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The Effect of Covid-19 Pandemic on Working Capital Management of Companies in the Telecommunications Sector in Zimbabwe

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ABSTRACT

This study aims to explore the effect of the Covid-19 pandemic on the working capital of organisations in the telecommunications sector in Zimbabwe. The research was conducted against the background that some organisations were struggling to meet working capital needs due to continuous lockdowns which negatively affected organisations. The study was based on a sample of 78 respondents who were selected from four telecommunications organisations in the city of Bulawayo. The study was conducted using the descriptive design and questionnaires were used for collecting data. Data was analysed using SPSS 22.0. Standard deviations and mean values were used to present descriptive data while regression analysis was used to establish relationships between Covid-19 working practices and working capital elements. The study revealed that organisations had implemented HRM, financial, Marketing and operations management practices to a greater extent. Some of the practices implemented were not necessarily imposed by the government but as a response to the need for survival by the organisations themselves. The results revealed that Covid-19 working capital practices had a statistically significant effect on inventory and accounts receivable but did not have an effect on accounts payable and cash management. The study thus recommended contingency plans from companies to properly manage their working capital.

1. INTRODUCTION

As economies continue to experience multiple periods of lockdown, the road to recovery may not be smooth, and businesses need to be in the best possible form for the journey. These dynamics have resulted in an crucial need to shift in priorities, requiring companies to preserve liquidity, increase

cash visibility, protect balance sheets, and improve flexibility as the current environment evolves. Strong cash and working capital disciplines provide better visibility and control over operational and financial performance. The effect of the pandemic on working practices and on working capital management is not yet known. However, exploratory research shows that the COVID-19 pandemic has disrupted every aspect of the economic system bringing with it a financial crisis. Businesses need to respond swiftly to the extreme changes, and adopt a proactive approach to working capital, to ensure a greater chance of successfully overcoming the many challenges. This study seeks to assess the effect of the Covid-19 Pandemic on working capital management practices in the telecommunications industry of Zimbabwe.

2. BACKGROUND OF THE STUDY

The Coronavirus disease 2019 (COVID-19) is a heavily contagious respiratory disease, caused by severe acute respiratory syndrome coronavirus-2 (SARS-CoV-2). The disease was first detected in Wung City in China. After its detection, the virus quickly spread to many parts of the world within three months. As of 7 June 2021, the disease had killed at least 3,7 million and infected 173 million (Pharmaceutical Technology, 2021). In response to the onslaught of the pandemic and to curb the spread of the virus, most countries implemented nonmedical interventions such as lockdown, closing of borders, restricting international travel, and imposing quarantines for infected people. In Zimbabwe, the restrictive lockdowns rules which restricted all trade were 22 imposed from March 30 to 16 May 2020 and from 3 January to 2 March 2021. These lockdown rules resulted in the total or partial closure of businesses.

The implementation of complete or partial lockdowns and movement restrictions has had mostly negative effects on businesses and has created financial crisises around the globe (Kortman, *et al.*, 2021). The nonmedical interventions have caused a dramatic reduction in both international and local business activities. Firstly, Covid-19 has led to the breakdown and/or slowdown of global supply chains in Zimbabwe as borders closed. The breakdown of global supply chains was caused by the decrease or partial ban of air, road, water, and railway transport which are key players in the global supply chain, for example in Zimbabwe traders could not access producers or bulk wholesalers in South Africa when the lockdown was partially implemented in March 2020. Borders were closed and the traders were forced to use informal middleman which caused an increase in the price of their goods (UNDP, 2020). Secondly, the reduction in business activities was caused by the decrease in exports and remittances. The

decrease in demand was caused by a reduction in the income of traders and due to a reduction in Diaspora earnings. World Bank Reports by Doan, *et al.* (2020) show that Remittances declined by 30% in the year 2020 due to the loss of jobs of nearly 305 million globally. Zimbabwe receives an estimated US$1 billion in remittances from its Diaspora community annually and these remittances stimulate business activities and keep the economy functional (UNDP, 2020).

The shutdown of the economy led to severe economic decline in Zimbabwe and Africa at large. The closure of the supply chain for imports in Zimbabwe particularly affected business operations as they now had no supplies needed in daily business operations. A decrease in commodity exports negatively impacted the productivity and liquidity of many organisations which depend on foreign currency earnings for survival. Because of the decline in economic activities mentioned above, the demand for products and services produced locally was severely influenced, hence triggering a vicious economic and financial crisis. On 1 May 2020, the President of the Republic of Zimbabwe released a ZWL$18 billion (about USD 720 million) Economic Recovery and Stimulus Package intended at reviving the economy and giving relief to individuals, families, small businesses, and industries impacted by the economic slowdown caused by the COVID-1 and the response measures implemented by the government to control the health crisis (UNCDF, 2021).

During a financial crisis as, one caused by the Covid -19, organisations needed to take timely decisions regarding working capital management policies (Zimon & Tarighi, 2021). Working capital management (WCM) refers to the management of short-term financing of the business, that is current assets and current liabilities (KPMG, 2021). It is a measure of the liquidity of the business. Working capital management (WCM) focuses on how companies use their current assets and liabilities efficiently, maintaining enough liquidity to meets short-term debt and expenses. The objective behind working capital management is to ensure continuity in the operations of an organisation so that it has adequate funds to meet both the maturing short-term debt and upcoming operational expenses (Mahato & Jagannathan, 2016). Working capital (WC) can be increased by profitable business operations, sale of long-term assets, long-term borrowings, and capital injections by owners. Inversely, it will decrease from unprofitable business operations, purchasing long-term assets (without long-term financing), repaying long-term debt, and distributing dividends to owners (KPMG, 2021).

Past studies show that during global pandemics and financial crisises, the financial management practices of organisations often go through severe change. Wyk *et al.* (2015) found that the financial crisis of 2008 uncovered serious failures in the analysis and understanding of the South African financial system. The crisis impacted global and local regulators and policymakers to focus on addressing the susceptibilities in the financial system. Wyk *et al.* (2015) further found that the susceptibilities stemmed from reliance on short-term wholesale funding, excessive leverage, liquidity traps, balance sheet mismatches, interconnectedness, and opacity. When there is a financial crisis, it affects the consumption and spending of consumers, which led consumers to be more dependent on loans and increasing debts. Studies in East Africa also show that many organisations that had poor working capital management practices failed to survive during the Ebola crisis. Exploratory studies by Zimon and Tarighi (2021) on the impact of Covid-19 on financial management show that organisations that had robust working capital practices survived better during the first wave of the pandemic that lasted up to July 2020 pandemic. The studies by Icare (2020) that followed the outbreak of Influenza (H1N1), Ebola, and SARS 2003 showed that financial management practices of many organisations were not prepared for such pandemics. However, these studies do not answer questions regarding the effects of Covid-19 as it is a new disease with a bigger magnitude than Ebola, and swine diseases. The economic crisis raised by Coronavirus is different from past financial ones considering its severity and scale. It is, therefore necessary to carry out research to establish the effect of a Covid-19 pandemic on working capital management practices in organisations.

The Telecommunications Sector in Zimbabwe

The Telecommunications sector in Zimbabwe has faced severe financial challenges since the arrival of the Covid -19 Pandemic in March 2020. The outbreak has caused organisations to operate at half capacity, close supplies for important equipment, increase foreign currency shortages in the organisations, and disrupted the efficiency of employees. The sector has been heavily affected because there was a lack of preparedness, given that many Zimbabwean organisations had already been facing liquidity challenges. Organisations in the telecommunications sector are facing a difficult task to make the transition in the new normal because of several challenges which include poor business growth, poor foreign direct investment, and challenges of limited foreign currency, all of which impact the working capital management. However, from March 2020 the demand for telecommunications services has increased due to the number of people

working from home demanding working capital (Technology Magazine, 2020). This has seen business slightly improving. However, the improvement in business does not guarantee improvement in working capital as organisations face difficult tasks in balancing their accounts receivables and payables in this current environment. Thus, organisations are facing working capital challenges because of increasing ballooning operational expenses.

In today's complex and changing economic environment, the decisions on working capital management strategies are some of the most important tasks for corporate executives in the telecommunications sector. It is significant that the industry adopts new working capital management practices to align with the new normal. This involves coming up with new strategies for managing inventories, accounts receivables, accounts payables, and cash. The most essential task is for management to provide adequate cash for the smooth and efficient functioning of day-to-day business operations by striking a trade between account payables and receivables. This is especially important in Zimbabwe that is already facing economic difficulties before the emergence of Covid-19. Most of the current assets for organisations in telecommunications are fast moving goods in the form of data, airtime, and internet services, and hence these organisations are in a position to quickly convert their assets to cash. However, with disruptions to business that have been caused by lockdown regulations, it may prove difficult to shorten the operating cycle of consumers reeling under poverty as it is not known if this conversion of assets into liquid cash may be practical.

3. STATEMENT OF THE PROBLEM

Though studies have been done on the effect of pandemics, global wars, or financial crisises on financial management practices in organisations, the effect of the Covid -19 pandemic is still unknown because little research has been done on it. However. exploratory research done by scholars (Kortman, *et al.*, 2021; Zimon & Tarighi, 202; Kortman, *et al.*, 2021) show that the pandemic has had a negative effect on the working capital management practices of organisations. Little is known about the effects of the Covid-19 on working capital management practices in Zimbabwe. Thus, the study seeks to investigate the effect of Covid-19 pandemic on working capital management practices of organisations in the telecommunications industry in Zimbabwe.

4. CONCEPTUAL FRAMEWORK

Based on the Woodward Contingency theory of 1965, the researcher developed a conceptual highlighting predicting how new rules of Covid-

19 affect working capital practices of organisations in the telecommunications sector. The theory assumes that the performance of organisations is affected by factors in the environment, which include technology changes, economic environment changes, and political factors (Woodward, 1965). In this study, it was assumed that changes in Covid-19 working practice changes have the ability to affect working capital management practices of organisations in the telecommunications sector. However, these changes are affected by mediating variables such as knowledge of working capital, working capital policy, and readiness of employees to change the framework as depicted by figure 1.1 below.

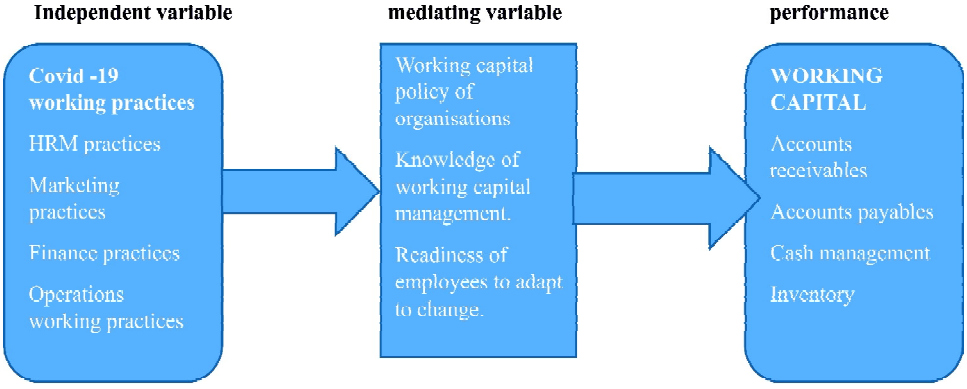

Figure 1.1: Conceptual Framework

The framework above shows that the working capital performance of the organisations in the telecommunications sector is dependent on changes in the Covid- 19 working practices. In this study, the dependent variable, working capital management was represented by four sub-variables of working capital: accounts receivables, accounts payables, cash management, and inventory while the independent variable Covid-19 was represented by Covid-19 working practices, that is shorter working days and teleworking (working from homes) health and safety expenses.

5. RESEARCH OBJECTIVES

- To establish the effect of Covid-19 working practices on the inventory of organisations in the telecommunications sector in Zimbabwe.
- To establish the effect of Covid-19 working practices on the accounts receivable of organisations in telecommunications in Zimbabwe.
- To establish the effect of Covid-19 working practices on cash management of organisations in telecommunications in Zimbabwe.

- To establish the effect of Covid-19 working practices on accounts payable of organizations in telecommunications in Zimbabwe.

6. THEORETICAL FRAMEWORK

A theory is a logically connected system of general propositions, which establishes a relationship between two or more variables (Malhotra, 2015). Theories help to discuss an idea or set of ideas that is intended to explain something about life or the world, particularly; ideas that have not been proved to be true. This study is premised on the systems and the contingency theory of management.

6.1. The Systems Approach

The systems theory is based on the belief that an organisation interacts with its environment and is not a self-closed entity. The systems theory was founded by Von Bertalanffy (1928). Von Bertalanffy (1928), cited in Chadwick (2010) described a "system" that consisted of connected parts joined to form a whole in which the coordinated and combined effect of the subsystems creates synergy. Systems theory describes the behavior of organizations both internally and externally. Internally, it shows how and why people inside organizations perform their individual and group tasks. Externally, it integrates organizational transactions with other organizations and institutions (Chadwick, 2010). The systems theory is illustrated in the diagram below, figure 2.1.

Kast and Rosenzweig (1972) stated that systems could be classified into an open or closed systems. The interaction with the environment is the

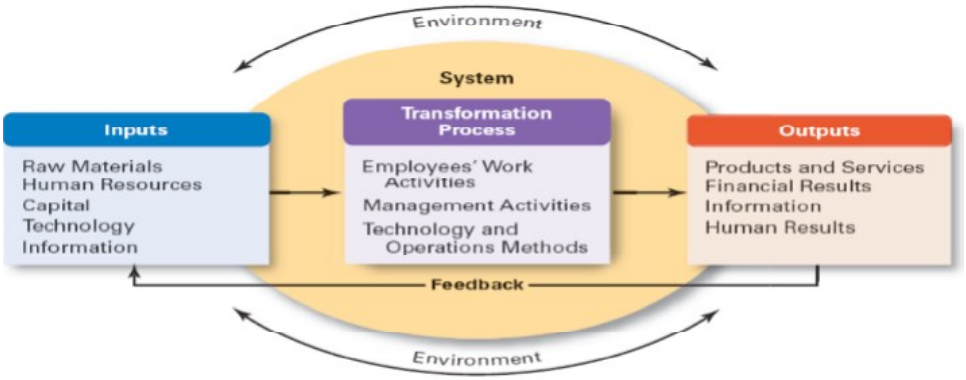

Figure 2.1: Systems Theory

Source: Mingers and White (2010)

hallmark and feature of open systems. Tsui and Schriesheim (1980) explained that a system, which takes inputs from its environment, is known as open system. Inputs can be in the form of raw material, financial resources, or human resources. Open systems recognize and respond to their environment. Both open and closed models are interested in production and efficiency (Chadwick, 2010).

The General Systems Theory (GST) narrates that both closed and open system possesses some boundaries, which separate them from their environment (Mingers & White, 2010). The Financial system is an open system its boundaries are absorbent and allow the organization to interact with the external environment, for example, interaction with banks, financial markets, and stakeholders (Mingers & White, 2010). In the process of interacting with stakeholders, the organisation can be affected negatively or positively.

In this stud, it is assumed that as organisations exist in an environment with new restrictive working practices intended at containing the spread of the Covid-19, they may be affected negatively. The rules currently in place include decongestion of the work environment, teleworking, working shorter hours, and restrictions on movement of customers. As the organisation's customers are restricted from moving, organisations may find their sales restricted which may affect their working capital.

6.2. Contingency Theory

The systems theory is backed by the contingency theory by (Woodward, 1965). The contingency theory is a problem-solving approach that contemplates all major factors in a situation before the final decision (Woodward, 1965). It has been used in recent years to replace the simplistic principles of management of Taylor (1918) and Fayol (1931). Naïve principles reflect insight about management and employees within the organization, but they are often inadequate. Many of the early management principles, and organizational theories were assumed to be universal. The contingency approach as proposed by organizational theorists such as Lawrence and Lorsch (1969) and Schein (1972) attempted to implement a variety of concepts from other approaches. Lawrence and Lorsch (1969) and Schein (1972) found that the effectiveness of organisation's techniques changed from one situation to another.

Contingency management focuses on an evaluation of an organization's environment. This evaluation may be performed to ascertain what work features, technology, personnel, and organizational designs need to be

considered as most fitting for some circumstances. The three principals of the contingency theory are that agreement exists between organizations and their internal and external environments, and between the management system and its various components; there is an appropriate pattern for relationships that exists for all organizations and thirdly, management must be set centers on the best contingency plan (Kamande, 2015). Accordingly, the best management practice is one that examines and fits what and how it is to be done, who is to do it, the impact of what is being done for the organization, and the impact of the organization on what is being done (Kamande, 2015). The contingency approach promotes organizational effectiveness.

In this study, it is assumed that Covid -19 presents a unique environment in which organisation must change their systems to accommodate the current working practices.

7. WORKING CAPITAL

Working capital is a short-term indicator of an organisation's financial position. It is a measure of a company's liquidity and operational efficiency. The working capital of a business enterprise can be viewed as a portion of its total financial resources which is put to a variable operative purpose (Asian & Uwaoma, 2017). This view was elaborated by Atieno (2013) when he defines working capital as the excess of current assets of a business (cash, accounts receivables, inventories, for example) over current items owed to employees and others (such as salaries and wages payables, accounts payables, taxes owed to government). This concept of working capital, as has been commonly understood by the accountants, is more particularly understood as net working capital to distinguish it from gross working capital which represents total current assets (Baxter, 2017). Baxter (2017) holds that this concept is useful to groups interested in determining the amount and nature of assets that may be used to pay current liabilities. These interested groups, as suggested by Walker, are mostly composed of creditors, particularly the supply creditors who may be concerned to know the "margin of safety" available to them when the realization of current assets is delayed for some reason. Figure 2.2 below illustrates the working capital model.

The main goal of working capital is to achieve a balance between current assets and current liabilities (Gul, *et al.*, 2013). Thus a positive working capital signifies good working capital management. Mismanagement of working capital is one of the common causes of a business failure, for example overstocking, inability to pay dues timely and so on.

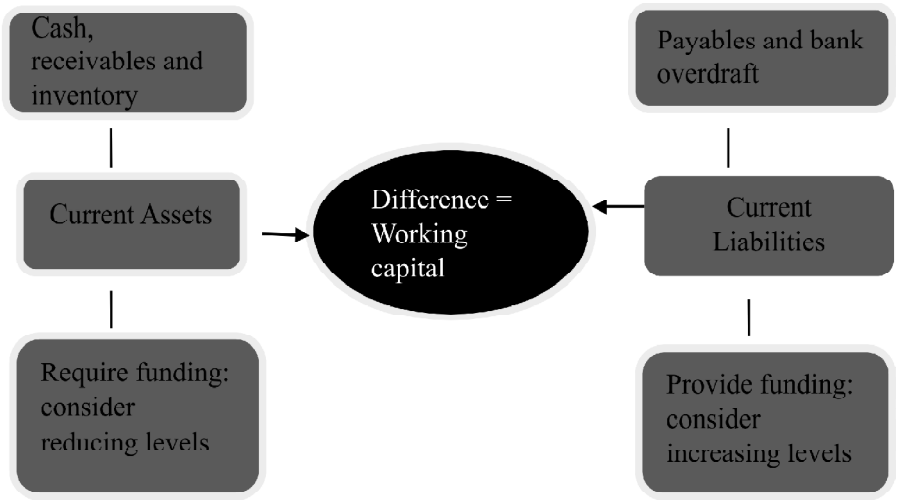

Figure 2.2: Working capital model

8. RESEARCH GAP

The review of the literature above has shown the effect of the Covid-19 pandemic on working capital in developed countries. However, these studies scantly refer to data collected from developing countries like Zimbabwe and hence, the situation is not yet known in Zimbabwe. Moreover, the studies mentioned used data in the first six months of the pandemic and this data does not fully show the magnitude of the Covid-19 pandemic as the statistics have vastly changed. Thus, this study will cover the gap because it will specifically refer to data collected from Zimbabwe.

9. RESEARCH METHODOLOGY

9.1. Research Philosophy

The positivism paradigm was adopted in this study. The positivism paradigm was taken because it allowed the researchers to take a neutral position in the study and hence increase the objectivity of the study. At the same time, when using positivism researchers can take full advantage of the replicability and generalisability of findings (Burns, *et al.*, 2014). Lastly, the positivism paradigm allows for predictions (Saunders, *et al.*, 2012). Positivism was adopted because it allowed the researchers to get factual data which can be useful in investigating relationships between the two variables in the study (Covid 19 and working capital management). A positivism approach was useful in analyzing the relationships and regularities between variables (Burns, *et al.*, 2014).

9.2. Research Approach

In this study, the researchers chose the deductive approach since the study is quantitative in nature. The deductive approach allowed the researchers to gain a generalizable set of data using larger samples (Bajpai, 2011). The deductive approach was also suitable because the study is highly structured and hence allows the researchers to maintain a neutral stance from the respondents to increase objectivity (Bajpai, 2011).

9.3. Research Design

The descriptive design was adopted in this study to pave way for generalising of data to the industry under study. Moreover, the researchers felt the descriptive design was suitable because it allowed relationships between the two variables to be explored. Regression analysis was used to explore the relationships between Covid-19 pandemic working practices and working capital variables such as accounts receivables, accounts payables, cash management, and investor. With a descriptive design, the researchers were able to collect quantitative data, and this paved way for generalisability, neutrality, and objectivity (Burns *et al.*, 2014). The descriptive design adopted in this study allowed for questionnaires to be used with the aim of generalising information obtained from a representative sample drawn from the population of interest. Descriptive research can be further classified into cross-sectional and longitudinal research (Malhotra, 2015). Cross-sectional designs involve the collection of information from any given sample of population elements only once. A longitudinal design differs from a cross-sectional design in that the sample remains the same over time. In this study, data were collected only once, and hence the study is cross-sectional descriptive design.

9.4. Research Strategies

The survey strategy was adopted in this study. According to Cresswell (2012), a survey strategy is advantageous because it gives the researcher control over the research process, and findings can be generalized. Lastly, the use of fixed response questions reduced the variability in the results (Saunders, *et al.*, 2012). When surveys are used results can easily be analysed using statistical tools (Burns, *et al.*, 2014). The coding, analysis, and interpretation of data is relatively simple during data analysis (Clow & James, 2014).

9.5. Population

The researchers requested for employees database for creating a sampling frame. Four databases were presented to the researchers by the Finance

managers of the organisations. The databases showed that there were 102 finance and accounting personnel including managers in the organisations under study.

9.6. Sample Size

The sample size was 81 respondents. This was calculated using the Krecije and Morgan sample size table. This sample is based on a population of 102 finance personnel. The Krejice and Morgan sample size sample was calculated using the formulae

$$S = x^2NP(1 - p) + d^2(N–1) + x^2 P(1–p)$$

S = required sample size

x^2 = the value of chi-square for 1 degree at the desired confidence interval

N = population size (102)

P = The population proportion (0.50)

d = the degree of accuracy expressed as a proportion (.05)

9.7. Sampling Techniques

This study used a stratified random sampling method which allowed the researchers to subdivide the population into four strata. Every organisation was taken as a stratum. The reason for stratifying those organisations was so that all the four organisations would be well represented and that the sample will allow a higher proportion of respondents to oganisations that had a larger population.

9.8. Calculation of Sample Size for Strata

When the population is stratified, it is important to use the method of proportional allocation where the sizes of samples from each strata are kept proportional to the sizes of the population. The following formula was prescribed to calculate the sample size from each stratum.

a = n.Pa

Where: **a** = the number of elements selected from stratum a

n = the sample size

Pa = the proportion of the population included in stratum **a**

The final composition of the sample was as shown in Table 3.1 below.

Table 1
Final Composition of Sample

Organisation	*Population*	*Final Sample*
1	27	21
2	35	28
3	22	18
4	18	14
5	102	81

9.9. Data Collection Techniques

Questionnaires were utilised in collecting data. The researchers found the questionnaires acceptable because they could collect standardized data which made it easy to compute data from respondents. Questionnaires also increased response rate because respondents enjoyed anonymity (Clow & James, 2014). Questionnaires were also convenient because they could be left to a large sample of people overnight and collected on the next day.

The questionnaire was made from close-ended questions on a Five-point Likert scale. The Likert scale ranged from 1 (strongly disagree) to 5 (strongly agree). In this scale, respondents selected the scale which corresponded to their level of agreement or disagreement to a particular statement. The researchers used a Likert scale because answers from a Likert scale can be easily managed and coded using statistical techniques (Malhotra, 2015). The researchers designed the questionnaire in such a way that it was easy for respondents to read the questions and take a few minutes to complete.

10. DATA ANALYSIS

10.1. Response rate

The response rate was 96%. A total of 81 questionnaires were distributed to accounting personnel of 4 telecommunication organisations and 78 questionnaires were sent back to the researchers, fully answered. Three questionnaires were returned unanswered. This was a very good response rate. The high response rate was attributed to questionnaires being sent through emails and online links; hence aggressive follow-ups were done by the researchers. This is summarized in Table 4.1 below:

Table 2
Respondent response rate

Distributed Questionnaires	*Responses*	*Response Rate*
Frequency (n)	Frequency (n)	Percentage %
81	78	96%

10.2. Reliability Tests

Reliability tests were conducted to test consistency of the instrument for the research questionnaire. A Cronbach alpha coefficient of 0.761 was obtained which shows that the instruments had high internal consistency (Whitley, 2002). Researchers such as Robinson (2009) and Burns and Bush (2014) agree on a minimum internal consistency coefficient of 0.70. The reliability tests data are shown in Table 3.

Table 3
Reliability Tests

Cronbach's Alpha	*N of Items*
.761	39

10.3. The COVID-19 working practices implemented

The study started by establishing working practices implemented by the organisation under a study and the extent of their implementation. Respondents were asked to rate the extent to which their organisations had implemented a COVId-19 working practices using a five-point scale; where 1 = very little extent; 2 = little extent; 3 = moderate extent; 4 = large extent and 5 = very large extent. Mean and standard deviations were computed for each practice.

Some new financial practices were implemented as measures to deal with spread of covid-19 in the telecommunications sector. The data are shown in table 4 below:

Table 4
Covid-19 - financial Management practices

Descriptive Statistics			
	N	*Mean*	*Std. Deviation*
Organisation introduced new payment systems.	78	4.74	.439
Organisations reduced credit follow up on customers.	78	1.69	.726
Organisation increased online payments for customers.	78	4.65	.577
Organisations discouraged cash payment systems.	78	4.86	.350
organisation bought more supplies on credit.	78	4.23	.424
Organisation cut on number of suppliers.	78	4.51	.503
Organisations decreased orders from international supplies.	78	4.71	.626
Financial	**78**	**4.1996**	**.15157**
Valid N (list-wise)	78		

The most implemented financial practice was 'discouraging customers to make cash payments' which had a mean value of 4.86. This implies that organisations received more RTGS payments during Covid -19 lockdown. This implies that organisation had less cash for making their payment for goods that could have needed cash. Other financial practices that were implemented to a very great extent were the 'introduction of new payment systems' which had a mean value of (4.74), decreasing the number of orders from international suppliers (4.71), and cutting on the number of suppliers (4.51). Cutting on the number of suppliers means that the organisations had less foreign currency expenditure after covid-19. Increasing online payments for customers (4.65). This meant that there was less contact with customers which possibly affected credit follow up. The responses in table 4.6 also show that telecommunication organisations bought more goods on credit. This implies that there was increase in the accounts payable in the short period during which Covid-19 had been around. However, most respondents also indicated that organisations reduce credit follow up to a very little (mean 1.69). This meant that organisations still expected their customers to pay their due even if when there was lock down.

10.4. Effect of the Covid-19 on the inventory of organisations in the telecommunications sector in Zimbabwe

Regression analysis was used to find out the effect of Covid-19 on inventory of organisations in the telecommunications sector. An inventory in the ex-communications sector includes internet modems, airtime vouchers and phones. The model summary is shown in Table 5 below:

Table 5
Model Summary for inventory

Model Summary									
Model	*R*	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*	*R Square Change*	*Change Statistics* *F Change*	*df1*	*df2*	*Sig. F Change*
1	.490[a]	.240	.198	.667	.240	5.759	4	73	.000

a. Predictors: Financial practices

The above table is the model summary extracted from Regression Analysis. The model has an Adjusted R Square value of 0.198, meaning that only 19.8% of the variance on the inventory is accounted for by the Covid-19 working practices. Meaning that the remaining 80.2% is unaccounted for in this model.

Table 6
ANOVA for inventory

ANOVA[a]

Model		*Sum of Squares*	*Df*	*Mean Square*	*F*	*Sig.*
1	Regression	10.237	4	2.559	5.759	.000[b]
	Residual	32.442	73	.444		
	Total	42.679	77			

a. Dependent Variable: Inventory
b. Predictors: Financial practices

Table 6 above substantiates that for inventory at F value of 5.759 accounted for by the Covid-19 working practices, the model used in this research is significant, as confirmed by the significance value of $p = 0.000 < 0.05$.

Table 7
Coefficients for inventory

Model		*Unstandardized Coefficients*		*Standardized Coefficients*	*T*	*Sig.*
		B	*Std. Error*	*Beta*		
1	(Constant)	22.637	4.173		5.424	.000
	HRM	-.778	.489	-.191	-1.591	.116
	Operations Management	.036	.359	.011	.100	.920
	Financial	-2.865	.615	-.583	-4.657	.000
	Marketing	-.833	.274	-.360	-3.042	.003

a. Dependent Variable: Inventory

The coefficients in table 7 above give the nature of the relationship between Inventory and the Covid-19 working practices. Some have a statistically significant p-value less than 0.05, hence their beta values can be analysed since they give significant results.

The beta value for the financial working practice is -0.583 indicating that financial practices make a noticeable contribution to inventory. The nature of the relationship is inverse due to the negativity of the value. Hence, the more this financial working practice is adopted, then there will be a decrease in inventory levels by 58.3%. On the other hand, however, the beta value for the marketing working practice is -0.360.

10.5. Effect of covid-19 working practices on the accounts receivable of organizations in the telecommunications in Zimbabwe

The effects of the Covid-19 working practices on accounts receivable wee analysed using regression analysis. The results are shown in the model summary below in Table 8.

Table 8
Model Summary for accounts receivables

Model	*R*	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*	*Change Statistics*				
					R Square Change	*F Change*	*df1*	*df2*	*Sig. F Change*
1	.394[a]	.155	.109	.782	.155	3.359	4	73	.014

a. Predictors: (Constant), Marketing, HRM, Operations Management, Financial

The above table shows the model summary extracted from Regression Analysis. The model has an Adjusted R Square value of 0.109, meaning that only 10.9% of the variance on the accounts receivable is accounted for by the Covid-19 working practices. Meaning that the remaining 89.1% is unaccounted for in this model.

Table 9
ANOVA for accounts receivables

Model		*Sum of Squares*	*Df*	*Mean Square*	*F*	*Sig.*
1	Regression	8.221	4	2.055	3.359	.014[b]
	Residual	44.663	73	.612		
	Total	52.885	77			

a. Dependent Variable: Account receivable

b. Predictors: (Constant), Marketing, HRM, Operations Management, Financial

Table 9 above is the ANOVA table. It substantiates that accounts receivables at an F value of 3.359 accounted for by the Covid-19 working practices variables, which means the model used in this research is significant, as confirmed by the significance value of $p = 0.014 < 0.05$.

The coefficients in Table 10 shows significance p-values of 0.062, 0.148, 0.494 ,and 0.325 respectively, which are all greater than 0.05 showing that there is no significant relationship. Hence, there is no statistically significant effect of the HRM, Operations management, financial and marketing strategies on the accounts receivable. This would mean that accounts receivable was affected to a little extent by the Covid-19 emergence.

Table 10
Coefficients for accounts receivables

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	*Std. Error*	*Beta*	*T*	*Sig.*
1	(Constant)	7.575	4.897		1.547	.126
	HRM	-1.087	.573	-.240	-1.895	.062
	Operations Management	-.617	.422	-.176	-1.463	.148
	Financial	.497	.722	.091	.688	.494
	Marketing	-.318	.321	-.124	-.991	.325

a. Dependent Variable: Account receivable

10.6. Effect of the Covid-19 working practices on cash management of organisations in the telecommunications in Zimbabwe

The analysis of the effects of the Covid-19 on cash management of organisations in the telecommunications sector is shown in the model below.

Table 11
Model Summary for cash management

Model	R	R Square	Adjusted R Square	Change Statistics				
				R Square Change	F Change	df1	df2	Sig. F Change
1	.385[a]	.148	.101	.148	3.174	4	73	.018

Table 11 above is the model summary extracted from Regression Analysis. The model has an Adjusted R Square value of 0.101, meaning that only 10.1% of the variance on the cash management is accounted for by the Covid-19 working practices. Meaning that the remaining 89.9% is unaccounted for in this model.

Table 12
ANOVA for cash management

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.257	4	1.314	3.174	.018[b]
	Residual	30.230	73	.414		
	Total	35.487	77			

a. Dependent Variable: Cash management
b. Predictors: (Constant), Marketing, HRM, Operations Management, Financial

Table 11 above shows the results for ANOVA which substantiates that for cash management; at F value 3.174 accounted for by the Covid-19 working practices, the model used in this research is significant, as confirmed by the significance value of p = 0.018< 0.05.

Table 13
Coefficients for cash management

Model		*Unstandardized Coefficients*		*Standardized Coefficients*		
		B	*Std. Error*	*Beta*	*T*	*Sig.*
1	(Constant)	3.861	4.028		.958	.341
	HRM	-.374	.472	-.101	-.792	.431
	Operations Management	.705	.347	.246	2.033	.046
	Financial	-1.034	.594	-.231	-1.741	.086
	Marketing	.409	.264	.194	1.549	.126

a. Dependent Variable: Cash management

The coefficients Table 13 above shows the nature of the relationship between cash management and the Covid-19 working practices. However, only one practice (operations management practices) has a statistically significant p-value of 0.046 which is less than 0.05, hence, its beta values was analysed since it gives a significant result. The beta value for operations management working practice is 0.246 indicating that this makes a noticeable contribution to cash management. The nature of the relationship is directly due to the positivity of the value. Hence, the more organisations in the telecommunications sector implement operations management practice related to WHO regulations, there will be an increase in cash management levels by 24.6%. On the other hand, the coefficients table shows significance p-values of 0.431, 0.086 and 0.126 for HRM, financial and marketing respectively, which are all greater than 0.05 showing that there is no significant relationship. Therefore, there is no statistically significant effect of the HRM, financial and marketing on cash management.

10.7. Effect of Covid-19 working practices on accounts payable of organisations in the telecommunications in Zimbabwe

The effects of the Covid-19 working practices on accounts payable in the telecommunications sector was also analysed. The data is shown in the model below.

Table 14
Model Summary for account payables

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.169[a]	.028	-.025	.899	.028	.535	4	73	.710

a. Predictors: (Constant), Marketing, HRM, Operations Management, Financial

The above Table 14 is the model summary extracted from Regression Analysis. The model has a significance F change value of 0.710 indicating that the result is not statistically significant since the value is greater than 0.05, hence the Adjusted R Square value is not considered.

Table 15
ANOVA for Accounts payables

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.729	4	.432	.535	.710[b]
	Residual	58.989	73	.808		
	Total	60.718	77			

a. Dependent Variable: Accounts payable

b. Predictors: (Constant), Marketing, HRM, Operations Management, Financial

The results of ANOVA as shows above substantiates that for accounts payable at F value 0.535 accounted for by the Covid-19 working practices variables, the model used in this research is not statistically significant, as confirmed by the significance value of $p = 0.710 > 0.05$.

Table 16
Coefficients of Accounts payables

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	2.922	5.627		.519	.605
	HRM	.594	.659	.122	.901	.371
	Operations Management	-.674	.485	-.180	-1.390	.169
	Financial	.091	.829	.016	.110	.913
	Marketing	-.050	.369	-.018	-.137	.892

a. Dependent Variable: Accounts payable

The coefficients table shows significance p-values of 0.371, 0.169, 0.913 and 0.892, which are all greater than 0.05 showing that there is no significant

relationship. Hence there is no statistically significant effect of the HRM, Operations management, financial and marketing strategies on the accounts payable.

11. FINDINGS OF THE STUDY

The study came up with the following findings:

11.1. Financial practices

The most implemented financial practice was 'discouraging customers to make cash payments' which had a mean value of 4.86. It would seem that this had a negative effect on organisations as it meant that they only received RTGS payments. This might have made it difficult to purchase equipment that needed cash like foreign currency since some equipment for re-communication's organisations is bought from outside the country. The decreasing number of orders from international suppliers and cutting on the number of suppliers implies the decrease in expenses for the organisation. However, it would seem this had a negative effect on operations as some products needed by telecommunications like modems which cannot be acquired locally. Thus through cutting the number of suppliers reduces expenses, it may disadvantage the organisations in the long terms after the Covid-19. The study shows that telecommunication organisations bought more goods on credit. It would seem that their accounts payable was ballooning from the time Covid-19 emerged.

11.2. The effect of the Covid-19 on the inventory of organisations in the telecommunications in Zimbabwe

The study showed that Covid-19 had a statistically significant effect on inventory in the telecommunications sector. Hence, 19.8% of the variance on the inventory is accounted for by the Covid-19 working practices. The study shows that financial working practice results in a reduction in inventory.

11.3. The effect of the Covid-19 working practices on the accounts receivable of organizations in the telecommunications in Zimbabwe

The study shows that the Covid-19 related working practices contributed to a variance of only 11% to accounts receivable. All the Covid-19 working practices had significance p-values of 0.062, 0.148, 0.494 and 0.325, which were greater than 0.05 showing that there is no significant relationship between the Covid-19 practices and accounts receivable. Hence, there is no statistically significant effect of the HRM, Operations management, financial and marketing strategies on the accounts receivable.

11.4. Effect of the Covid-19 working practices on cash management of organisations in the telecommunications in Zimbabwe

The study indicates that Covid-19 caused a variance of 10.1% on cash management. This means that the remaining 89.9% is unaccounted for in this model. It was revealed that Covid-19 working practices did not have a statistically significant effect on the cash of organisations in the telecommunications sector. This would seem to imply that the cash management of organisations was not affected by Covid-19. However, only one practice had some statistically significant effect, that is operations management which had a p-value of 0.046 which is less than 0.05. The beta value for operations management working practice is 0.246 indicating that it made some noticeable contribution to cash management. As operations management practices increased this led to increases in cash. This would seem to imply that organisations were not in a precarious cash position.

11.5. Effects of the Covid-19 working practices on accounts payable in the telecommunications sector in Zimbabwe.

The study showed that Covid-19 did not have statistically significant effect on accounts payable. The model has a significance F change value of 0.710 indicating that the result is not statistically significant since the value is greater than 0.05.

12. CONCLUSION

Considering the findings above, it is concluded that Covid -19 working practices affected working capital of organisations in the telecommunications industry in Zimbabwe to a moderate extent. Inventory and cash management were positively affected by the new working practices while the new working practices had no statistically significant effect on accounts payable and accounts receivable.

13. RECOMMENDATIONS

Based on the findings above, the researchers suggest the following recommendations to management and employees in the telecommunications industry:

- Organisations need to review their inventory policy to move towards keeping more inventory in preparation for any Covid-19 waves which trigger a lockdown. Organisations need to always have buffer stock to prepare for emergencies.

- Organisations need to find new ways of ensuring that their accounts receivable are managed effectively to prevent cash shortages. Communication with customers needs to remain open during the lockdown and hence new ways of communication should be devised.
- Organisations need to remain in contact with key stakeholders. Businesses should communicate regularly with key stakeholders including their customers and investors to retain their confidence and support. Chadwick (2020) notes that frequent engagement with customers at an executive level is key to managing expectations.
- The study revealed that Covid-19 affects accounts receivable. This implies that when lockdown is imposed, customers likely to delay payments, and hence organisations must come up with ways of encouraging customers to honour their payments during the Covid-19. This may include putting discounts on purchases.
- Organisations must engage with critical suppliers. Assess key trading terms and communicate regularly with critical suppliers to understand their ability to maintain and/or negotiate for continuity of supply. Secondly, organisations must look for alternative suppliers where suppliers refuse to be flexible in their terms. The organisations must be able to identify which of their key suppliers may be exposed and consider scenarios for supply being partly/fully restored.

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APPENDIX-1
QUESTIONNAIRE USED TO COLLECT DATA.

Please give answers in the spaces provided and tick (?) in the box that matches your responses to the questions where applicable.

Section A (Respondent Profile)

1.	**Gender of respondents**
code	GENDER
1	FEMALE
2	MALE

2.	**Age of respondents**
code	AGE
1	20-30yrs
2	31- 40yrs
3	41-50yrs
4	51-60yrs
5	over 60yrs

3.	**Educational qualifications of respondents**
code	QUALIFICATIONS
1	O' level and A' level
2	Diploma
3	Undergraduate degree
4	Master's degree
5	other

4.	**Years of experience in the telecommunications industry**
code	Years of experience in the industry
1	Less than a year
2	1 -5 years
3	6-10
4	11-15
5	More than 15 years

5.	**Position in the organisation**
	Position in organisation
1	Manager
2	Supervisor
3	Employee

SECTION B: COVID-19 PRACTICES IMPLEMENTED

Based on your assessment, please tick (✓) the appropriate Box which indicates the extent you to which covid-19 practices listed where implemented in your organisation: Where 5 = Very large extent, 4 = Large extent, 3 = Moderate extent, 2 = Little extent and 1 = No extent.

	Covid-19 working practices	*5*	*4*	*3*	*2*	*1*
HRM practices						
Q1	Organisation retrenched staff to decongest					
Q2	Organisation built more workstations in the CBD to decongest					
Q3	Organisation forced Employees to go on leave					
Q4	Organisation got rid of short-term contract workers					
Q5	Organisations Increased number of supervisors					
Q6	Organisation implemented Teleworking for employees					
Q7	Implemented shorter working day for all employees					
Q8	Organisation introduced shift work system for employees					
Covid -19 Operations management practices						
Q9	Organisation Increased in e-procurement					
Q10	Organisation opened new workstations in the city					
Q11	Organisations opened new workstation at employee homes					
Q12	Organisation temporarily closed small branches in the city					
Q13	Organisation introduced online workstations					
Q14	Organisation increased PPE for employees					
Q15	Organisation bought new equipment for employees					
Q16	Organisation introduced risk allowance for employees					
Q17	Organisation reduced work targets for employees					
Financial practices during Covid-19						
Q18	Organisation introduced new payment systems					
Q19	Organisations reduced credit follow up on customers					
Q20	Organisation increased online payments for customers					
Q21	Organisations discouraged cash payment systems					
Q22	organisation bought more supplies on credit					
Q23	Organisation cut on number of suppliers					
Q24	Organisations decreased orders from international supplies					

Covid 19 Marketing practices

Q25	Organisation reduced personal selling (face to face)
Q26	organisation introduced online marketing platforms
Q27	Organisation increased credit terms for customers
Q28	Organisations encouraged customers to buy more services on credit

SECTION C: PERFORMANCE OF THE ORGANISATION (2020-2021)

Indicate the organization's level of performance on working capital components indicated, where very good performance is =5, good performance =5, average performance=3, poor performance =2, very poor performance =1

	Performance indicator	*5*	*4*	*3*	*2*	*1*
Q29	Inventory					
Q30	Account receivable					
Q31	Accounts payable					
Q32	Cash management					