement, tender documentation must be precise, not in a way that promotes a particular producer, or selection criteria or technical specifications include irrelevant elements (Rašić et al., 2019). Supplier responsiveness means ensuring timely delivery of products, responsiveness to technical and financial qualifications, and specification requirements impact overall procurement performance (Fozia & Muchelule, 2016).

Supplier responsiveness is a cross-boundary strategy that enables resource reallocation and sourcing operations in reaction to external risks and market possibilities (Tsai et al., 2009). Businesses must constantly monitor how their suppliers respond to their needs. Supplier responsiveness is essential in the development of new products and has a direct impact on a company's time to market. One of the most crucial skills that can help businesses achieve more competitiveness in the face of competition in production network connections is responsiveness. Improved client satisfaction and improved business sector execution are categorically linked to higher supplier responsiveness (Kim & Chai, 2017). Therefore, it is crucial to build up activities that promote better relationships and improved supplier responsiveness (Holweg, 2005).

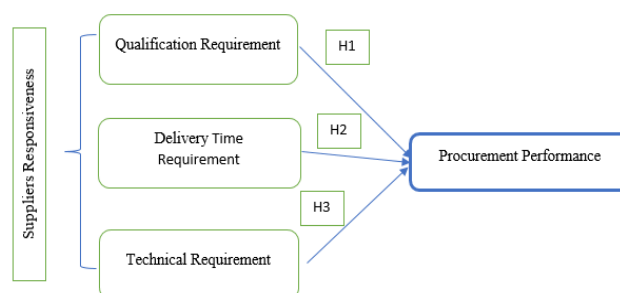


Figure (1): Conceptual Framework

Hypothesis

H1: Supplier Responsiveness on qualification requirement impact on effectiveness and efficiency of Procurement Performance

H2: Supplier Responsiveness on Delivery time requirement impact on effectiveness and efficiency of procurement performance

H3: Supplier Responsiveness on Technical Requirement impact on effectiveness and efficiency of procurement performance

3. Methodology

The quantitative research method is used, and data are collected among procurement staff of Humanitarian organizations in Myanmar. Procurement staff needs to communicate with local suppliers and perform assigned duties. Procurement organizers know suppliers' responsiveness to financial, qualification requirements, delivery time, and technical requirements as the critical factors of procurement performance success. This research targeted the procurement staff working at humanitarian organizations with procurement units. A total of 30 procurement staffs actively participated in data collection through the survey. The survey is developed according to previous literature sources, and Cronbach's alpha score tests the reliability of the questionnaire. Cronbach's alpha score (0.894) shows that the applied questionnaire is reliable. Data are collected using self-reported and Likert-scale format. Collected data are analyzed using statistical software (SPSS version 27).

4. Findings and discussion

Descriptive statistics and inferential statistics use to answer research hypotheses. Over half of the respondents were male procurement officers (56.7%). And, 43.3% of participants were aged between 31 to 36 years at the time of study (table 1).

Table (1): Personal factors of respondents

Personal Factors		Frequency	Percent
Gender	Male	17	56.7
	Female	13	43.3
Age	25 to 30 years	7	23.3
	31 to 36 years	13	43.3
	37 to 42 years	7	23.3
	Above 42 years	3	10.0

Table (2) expressed the descriptive statistics of each variable. According to table, procurement officers at humanitarian organizations reported that they received suppliers' active response on qualification requirements and technical requirements compared with delivery time requirements.

Table (2): Descriptive Statistics

	Mean	Std. Deviation
Qualification Requirement 1	3.53	.68
Qualification Requirement 2	3.43	.91
Qualification Requirement 3	3.77	.97
Qualification Requirement 4	3.93	.78
Qualification Requirement 5	3.60	.96
Delivery Time Requirement 1	2.70	.92
Delivery Time Requirement 2	2.83	.93
Delivery Time Requirement 3	3.53	.97
Delivery Time Requirement 4	3.97	.88
Delivery Time Requirement 5	3.50	.93
Technical Requirement 1	3.93	.98
Technical Requirement 2	3.20	.94
Technical Requirement 3	4.30	.96
Technical Requirement 4	3.83	.91
Technical Requirement 6	3.93	.94

Hypotheses Testing is carried out using multiple linear regression. Supplier responsiveness (qualification requirement, delivery time and technical requirement) are predictors variables and procurement performance is dependent variable. R square (0.677) and adjusted R square (0.639) show that the variation of procurement performance can explain by variation in supplier responsiveness (63.9%). F value (18.148) shows that the correlation between procurement performance and supplier responsiveness are significant. According to Unstandardized B coefficient value, one-unit increases in qualification and technical requirements responsiveness can improve 0.621units in procurement performance. Moreover, one-unit changes in supplier responsiveness in delivery time, 0.782 units increase in procurement performance. Thus, all of the testing hypotheses are accepted where procurement performance has positive significant relationship with suppliers' responsiveness on qualification, delivery time, and technical requirements.

Table (3): Regression Analysis

Model		Score	Sig
Model Summary	R Square	.677	
	Adjusted R Square	.639	
	Std. Error of the Estimate	.60004	
ANOVA	F	18.148	0.000

Unstandardized B coefficient	Constant	.59	.025
	Qualification Requirement	.621	.000
	Delivery Time Requirement	.782	.046
	Technical Requirement	.621	
Dependent Variable: Procurement Performance			
Predictors: (Constant), Qualification requirement, Delivery time requirement, Technical requirement			

5. Discussion and Recommendation

The outcomes of this study indicated that supplier responsiveness (qualification requirement, delivery time, and technical requirements) have a positive significant correlation with procurement performance. The results contribute to previous literature sources where qualification responsiveness is the critical aspect of procurement processes that enhance competitive benefits for Humanitarian organizations (Chu, 2017), and information providing creates positive communication with suppliers and buyers (Basheka, 2020). Moreover, Aghajani and Torabi (2020) found the significant role of delivery time in the decision-making processes of procurement performance. The procurement processes can improve noticeably when the supplier responds actively and delivers goods and services. Delayed delivery negatively affects procurement units (Cesare & Michele, 2015). Roi et al. (2021) also mentioned the role of technical requirements as a vital aspect of procurement performance improvement. Kim and Chai (2017) concluded the critical role of supplier responsiveness in procurement performance. Active and quick responsiveness, including timely delivery, are essential for the success of procurement performance. The current study's findings suggest that procurement units and Humanitarian organizations communicate with suppliers and try to get supplier responsiveness to improve procurement performance. However, this study is limited to access to all of the procurement units and a large number of samples. Thus, further studies should collect data from large sample sizes and apply different research methods.

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