Antecedents of Sustainable Procurement and Inclusive Business in South Africa

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***Abstract*— The South African government has embraced inclusive business practices. Relevant policy mechanisms and interventions have been developed to ensure that all economic sectors direct their procurement spend towards supporting low-income beneficiaries to achieve sustainable economic development objectives. However, continued research is necessary to establish whether such inclusive business imperatives can be improved through supply chain management. This empirical study surveyed 248 procurement professionals to investigate the potential supply chain antecedents of sustainable procurement and inclusive business in South Africa. Structural equation modelling showed that four factors, namely strategic partnerships, familiarity with policies, trust within supply chains and organisational incentives, significantly predicted sustainable procurement. Organisational incentives emerged as the strongest predictor of sustainable procurement. Sustainable procurement also significantly predicted inclusive business. Policymakers and practitioners may use this study as a reference point for adopting sustainable procurement policies and strategies in their organisations**.

***Keywords*—** *Sustainable procurement, supply chain management, strategic partnerships, familiarity with policies, trust within supply chains and organisational incentives*

1. Introduction

The influential role of procurement as a platform to deliver sustainable outcomes and objectives for governments and non-governmental organisations has since the beginning of the 21st century gained traction across the globe [5; 7; 47; 62]. In South Africa, procurement has been positioned as a critical government policy lever to deliver on economic objectives targeted at historically marginalised minorities in the country. The National Development Plan (NDP) has asserted the influence of procurement by both the public and private sectors towards industrial development while creating employment opportunities and growing the economy [57]. The Department of Trade and Industry in South Africa has since issued the Industrial Policy Action Plan (IPAP) Report which highlights the magnitude of the contribution of procurement by both the private and public sectors to the local economy and economic development [20]. Notably, the report reveals that both public and private procurement represents more than 15% of the GDP for South Africa [20]. Hence procurement remains an enduring centerpiece on productivity in the country.

The impact of procurement in South Africa is recognised by Section 217 of the country's constitution. The constitution clarifies how public procurement should be executed and provides for the allocation of preferences to extend economic opportunities to historically disadvantaged groups and transform the economic landscape [69]. The Preferential Procurement Policy Framework Act 5 of2000 and the Broad-Based Black Economic Empowerment Act of 2003 and their associated regulations embody the government's commitment towards achieving economic development through the procurement function. The government has continued to use legal prescripts to reform the procurement fraternity and leverage on its broad buying power. The South African government, through the Economic Development Department, has introduced a local procurement accord between the government, business, labour and community representatives to bolster procurement from local suppliers. The agreement outlines commitments by the various stakeholders and recognises the

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potential development impact and inclusive growth in the economy through procurement channels [21].

The present study investigated the antecedents of sustainable procurement and inclusive business in South Africa. In 2018 the South African Auditor-General, revealed that R80 billion of the government's funds was lost on fraud and irregular expenditure [4]. Conversely, government expenditure for the 2017/2018 financial year-end was estimated at over R1.1 trillion [20]. Moreover, more than 30% of the national and provincial government departments that were audited in that period had material findings relating to procurement and supply chain management. In 2019, the National Treasury issued a diagnostic report on the state of procurement in the public sector and outlined policy deficiencies as well as weaknesses in the implementation of procurement processes [93]. This negative trajectory has been sustained over the years, such that by the end of 2019 the audit outcomes had regressed in both public departments and state-owned enterprises [4; 93]. For instance, while 43 auditees improved in 2018, they were overshadowed by the 73 that had regressed from 2017 [4]. These reports point to the prevalence of unethical behaviour stemming from fraud and corruption, inefficient procurement processes, fragmented policy prescripts, inadequate regulation for supporting small and medium enterprises (SMEs) and incidents of non-compliance to established procurement policies [58]. Such contraventions tend to defeat the inclusive business agenda set by the South African government. It is against this background that this research study assesses the possibility of using procurement as a mechanism for promoting sustainable development and inclusive business in South Africa.

This study utilises supply chain management predictors for drawing empirical evidence in support of finding mechanisms for advancing socioeconomic opportunities through procurement platforms. It proposes that business approaches that involve collaborative supply chain interventions and partnerships tend to provide opportunities for positive socioeconomic outcomes [2]. Such inclusive approaches are presumed to confer resources and competitive benefits in the market [67]. Notably, empirical evidence on the influence of supply chain management on the adoption of inclusive business models in developing economies such as South Africa is scarce. This creates a need to gauge empirically the efforts and the interest of organisations around inclusive business based on the adoption of supply chain management.

2. Literature

The literature provides summaries on the research constructs, namely sustainable partnerships, competitive advantage, familiarity with policies, trust within supply chains, organisational incentives, sustainable procurement and inclusive business.

2.1. Strategic Partnerships

Strategic partnerships (SP) refer to inter-organisational supply relationships that are formed to improve organisational capabilities and socioeconomic objectives [76]. Collaboration with suppliers plays an essential role in boosting competitive advantage and serves as a dynamic capability for improving organisational productivity in supply chains [1]. Besides, supply chain collaboration may serve as a mediator between the creation of value in an organisation and its practical orientation [1]. For [71] SP tends to yield positive, effective and efficient outcomes for parties that are involved.

2.2. Competitive Advantage

Competitive advantage (CA) is the favourable position and associated benefits that an organisation gains over its competition in a market [75]. It is an outcome of integrating existing capabilities and the leverage of resources across the supply chain to achieve set objectives [34]. Organisations derive CA and produce enhanced performance levels based on complementary resources [86]. Most academic studies focus on the CA that is derived from an organisation's unique resources instead of resources that are pooled as a result of collaboration, business linkages and partnerships between stakeholders and networks [86]. Equally, the management of knowledge that is acquired through inter-organisational engagements has a direct influence on achieving CA [46].

2.3. Familiarity with Policies

Virtually every organisation in the public and private sectors has a set of practices, standards, rules and formal policies that influence the

procurement of products, goods and services in the market [51]. It is also noted that through public and private organisations are governed by different regulatory requirements, the decisions that are aimed at promoting inclusive procurement are subjected to some form of institutional structure that guides the objectives of the organisation and at least seeks to address the needs of various stakeholders [77]. Other scholars [24] assert that FPP influences procurement compliance. The acceptance of procedural rules, standards and SUSP practices is dependent on how laws are perceived by users [6]. This study submits that the use of procedural regulations and organisational policies contributes towards a shift in perspectives and creates a favourable preference in a procurement context. This preference is aimed at maximising equal opportunities amongst suppliers [77].

2.4. Trust within supply chains

Though definitions of trust may vary, trust is considered the belief and positive expectation that the other party will collaborate and act in good faith in a business relationship [27; 87]. Trust is a lens that has been used to examine strategic relationships in supply chains and is considered an imperative element, as it is able to provide access to resources, information and inter-organisational support [14; 44; 76]. This study submits that trust within supply chains (TWS) is an enabler that maintains and develops SP in supply chains while holding that sharing of information is an important aspect for gaining that trust and commitment between supply chain partners [8; 43; 71].

2.5. Organisational Incentives

Organisational incentives (OI) may be perceived as mechanisms that are used by organisations to influence and align behaviour that is aimed to achieve set goals [60]. Incentives themselves are regarded as extrinsic motives that incite and channel behaviour in a particular manner [74]. Reputation management, government pressure, market forces, a favourable rapport with customers, are part of the incentives that will drive organisations to contribute towards sustainability initiatives [3; 56]. It is further argued that the impact of OI on SUSP in an organisation relates to the extent of tolerance and support in the environment that is provided by management [7]. For this reason, this study submits that the variable "OI" plays an important role in achieving SUSP.

2.6. Sustainable Procurement

Sustainable procurement (SUSP) involves the integration of the broader socio-economic environment that affects procurement undertaken by government or public sector bodies [49; 52;81], and relates to the consideration of sustainable development objectives to create socio-economic and environmental value for stakeholders through the procurement function.

Sustainability is a concept that is concerned with ensuring that there is harmony between economic objectives, environment preservation and the interest of society [54]. The relationship between the social, economic and environmental aspects of sustainability, is concerned with the interaction between the effective management of resources in a macroeconomic context, the conservation and protection of environmental resources and the impact of business activities on the society [17]. To this end, it is suggested that government and business, through the procurement of goods and services in various business sectors and value chains, play a crucial role in driving the agenda of sustainable development [17; 55]. Thus, SUSP is a strategic channel for business and the public sector that can be adopted to achieve socio-economic and environmental objectives through partnerships, alliances and networks [85].

2.7. Inclusive Business

The G20 inclusive business (IB) framework identifies procurement as a conduit and a policy lever for enabling an IB approach [25]. IB is an approach that includes low-income beneficiaries in the value chain with a view to achieving sustainable economic development objectives. It may also be defined as enterprise opportunities and activities that are socially inclined whilst ensuring economic returns and profits [26]. In addition, the adoption of IB models in value chains contributes to economic activity and creates opportunities that increase access to markets for small enterprises [26].

A joint report by the OECD and World Bank Group describes the concept of inclusiveness as a mechanism to obliterate barriers to participation for SMEs that form part of the domestic supply base

[89]. Furthermore, the joint report highlights that the procurement of goods and services from local suppliers, and the inclusion of SMEs, serves as a direct injector and benefactor of foreign investments into the mainstream economy. This study submits that IB practices facilitate access to markets for SMEs, through procurement and supply chains, as a means to encourage active contribution towards economic development. It is also important to highlight that the role of SMEs is magnified in promoting local economic development, as economic opportunities that are afforded to such enterprises can stimulate job creation and extend the distribution of economic gains to the broader community [13; 39; 66].

3. Conceptual Model and Hypotheses

The study tested the conceptual model in Figure 1. In this conceptual model, SP, CA, FPP, TWS and OI are the predictor variables. SUSP is the mediating variable, while IB is the outcome variable. Furthermore, this research study submits that two of the predictor variables, SP and CA, might have a direct influence on IB. Similarly, it is proposed that SUSP might have a direct relationship with IB.

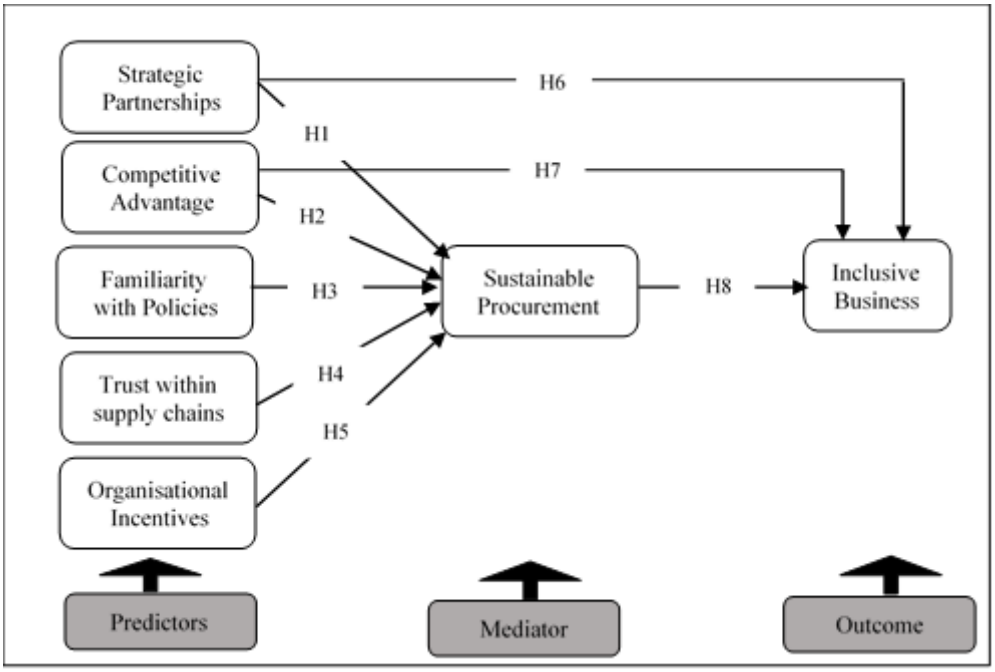

Figure 1. Conceptual Model

3.1. Strategic partnerships and sustainable procurement

This study considers SP as an essential link for delivering shared value while addressing the impetus of sustainability [61]. Furthermore, SP, may serve as an instrumental connector between organisations, the environment and society [16]. It has been further found that building strategic relationships with stakeholders and alliances is necessary to reinforce business strength. Consequently, SP is imperative in order for organisations to respond to rapid global changes in the environment adequately [19]. For [43], strategic alliances and partnerships are important, as they can provide benefits and extend complimentary resources that improve business outcomes. Another study [90] further found that SP has a positive effect on supply chain partner innovativeness and product innovation strategy. Therefore, this study hypothesises that:

Hypothesis 1: *Strategic partnerships and sustainable procurement are positively and directly related*

3.2. Competitive advantage and sustainable procurement

Research has highlighted the original contribution of procurement and supply chain management in the sustainability continuum [48; 54; 77]. According to [63], procurement increases CA if channeled through product, services, information, financial resources, demand and forecasts. Similarly, organisations that implement diverse supplier procurement practices can contribute towards enhancing their CA [76]. In addition, [36] observe that there is an association between SUSP,

reputation and CA. For [46], knowledge management would positively and directly influence CA. Thus, the study hypothesises that:

Hypothesis 2: There is a positive and direct relationship between competitive advantage and sustainable procurement

3.3. Familiarity with policies and sustainable procurement

This research study suggests that understanding procurement policies is a critical enabler, as the knowledge thereof provides organisations with competencies that are required to promote the adoption of SUSP practices [7; 48; 52; 77). It has further become imperative for organisations to consider and formulate policies and procedural guidelines that inform the business perspective around sustainability [10]. Understanding procurement policies is important, as it averts incidents of non-compliance and tender irregularities [82]. Therefore, procurement strategies, mainly responsible sourcing channels and supplier selection methods, are continually being reformed to ensure compliance with global sustainability standards [11]. Hence, it is logical to hypothesise that:

Hypothesis 3: *Familiarity with policies and sustainable procurement are positively and directly related*

3.4. Trust within supply chains and sustainable procurement

This study infers that trust can command cooperation and allow for access to extended resources and capabilities from stakeholders [44; 76]. Trust that is gained from collaboration that contributes to relational resources that improve organisational competencies and competitiveness [14]. [86] observe that trust is a crucial element for building and maintaining supply chain relationships. Furthermore, trust is positively associated with relationship commitment, which suggests a firmer intention and willingness to sustain supply chain partnerships [86]. For [44], the higher the level of trust, the higher the propensity for the supply chain partners to share knowledge, skills, capabilities and competencies that improve market competitiveness. Accordingly, this study hypothesises that:

Hypothesis 4: *There is a positive and direct relationship between trust within supply chains and sustainable procurement*

3.5. Organisational incentives and sustainable procurement

Organisations tend to rely on attractive alternatives and stimuli to maintain continuity for enforcing and monitoring responsible practices [72]. Additionally, organisations that utilise incentives are more likely to exhibit behaviour that promotes sustainable practices [28]. By the same token, it may be suggested that OI tend to act as a governance tool to manage opportunism in a supply relationship [33]. According to [53], procurement has a key role in sustainability as policies and practices need to extend beyond the boundaries of organisations that incorporate their entire supply chains. Therefore, it is hypothesised that:

Hypothesis 5: *There is a direct and positive relationship between organisational incentives and sustainable procurement*

3.6. Strategic partnerships and inclusive business

Strategic alliances and partnerships are considered as a key aspect for implementing IB models [67]. For [91], IB approaches are able to extend and spread socio-economic and ecological benefits widely through partnerships. Similarly, it may be argued that IB models serve as powerful channels that create economic linkages for sustainable development [79]. This leads to the following hypothesis:

Hypothesis 6: *There is a direct and positive relationship between strategic partnerships and inclusive business*

3.7. Competitive advantage and inclusive business

Organisations that have a high inclination toward sustainability tend to be open to IB initiatives [73]. On the other hand, [15] argue that organisations that fail to adopt inclusive practices fall short of gaining CA. Notwithstanding this, organisations that uphold the principle of inclusivity in their business approaches are able to improve their business offerings and gain competitive market positioning [26]. According to [88], CA influences centrality, pro-activeness and the visibility of organisations. In addition, this relationship ultimately leads to value creation for organisations

[88]. The following hypothesis is therefore put forward;

Hypothesis 7: There is a direct and positive relationship between competitive advantage and inclusive business.

3.8. Sustainable procurement and inclusive business

The changing of SUSP practices in organisations aids in the switch to performance-based procurement as well as a move to value rather than price [47]. It has been observed that there is an association between public procurement, sustainability and the circular economy [83]. Furthermore, organisations can promote and attain a positive impact on SUSP, through the inclusion of sustainability criteria in their business strategies [80]. For [36], SUSP has a direct influence on corporate brand reputation, which boosts competitiveness. Hence, organisations are able to impact socio-economic challenges through the use of IB models positively [32]. The following hypothesis is therefore proposed;

Hypothesis 8: *There is a direct and positive relationship between sustainable procurement and inclusive business*

4. Research Methodology

The research methodology includes brief discussions on the design and sample, instrumentation and data collection, and data analysis

4.1. Research Design and Sample

This research followed a quantitative approach using a cross-sectional survey design since the intention was to test a set of hypotheses that had been developed [18; 41; 45]. The target population comprised of procurement professionals in South Africa. It was necessary to focus on practitioners who had been involved with SUSP transactions over the past five years and were operating in public and the private sectors. The sampling frame used is a list of procurement professionals maintained by the Chartered Institute of Procurement and Supply (CIPS), which is a professional body for purchasing and supply in South Africa. CIPS) has a presence in over 150 countries worldwide, with an estimated 3 400 members in South Africa. From this list, a sample of 248 procurement professionals was drawn using the expert sampling technique. The use of expert sampling as a technique in quantitative research is appropriate when the group of respondents possesses expertise in the area of research interest [45].

4.2. Instrumentation and data collection

Measurement scales used in the study were adapted from previous studies. All scales used were previously validated and had attained satisfactory reliabilities in earlier studies. Five items adapted from an earlier study by [71] were used to measure SP. CA was measured using four items adapted from a study by [92]. Familiarity with procurement policies was measured using five items adapted from a study by [6] while supply chain trust was measured using six items adapted from a study by [42]. Four items developed by [24] were applied to measure OI, while SUSP was measured using ten items developed by [53]. A five-item scale developed by [29] was adapted from to measure IB. Response options were presented in five-point Likert-type scales anchored by 1= strongly disagree, and 5= strongly agree.

Primary data for this research study were collected using an online survey. A self-administered SurveyGizmo tool was hosted by the Chartered Institute for Procurement and Supply (CIPS) and circulated to the targeted population. An online survey was used because it can economically and efficiently collect data from respondents that are geographically dispersed [18]. This made it possible to collect data from a cross-section of respondents throughout the nine provinces of South Africa. Data were collected between June and September 2017. Participation in the study was voluntary, and respondents were not given any incentives for participating in the study.

4.3. Data Analysis

The collected data were analysed with the aid of the Statistical Packages for the Social Sciences (SPSS version 24.0) and the Analysis of Moment Structures (Version 24.0). Data on the demographic profile of respondents were analysed using descriptive statistics. Hypotheses developed for the study were tested using structural equation modelling (SEM), which is an inferential statistic involving two techniques, namely Confirmatory Factor Analysis (CFA) and path analysis.

5. Research Results

The research results include the demographic profiles of respondents, an analysis of the measurement model, Results of the hypotheses tests, discussions and conclusions, theoretical and practical implications, and limitations and future research directions.

5.1. Demographic Profile of Respondents

A total of 248 procurement professionals participated in the survey. Their brief demographic profile is presented in Table 1.

Table 1. Demographic Profile of Respondents

Variable	Categories	Frequency (n)	Percentages (%)
Gender	Male	146	58.9
	Female	102	41.1
	Total	248	100.0
Years of employment service	Less than 5 years	59	23.8
	Between 6 and 10 years	68	27.4
	Between 11 and 15 years	58	23.4
	Between 16 and 20 years	30	12.1
	Between 21 to 25 years	15	6.1
	Above 25 years	18	7.3
	Total	248	100.0
Private or Public Sector	Private	123	49.6
	Public	125	50.4
	Total	248	100.0
Job Role in SCM	Executives	35	14.1
	Line and middle managers	70	28.2
	Procurement Specialists/buyers	126	50.8
	Contract Management	12	4.8
	Governance and compliance	5	2.0
	Total	248	100.0
Industry	Government (Including SOEs)	88	35.4%
	Energy and Utilities (Including Water, Mining, Oil, Gas, Nuclear)	39	15.7%
	FMCG (Fast Moving Consumer Goods)	22	8.9%
	Manufacturing and Engineering (Including Automotive and Aerospace)	19	7.7%
	Banking, Finance and Insurance	13	5.2%
	Petrochemicals	11	4.3%
	Transport, Distribution and Storage	10	4.0%
	Construction	7	2.8%
	Information Technology	7	2.8%
	Professional and Business Services (Including Legal and Consulting)	7	2.8%
	Agriculture, Forestry and Fishing	5	2.0%
	Education	4	1.6%
	Healthcare and Pharmaceuticals	4	1.6%
	Telecoms, Marketing, Advertising, PR, Media and Communications	5	2.0%
	Arts, Entertainment and Recreation	2	0.8%
	Defence	1	0.4%
	Hotels and Catering	1	0.4%
	Non-governmental organisations	2	0.4%
	Total	248	100.0

As indicated in Table 1, the majority of respondents (59%; n=146) were male. Most of the respondents (27%; n=68) had been in employed as procurement professionals for periods ranging between 6 and 10 years. There was an almost equal representation of respondents drawn from the private sector (49.6%; n=123) and public sector (50.4%; n=125). In terms of their job roles, most of the respondents (50.8%; n=126) were employed as procurement specialists/buyers, followed by line and middle managers (28.2%; n=70). With respect to their respective industries, the majority (64.5%; n=160) were selected from various industries within the private sector while the remainder (35.4%; n=88) were drawn of the public sector.

5.2. Measurement Model Analysis

The approach applied in this study to assess the psychometric properties of the measurement scales and to test the hypotheses is termed Structural Equation Modelling (SEM). SEM is the SEM is a multivariate statistical technique that utilises measurement models and structural models to address complex behavioural relationships [59]. It is composed of two phases, the first of which is to use a technique known as the Confirmatory Factor Analysis (CFA) to measure the underlying latent constructs. The second involves the application of another technique known as Path analysis, to assess the paths of the hypothesised relationships between the constructs (IBID). Accordingly, a CFA was performed using the AMOS (version 24.0) software to measure reliability, validity and model fit of the measurement scales. The CFA is a technique used to confirm the grouping of the research questions according to each latent construct for statistical testing purposes [50]. All the research constructs for this study were assessed. The analysed values are presented in Table 2.

Table 2. Accuracy Analysis Statistics

Research Construct		Descriptive Statistics				Cronbach's Test		C.R. Value	AVE Value	HSV	Factor Loading
		Mean Value		Standard Deviation		Item-total	α value				
SP	SP1	3.84	3.776	0.918	0.928	0.769	0.890	0.904	0.654	0.566	0.808
	SP2	3.84		0.899		0.765					0.806
	SP3	3.62		0.972		0.787					0.833
	SP4	3.90		0.946		0.650					0.696
	SP5	3.68		0.906		0.694					0.889
CA	CA1	3.87	3.911	0.956	0.949	0.852	0.913	0.949	0.725	0.566	0.913
	CA2	3.92		0.923		0.833					0.867
	CA3	3.89		0.926		0.841					0.889
	CA4	3.95		0.992		0.688					0.724
FPP	FPP1	3.81	3.768	0.955	0.924	0.759	0.890	0.904	0.655	0.404	0.771
	FPP2	3.78		0.928		0.817					0.823
	FPP3	3.76		0.975		0.755					0.841
	FPP4	3.58		0.935		0.617					0.827
	FPP5	3.91		0.829		0.724					0.781
TWS	TWS1	3.63	3.762	0.917	0.845	0.741	0.932	0.918	0.690	0.343	0.774
	TWS2	3.78		0.848		0.824					0.854
	TWS3	3.77		0.860		0.820					0.855
	TWS4	3.83		0.798		0.818					0.853
	TWS5	3.76		0.842		0.803					0.818
	TWS6	3.81		0.806		0.806					0.828
OI	OI1	3.64	3.555	0.996	1.016	0.648	0.835	0.835	0.565	0.517	0.670
	OI2	3.46		1.076		0.581					0.586
	OI3	3.51		0.982		0.722					0.840
	OI4	3.62		1.009		0.720					0.872
SUSP	SUSP 1	3.68	3.610	0.985	1.038	0.865	0.835	0.965	0.733	0.517	0.881
	SUSP 2	3.42		1.124		0.815					0.849
	SUSP 3	3.53		1.069		0.863					0.875
	SUSP 4	3.55		1.066		0.864					0.889
	SUSP 5	3.69		1.061		0.669					0.677
	SUSP 6	3.64		1.025		0.884					0.876
	SUSP 7	3.57		1.042		0.911					0.904
	SUSP 8	3.75		1.036		0.833					0.844
	SUSP 9	3.58		1.003		0.823					0.851
	SP10	3.69		0.971		0.886					0.894
IB	IB1	3.46	3.421	1.068	1.061	0.769	0.935	0.949	0.788	0.520	0.926
	IB2	3.48		1.024		0.863					0.873
	IB3	3.58		1.016		0.814					0.851
	IB4	3.31		1.081		0.880					0.910
	IB5	3.28		1.117		0.817					0.876

SP=Strategic partnerships; CA=Competitive advantage; FP=Familiarity with policies; TWS= Trust within supply chains; OI=Organisational incentives; SP= Sustainable procurement; IB= Inclusive business; α = Cronbach alpha; AVE= Avarage variance extracted; HSV=Highest shared variance

Likert-scale range: 1=Strongly disagree, 5=Strongly agree

The reliabilities of the measurement scales were first assessed using Cronbach's test. As indicated in Table 2, all item-total correlations were above the recommended minimum cut-off value of 0.5, and Cronbach's alpha (α) values ranged between 0.835 and 0.935, which exceeded the prescribed lowest threshold of 0.7 [9]. Further reliability tests were performed by computing the Composite Reliability (CR) indices for each scale. All CR values for this research study were between 0.835 and 0.965, well above the recommended lowest cut-off value of 0,7 [31]. Thus, the values computed in all tests indicated robust reliability and acceptable internal consistency levels for all measurement scales.

A two-phased pilot exercise was conducted to ensure the effective collection of research data and to test the validity of the content [70]. Firstly, the questionnaire was circulated to a group of 10 procurement officials who are compatible with the research population to test the interpretation of technical terms. Secondly, a pre-selected group of five non-procurement practitioners were invited to provide feedback on the logical understanding of questions.

The study further tested for the two variants of construct validity, which are convergent and discriminant validities. Convergent validity was assessed by evaluating whether the standardised regression weights for each corresponding research construct was above the recommended value of 0.5 [37]. In this regard, Table 2 indicates values ranging between 0.696 and 0.913, in that way confirming the existence of convergent validity for the research construct items. Additionally, Average Variance Extracted (AVE) values were computed for each construct to check whether they exceeded the minimum cut-off value of 0.4 [22]. Likewise, the calculated AVE values ranged between 0.565 and 0.788, further demonstrating the existence of convergent validity for the research construct items.

Table 3. Discriminant Validity

Inter-factor Correlations							
Construct	SP	CA	TP	TWS	SUSP	OI	IB
SP	1.000	0.752**	0.625**	0.586**	0.626**	0.560**	0.452**
CA	0.752**	1.000	0.610**	0.560**	0.619**	0.575**	0.423**
TP	0.625**	0.610**	1.000	0.584**	0.636**	0.584**	0.545**
TWS	0.586**	0.560**	0.584**	1.000	0.576**	0.546**	0.541**
SP	0.626**	0.619**	0.636**	0.576**	1.000	0.719**	0.658**
OI	0.560**	0.575**	0.584**	0.546**	0.719**	1.000	0.721**
IB	0.452**	0.423**	0.545**	0.541**	0.658**	0.721**	1.000

To check for discriminant validity, reference was given to the inter-construct correlation matrix. All correlation values in Table 3 were computed and found to be below 1.0 [32], thereby suggesting the presence of discriminant validity in the research data. Additionally, Highest Shared Variance (HSV) values were lower than the AVE values for all constructs indicating the presence of discriminant validity, as suggested by [23].

To test whether the model was able to reproduce the research data, several model fit indices were applied. These included the Chi-square $\chi 2/(df)$, Goodness of Fit Index (GFI), Normed Fit Index (NFI), Relative Fit Index (RFI), Incremental Fit Index (IFI), Tucker-Lewis Index (TLI), Comparative Fit Index (CFI) and the Root Mean Square Error of Approximation (RMSEA). Table 4 provides a representation of the model fit assessment indices applied in this study for both the measurement and structural models.

Table 4. Model Fit Assessment

Model Fit Indices	Acceptable Thresholds	Results-Measurement Model	Results-Structural Model	Acceptable/ Not acceptable
Chi-Square Value: $\chi 2/(df)$	<3	1.467	1.795	Acceptable
Goodness of Fit Index (GFI)	> 0.900	0.900	0.884	Acceptable
Normed Fit Index (NFI)	> 0.900	0.941	0,929	Acceptable
Relative Fit Index (RFI)	> 0.900	0.927	0.911	Acceptable
Incremental Fit Index (IFI)	> 0.900	0.981	0.967	Acceptable
Tucker Lewis Index (TLI)	> 0.900	0.976	0.959	Acceptable
Comparative Fit Index (CFI)	> 0.900	0.906	0.923	Acceptable
Random Measure of Standard Error Approximation (RMSEA)	< 0.08	0.035	0.046	Acceptable

Table 4 shows that the chi-squares for both models were lower than the expected maximum of 3. Other indices (GFI, NFI, RFI, IFI, TLI, and the CFI, fell above the minimum cut-off value of 0.9, while the RMSEA values were 0,035 and 0,046, respectively, way below the maximum expected value of 0.08 [37]. The model fit indices, therefore, as presented, met their required thresholds, indicating an acceptable fit between the measurement and structural models and the research data.

5.3. Results of the Hypotheses Tests

The eight relationships hypothesised in the conceptual model of this study were tested accordingly, using the path analysis technique. Path analysis describes the relationships between observed or measured variables and theoretical constructs and tests the structural paths of the conceptualised research model [65]. Once the model fit had been assessed using confirmatory factor analysis (CFA), this study proceeded to perform Path Modeling, using the AMOS 24.0 software solution. The results of the hypotheses tests which show the path coefficient values, the corresponding p-values and the outcome of each hypothesised relationship, are provided in Table 5.

Table 5. Results for Hypotheses Tests

Structural path	Hypothesis	Path Coefficient	P-Value	Outcome
SP → SUSP	H1	0.809	0.046	Supported
CA → SUSP	H2	0.005	0.705	Not supported
FPP → SUSP	H3	0.170	0.000	Supported
TWS → SUSP	H4	0.204	0.014	Supported
OI → SUSP	H5	0.414	0.000	Supported
SP → IB	H6	0.118	0.174	Not supported
CA → IB	H7	0.260	0.020	Not supported
SUSP → IB	H8	0.372	0.000	Supported
SP=Strategic partnerships; CA=Competitive advantage; FP=Familiarity with				

policies; TWS= Trust within supply chains; OI=Organisational incentives; SUSP = SUSP; IB= IB
p<0.05

A close examination of the results in Table 5 reveals that five out of the eight hypotheses were statistically significant and supported. The key highlight of the results was the strongest relationship existing between OI and SUSP (β = .414; p=.000), to support H5. This result indicates that OI exerts a strong positive influence on SUSP. In like manner, H3 produced a statistically significant and relatively high positive path coefficient (β=.170; p=.000) when tested, illustrating that familiarity with procurement policies leads to SUSP. The weakest yet supported hypothesised relationship of the model was between FPP and SUSP (β=.170; p=.000). H6 was not supported (β= .118; p=.174), indicating that SP does not influence IB. H7 was not supported (β= .260), yet was statistically significant (p=.020), depicting the lack of a relationship between CA and IB. The final hypothesis (H8) was both supported and statistically significant (β= 0.372; p=.000), signifying that SP exerts a strong positive influence on IB.

6. Discussions and Conclusions

Hypothesis 1: ***Strategic partnerships and sustainable procurement are positively and directly related***

A significant positive and direct relationship (β= .809; p=.046), was found between SP and SUSP. This result suggests that strategic relationships and alliances in a supply chain have a positive impact on SUSP practices. SPs are therefore imperative to promote responsible sourcing of goods and services. Consistently, [43] found that strategic collaborations and partnerships play a key role in supply chains. Furthermore, research suggests that strategic collaborative ventures influence business practices and levels of responsiveness in supply chains [43; 90]. The empirical evidence from this research study, therefore, suggests that SPs are significant predictors of SUSP.

Three leading suggestions can be made based on the empirical evidence obtained in this study. Firstly, it can be inferred that SP and market linkage initiatives can facilitate economic growth, given that SUSP inherently serves as a strategic link between network partnerships, supplier networks and value chains in business [35; 54; 83; 85]. Secondly, collaborative procurement initiatives and strategic relationships that involve suppliers and organisations present the opportunity to impact societies positively. Furthermore, the observed results suggest inclusive avenues that encourage organisations to consider supplier development prospects that include partnerships between SMEs and large enterprises to deliver on procurement outcomes. Such channels may consist of development programmes and partnerships that focus on incubation of SMEs and on providing market access using platforms in procurement. Lastly, this research study thus infers and submits that such SPs can positively serve as conduits for achieving and promoting SUSP objectives.

Hypothesis 2: ***There is a positive and direct relationship between competitive advantage and sustainable procurement***

The results showed that hypothesised relationship between CA and SUSP was neither supported nor significant (β= .005; p=.705). As such, this result conversely refuted the proposed link between CA and SUSP. The result contradicts previous studies [19; 34; 36; 77] that consider SPs as drawcards that set organisations apart in the market.

The results of this research indicate that an organisation's favourable positioning in the market does not guarantee that responsible procurement practices will be adopted. Nevertheless, secondly, the results could imply that CA would require complementary factors if it is to impact SUSP positively. Finally, from a practical perspective, this contrary result may prompt further probing for organisations. Such investigations may indicate key building blocks and outcomes that are required for supporting responsible business practices, improving stakeholder perceptions and positive gains for organisations.

Hypothesis 3: ***Familiarity with policies and sustainable procurement are positively and directly related***

Hypothesis H3 was both accepted and significant since the results showed a positive and direct relationship (β= .170; p=.000) between FPP and SUSP. The result is synchronous to several previous studies [7; 40; 82] that concluded that the comprehension of procurement policies by procurement practitioners is a value-adding benefit that enables organisations to support and implement responsible sourcing of goods and services.

The positive outcome of this hypothesis under this research study is adapted into practice in two ways. Firstly, the results suggest that procurement rules, when applied consistently by practitioners, can play a role in promoting responsible business practices. To this end, the empirical evidence of this research supports the use of procurement policies for coercing good governance and compliance. This denotes that familiarity with procurement policies sets a right tone within the context of organisations and serves as a mechanism for ethical procurement practices. Secondly, research suggests that procurement policies may be used to create a positive bias for advancing SUSP [77]. Thus, procurement practitioners that are fully knowledgeable around procurement policies and procedures are more likely to engage in SUSP. Furthermore, the use of procurement policies can act as an enabler for inclusive procurement practices that further support SMEs, market access and local procurement opportunities.

Hypothesis 4: ***There is a positive and direct relationship between trust within supply chains and sustainable procurement***

The results indicate that H4 was accepted since TWS and SUSP have a direct and positive relationship (β= .204; p=.014). In parallel, previous research [44; 86] upholds that trust is an important building block in the supply chain which facilitates cooperation and can contribute towards commitment and the sharing of resources by partner organisations.

The practical application of this positive outcome can be interpreted using two key suggestions. Firstly, practitioners in supply chain management can infer the empirical evidence of this research study in the context of supplier relationship management. This means that the broad understanding of this hypothetical relationship means that the higher the level of trust that exists within the supply chain, the higher the inclination to do good and promote SUSP objectives will be. Secondly, the results suggest that practitioners should strive to promote trustworthy engagements when dealing with issues of contracts, turnaround times and delivery of outcomes in supplier relationships. Such engagements are recommended as the delivery of procurement outcomes and projects is highly dependent on functional relationships with suppliers. Besides, from a practical perspective, the results may be extended to honouring of commitments by suppliers and the value-adding benefits derived from supplier relationships.

Hypothesis 5: ***There is a direct and positive relationship between organisational incentives and sustainable procurement***

The results showed that OI had a direct and positive impact on SUSP (β= .414; p=.000). This was also found to be the strongest relationship in the model. This result signifies that the more the available OI, the more that the practitioners are motivated to engage in responsible procurement practices. Also, organisations that utilise incentives are more likely to exhibit behaviour that promotes responsible practices [7]. Furthermore, previous studies [12; 72] suggest that OI tend to strengthen trust in supply chain relationships, thereby supporting the adoption of SUSP practices by organisations.

The positive outcome of this hypothesised relationship can be considered in practice using three tiers. Regulatory bodies may apply the first tier of OI to organisations for enforcing compliance and promoting the adoption of sustainable business practices. The second tier may be considered when processing procurement business cases for strategic business units or user departments to impact procurement from local suppliers and SMEs positively. The third tier may be provided as a mechanism for promoting trust and improved performance levels as part of effective supplier relationship management.

Hypothesis 6: ***There is a direct and positive relationship between strategic partnerships and inclusive business***

The results of the study reveal that SP was statistically insignificant (β= .118; p=.174) in

predicting IB. For this reason, H4 was neither supported nor significant. It was observed that, instead, the relationship between the two is inverse in nature. The results suggest that SP might not always have the intended consequences when developing IB strategies in business. Inclusive supply networks between stakeholders and strategic partners serve as platforms for promoting sustainable development objectives [78]. In addition, SP is considered to be an important conduit for linking society, the environment and the economy [67]. Thus, caution should be exercised by organisations when considering the type of incentives that could be implemented or adopted in order to promote IB models.

Hypothesis 7: ***There is a direct and positive relationship between competitive advantage and inclusive business***

With reference to H7, the study reveals a significant positive relationship between CA and IB (β= .260; p=.020). The result suggests that CA promotes IB models in organisations. Consistently, previous research [26] advocates that IB strategies and innovative product offerings are useful in attracting stakeholder interest and improving the market standing of an organisation. Organisations gain CA by maintaining a healthy equilibrium in their activities and strategies at all levels [64]. The results of the study provide sufficient statistical evidence to support the claims made by these previous research studies. Hence, possession of CA in the market is an important tool for successfully implementing practices that involve the participation of previously marginalised groups.

Hypothesis 8: ***There is a direct and positive relationship between sustainable procurement and inclusive business***

The study indicates an outcome of (β =.372; p=.000) which proved to be the second strongest relationship after the fifth hypothesis (H5), showing a significant positive relationship between SUSP and IB. By implication, SUSP has a positive influence on IB models. This result finds support in previous research. According to [32], IB models are beneficial as they are implemented and deployed for introducing innovative solutions for sustainable development. Notably, other prior research [80; 83] supports the consideration of unique criteria and business practices that promote sustainable development. Similarly, another study [7] attests to the inclusion of such criteria, particularly through market and procurement channels. This research study thus infers and submits that SSUP has a positive influence on IB models. This implies that SUSP in organisations promotes the implementation of business approaches and interventions that consider the inclusion of previously marginalised groups. Furthermore, this research study has shown that procurement channels and market linkages can serve as mechanisms for implementing IB models.

7. Theoretical and Managerial Implications

It is anticipated that academia stands to benefit from the empirical evidence provided and gain new approaches that would potentially enhance the comprehension of the study's proposed variables and how they are related. Additionally, the study established that OI had the strongest impact on SUSP, based on a framework developed for the present research.

To practitioners, the study informs supply chain practitioners on how to consider inclusive, sustainable development practices in procurement decisions. To government and communities of practice, this study will contribute towards the development of progressive policies and regulation for IB and sustainable development in a procurement context. The research suggests, in this sense, that an increase in incentives that are associated with responsible behaviour and practices could be beneficial to individuals. Furthermore, similar incentivised schemes could also serve to encourage organisations to act responsibly. Government and regulators could consider policies that promote IB structures in the context of procurement. Government officers and procurement professionals should be encouraged to familiarise themselves with procurement policies, as this aids in the implementation of SSUP.

8. Limitations and Future Research Directions

The research is limited in that research sample may not be representative of the entire population as membership to CIPS is voluntarily. The study is

also independent of the impact of supplier development on SUSP.

Several suggestions for future research can be put forward. The study yielded numerous findings from the eight tested hypotheses. It could, however, be recommended for future researchers to consider those relationships that were not analysed. For instance, the relationship between SP and CA was not investigated, yet it could potentially contribute to supply chain research or any other field. Also, the relationship between CA and FPP was not considered. Analysing this relationship could help explain how an organisation's competitive edge could influence procurement policies in the market. Future researchers could assess the relationship between FPP and TWS, since it can be assumed that there is a potential relationship between the two. Understanding procurement compliance is essential, as it can curb the surge in tender irregularities and service delivery challenges [82]. Besides, another potential relationship that could be explored was that of TWS and OI. This research could identify ethical considerations that may arise when OI is offered to gain trust. Based on the proposed conceptual model, the relationship between OI and IB models was excluded from the study. However, it could be assumed that OI could complement IB models. Finally, the present research focused on supply chain research; yet, the same conceptual model could be adopted/ adapted for other areas of research.

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