



A STUDY ON THE ROLE OF BUYER-SUPPLIER RELATIONSHIP ON ORGANIZATIONAL PERFORMANCE: PERSPECTIVE OF BEVERAGE INDUSTRY

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ABSTRACT

The research designed to explore the effect of buyer-supplier relationship on the organizational performance. The study was descriptive in nature. The research objectives includes to study the extent to which the concept of buyer-supplier relationships is been adopted by beverages manufacturing companies, challenges are involve in implementing the concept of buyer-supplier relationship, to establish impact of buyer-supplier relationships on performance of organization among beverages manufacturing companies and to explore the demographic variation of buyer-supplier on organizational performance among manufacturing firms. The population of the study was beverages manufacturing industry located at Islamabad/Rawalpindi and the sample of study comprised of 100 respondents from Haidri beverages (private) limited, Murree brewery, and Tops food and beverages ltd. After collecting data from these firms, data was analyzed by using SPSS software through mean, standard deviation, ANOVA and regression model. The conclusion of the study resulted that buyer-supplier relationships embraced with significant trust showing improved organizational performance, result portrays that buyer-supplier relationships covered by significant communication showing enhanced organizational performance, result illustrates that buyer-supplier relationships consist of significant co-operation showing superior organizational performance, result showed that buyer-supplier relationships comprised of significant commitment showing improved organizational performance. In general, buyer-supplier relationships have helped to improve and have positive impact on organizational performance.

KEYWORDS: Buyer-supplier relationship, Organizational performance, Trust, commitment, Co-operation, Communication.

1. INTRODUCTION

In the era of globalization there is a discussion of the “network economy”

(Barabási, 2003), where markets (Araujo, 2004) and firm (Gulati, 2007) are progressively more as linked forms for the purpose to attain additional market share and retaining their existing position. Addition to that all Firms are competing head-to-head with other firms in their current available competitive sets. In such kind of linked and competitive environment, buyer often treats their suppliers in an adversarial manner, thus the buyer-supplier relationship in this situation viewed as win-lose by the purchasing firm. On the other hand, many radical companies have found that by having strategic partnership and working collaboration with their suppliers they can be more effective in serving their end customer. Terms such as partnerships, strategic alliances, boundary less organizations and collaborative relationships have been used to illustrate these new buyer and supplier relationships (Crotts, 2000). Supply chain Management have common place in all aspects of buyer-supplier relationship.

Supply chain management is coined as “a key planned factor for increasing organizational efficiency and for improved realization of organizational goals such as enhanced competitiveness, enhanced customer care and increased productivity”

(Crotts, 2000). According to Ganensan (1994), the strategic and supply chain management has been giving more consideration to closer buyer & supplier affiliation to indulgent the advantage out of it.

As, market forces are putting firms under demands in the competitive atmosphere to on time delivery, awareness, and quality while at the same time reducing costs. In addition to that, firms are actively responding

the situation through focusing on their core activities and outsourcing its non-core once. However, Prahalad also stated that activities which are not related to core competencies, company are outsourcing them (Prahalad, 1990), for the reason that firms alone cannot perform all activities effectively and efficiently.

In mean time, buyers are going for closer relation with their strategic suppliers (Anderson, 1990). Whereas, current scenario has increased the significance of that buyer should create and preserve a supportive relationship with strategic supplier (Trent, 1998). Brita conceptualized that for having a number of valuable associations/relationship with their suppliers, buyers should be in a position to understand and appraise the major strength of other suppliers (Brito, 2003). Although, Harland saying that the success of firm is based on management of buyer-supplier relationships (Harland, 1996). In particular Chen views that for expanding the value creation and improve organizational performance, firm must understood strategic relationships with main suppliers (Chen, 2004).

According to Morgans, high-value strategic association’s commitment and trust are those magnitudes that perform an imperative role, when particular investments are huge, and contractual supremacy on your own is not sufficient (Morgan, 1994). Although, it is significant that both buyer-suppliers should identify that the value they are having is from their relationship if it is to go on then it will be consider as success (Narayandas, 2004). Buyers giving more attention to suppliers will be able to deliver value through lowering a firm's costs. Almost 56 percent of the mechanized organization’s budget use to spend on supplies (Heberling, 1993), by recognizing suppliers that work in a way which help to lower the firm's costs can provide major opportunities for saving cost.

Williamson says that the reward of close and long-term buyer-supplier relationship



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include improved results in development of new products and services due to cost reductions, faster speed to market, simultaneous design; synergy of resources, and decreased transaction costs (Williamson, 2007); improved execution of technological processes and ecological implication (Johnston, 2000); reductions in capital investments; reduced risk; improvements in quality and (Lado, 1997).

Carr underlines that creating long term co-operative relationships have direct link with measures of increased financial performance which are as follows ROS

(return on sales) , total revenue, and ROI (return-on-investment) (Carr, 1999), and better measures of operating performance which are as follows on-time delivery and responsiveness (Stanley, 2001). The success of supplier firm's is indirectly linked with buyer's value and if they worked for buyers by offering competitive advantage, they will win. Dwyer coined that customer's satisfaction is an imperative (Ganesan, 1994). According to (Barney, 1991), conventional view of competitive gain is solely a function of internal abilities but the modern studies both internal and external abilities are significant for performance (zaheer, 1998).

Supply chain performance seeks to advance individual business presentation and to develops the flawlessly across the supply chain as an efficient weapon is the ultimate aim of Supply chain management. It is a performance executed to attain higher performance of supply chain requires internally cross-functional incorporation inside a firm and as well as external incorporation (suppliers or customers) to be effective and successful entire supply chain while to create foundation, making and delivery progression and logistics functions.

This study is designed to explore the role of buyer- supplier on organization performance in Pakistani cultural setup by focusing on local manufacturing organizations.

Further, the research aimed to understand the importance of long term buyer supplier relationship in local environment of Pakistani market. However, around the globe we have enough literature on this topic but whether long and cooperative relationship within buyer and supplier will be effective in Pakistani manufacturing organization and Pakistani environment where economy is mostly unstable, government policies are continuously changing and supplier are at strike most of time. This effort will bring into notice that how buyer-supplier relationship impacts on performance of organization.

2. STATEMENT OF THE PROBLEM

“Buyer-supplier relationships” is the area which is gradually getting more importance in the business and the academic field. For having competitive advantage and improved market positioning companies strongly focusing on the development of closer ties with some other organizations. Thus far, too little is known about the mechanisms which can help to evolve long term and collaborative relationships, nor about the interaction and existence of buyer-supplier relationships at different levels in a business relationship (Akkermans, 2009).

After having in depth examination, it can be said that there is no other study has been carried out which explain the affect of buyer-supplier relationships and as well as explain the impact of relational variable (trust, co-operation, commitment and communication) on organizational performance. Therefore, this research will seeks to overcome this gap by exploring the role buyer-supplier relationships on the organizational performance.

3. OBJECTIVE OF THE STUDY

This research intended to seek three objectives:

- a) To know the extent to which the



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concept of buyer-supplier relationships is adopted by manufacturing companies.

- b) To know the challenges are involved in implementing the concept of buyer-supplier relationship.
- c) To establish impact of buyer-supplier relationships on performance of organization among manufacturing companies.
- d) To explore the demographic variation of buyer-supplier on organizational performance among manufacturing firms.

4. SIGNIFICANCE OF THE STUDY:

This research is based on the beverages manufacturing companies situated in Rawalpindi/Islamabad and very little work is done related to Pakistani environment so this will help the firms to know the effect of buyer-supplier relationships on their organization's performance. Firms other than beverages manufacturing institutions will also get benefit out of its findings of this because it has focus determining the role of buyer-supplier relationships on performance of organization. This study's findings will be helpful and can be used by other researcher for further research in this regard.

5. METHODOLOGY

This research methodology was quantitative. This quantitative research was undertaken on the numerical survey based questions which will be analyzed further on the statistical software. It will enable me to do

comparison of current and prior numerical results based on the buyer-supplier relationship effect on organizational performance. On the basis of this numerical testing methodology, this research will seek the hypothesis and it will be accepted or rejected on these grounds. Research will intend to collect primary data from the buyer side. This will intend to give most reliable data. Research will also cover the real perspectives of the buyer's organization. This data resource will also enable me to analyze in real life view of buyer organization that would be taken into account in the study. It will also depict the real picture of relationship between buyer and supplier and the role it plays in respect of improving performance of organization.

6. DATA COLLECTION

The population of the study will be beverages manufacturing company's employees. From this population, in the research, simple random sampling technique will be used. Employee will be randomly selected from the organization. It will be easy to collect data from random sampling and it is much specific. In this sampling technique, each employee has an equal chance of probability of being selected. This research would be taking manufacturing companies for the study; which is Islamabad/Rawalpindi based in which each employee will have an equal probability of being selected.

7. RESEARCH QUESTION

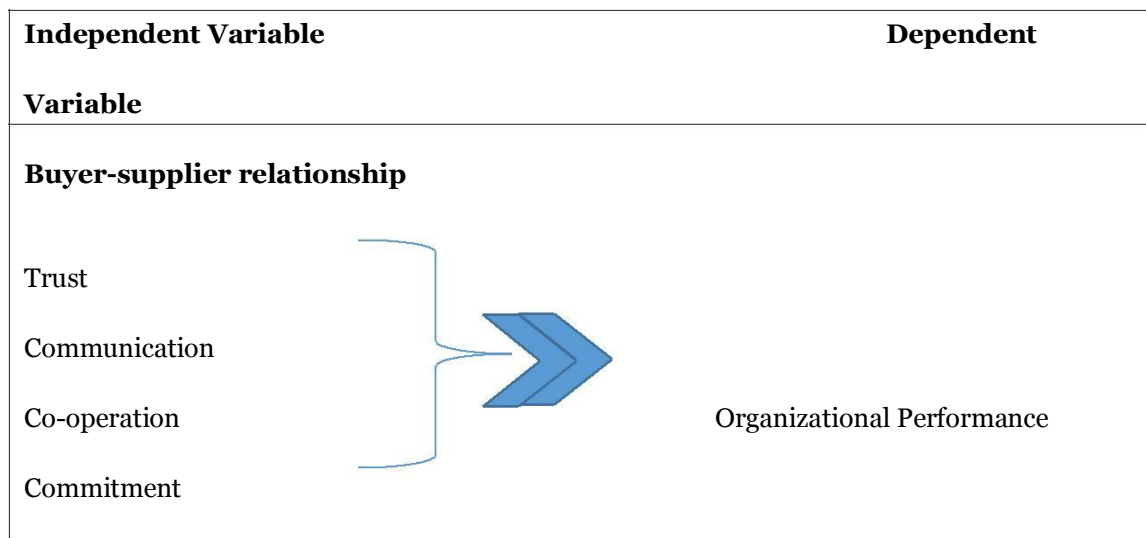
How important is the role of buyer-supplier relationship on organizational performance of manufacturing companies in Islamabad/Rawalpindi?



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8. CONCEPTUAL FRAMEWORK



9. HYPOTHESES

H₁: There is significant trust in buyer-supplier relationships showing improved organizational performance

H₂: There is significant communication in buyer-supplier relationships showing enhanced organizational performance.

H₃: There is significant co-operation in buyer-supplier relationships showing superior organizational performance

H₄: There is significant commitment in buyer-supplier relationships showing improved organizational performance

10. RESEARCH DESIGN

The study is cross sectional type of a descriptive research. Tannur (1982) states that a survey is a mean through which information is being collected from a large group of elements and large group referred to as a population. A survey has three characteristics: one is to produce quantitative descriptions of some facets of the population in which case it is concerned either with projecting findings descriptively to a predefined population or ;with relationships between variables. Data collection is formed by giving people predefined and structured questions and data is generated from a portion of the intended population (Kraemer, 1992).

11. POPULATION

Manufacturing firms of Islamabad and Rawalpindi would be the population for this research. We were not able to gather data from every manufacturing firms located in Rawalpindi and Islamabad,

Because of scarceness of time and resources. Hence, for connivance; only three beverages manufacturing firms were carefully chosen from for purpose of research.

12. SAMPLE

A sampling method which was used is named as simple random sampling and sample of 100 members was collected from three manufacturing firms in Rawalpindi and Islamabad. Name of all three Manufacturing firms from which all sample was collected are, Haidri beverages (private) limited, Murree brewery, and Tops food and beverages ltd.

13. SAMPLING TECHNIQUE

Data from all three manufacturing firms in the Rawalpindi and Islamabad was collected through simple random sampling technique.

14. RESEARCH INSTRUMENT

The questionnaire was used for collection data as a research instrument. For the purpose of measurement, BS (buyer-supplier) questionnaire developed and used by Irene Ngendo Kamau (2013) in the research study. For measuring the role of buyer supplier on organizational performance BS questionnaire consist of 20 items and pertaining to four subscales.

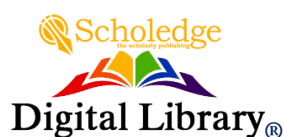
The questionnaire for this research was in the form of Likert scale in which all respondents were required to specify their view point on a scale of 1 to 5. This questionnaire having 5 sections: Section A consist of data related to company profile; section B contained data to measure the extent to which large manufacturing firms/companies in Islamabad/Rawalpindi have embraced buyer-supplier relationships; section C consist data on the issues faced by manufacturing firms in implementing buyer-supplier relationships theory in their institutions and finally Section D have data to determine the impact of buyer/supplier relationship on organizational performance among large manufacturing firms in Islamabad/Rawalpindi.

All respondents will give their agreement/disagreement and give their opinions and responses on Likert scale which ranges from 1 to 5 with response category section B and D is 1= (to a very large extent), 2= (Large extent) 3= (moderate extent) 4= (small extent) 5= (very small extent) whereas section C is 1= (strongly disagree), 2= (disagree), 3= (neutral), 4= (agree), and 5= (strongly agree).

15. DATA ANALYSIS

This research was conducted to find out the effect of buyer-supplier relationships on performance of organization amongst manufacturing firms in Islamabad/Rawalpindi. The research was descriptive in its nature. The research was carried on the sample of 100 respondents of manufacturing firms in Rawalpindi/Islamabad. Various statistical techniques will be use to arrive at some conclusions such as Standard deviation, mean, ANOVA, item total correlation and Reliability using by SPSS software for testing the Hypotheses.

BS questionnaire's reliability was measured through process of split half reliability by separating the items into 2 parts (9 items will be in Part one and 9 items will be in Part two). Part 1 reliability was 0.601 and the part 2 reliability was 0.746 while correlation between forms was 0.834. It discloses the internal consistency of instrument to calculate the effect of buyer supplier relationship on



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the organizational performance.

To explore the Buyer supplier relationship on Organizational Performance, Pearson Correlation with its subscales and total scale were computed.

Table 1
Inter Scales Correlations of Buyer supplier relationship on Organizational Performance with its Subscales and Total scale (N=100)

Subscales of BS	1	2	3	4	5
Trust	1				
Cooperation	.334**	1			
Commitment	.601**	.624**	1		
Communication	.540**	.732**	.830**	1	
O P	.756**	.638**	.479**	.468**	1
Totals	.781**	.816**	.845**	.864**	.816**

Table no 1 shows Inter Scales Correlations of Buyer supplier relationship on Organizational Performance with its Subscales and Total scale. Out of results in the table, it can be clearly seen that the subscales of BS shows strong positive correlation among them and as well as shows significant correlation with their total scale. The maximum correlation is between Communication and commitment is .830. It is also explains that significantly correlate exist between all the subscales and total scales

BS .The number of correlation starts from 0.781** to 0.864**.The maximum correlation is between BS and Communication which is 0.864**.

For measuring buyer supplier relationship on organizational performance for variable “Gender” Mean and Standard deviation were computed.

Table 5

Comparison of Mean and Standard Deviation of buyer supplier relationship on organizational performance for variable “Gender”

(N=100)

Subscales Of BS	Gender			
	Male (n=81)		Female (n=19)	
	M	SD	M	SD
Trust	8.52	1.12	9.98	2.87
Cooperation	9.94	1.84	6.74	2.70
Commitment	11.31	1.05	9.44	2.26
Communication	13.15	.89	8.93	3.20
OP	7.2	2.65	7.34	2.34
Totals	50.15	5.77	42.45	11.54

Table no 5 portrays gender wise comparison of the buyer supplier relationship on organizational performance. It explains that male members of the organization are more frequent firm believers than female in regard that buyer-supplier relationship comprise of trust, co-operation, commitment and communication can help to improve the financial performance as well as have positive effect on organization’s overall performance. The result further illustrates that male members of the firms have higher mean on the factor communication towards organizational performance. (Male M=13.15 Female M=8.93).



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For measuring buyer supplier relationship on organizational commitment for variable “position in the organization” Mean and Standard deviation were computed.

Table 6

Comparison of Mean and Standard Deviation of buyer supplier relationship on organizational performance for variable “designation in the organization” (N=100)

Subscales Of BS	Designation in the organization									
	Supply Chain Manager (n=3)		Assistant supply Chain Manager (n=6)		Supply Chain Officer (n=65)		Finance Manager (n=3)		Others (n=23)	
	M	SD	M	SD	M	SD	M	SD	M	SD
Trust	12	.00	16.83	2.40	9.07	1.47	16	.00	8.52	9.71
Cooperation	11	.00	11	.00	5.6	1.69	12	.00	10.1	1.79
Commitment	14.66	2.30	12.66	1.63	8.52	1.16	13.66	.577	11.52	1.27
Communication	13	.00	13.83	.40	7.66	2.04	15.33	1.15	13.3	1.03
OP	9	.00	12.166	2.48	6.69	.96	14	.00	6.73	2.7
Totals	59.66	2.30	66.50	3.83	37.60	5.20	71	1.73	50.30	6.08

Table no 6 indicates designation wise comparison of the buyer supplier relationship on organizational performance. First subscale of BS is trust and its mean is ranges from (M=8.52 to M=16.83) the lowest value belong to other members and the highest one is belong to assistant supply chain manager. Second subscale of BS is co-operation, its mean is equal when we have comparison of supply chain manager with Assistant supply chain manager and finance manager is with high value (M=12). The results further reveal that finance manager have higher scores on the communication. The means scores for supply chain manager are 59.66, Assistant supply chain manager are 66.50, supply chain officer are 37.60, finance manager are 71 and other (procurement and logistic department members) are 50.30.

For measuring buyer supplier relationship on organizational performance for variable “position duration” Mean, Standard deviation and Analysis of variance were computed.



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Table 7**Comparison of Mean and Standard Deviation of buyer supplier relationship on organizational performance for variable “position duration” (N=100)**

Subscales Of BS	Position Duration							
	<5yrs (n=30)		5-10yrs (n=37)		11-15yrs (n=24)		>15yrs (n=9)	
	M	SD	M	SD	M	SD	M	SD
Trust	8	.00	10.10	1.50	8.83	2.11	16.11	2.47
Cooperation	6.66	.75	5.10	2.24	10.2	1.79	11.22	.44
Commitment	8	.00	9.24	1.87	11.6	1.34	13.22	1.71
Communication	8	.00	7.67	2.99	13.5	1.14	14	.86
OP	6.66	.75	6.83	1.21	7.04	3.02	12.22	2.43
Totals	37.33	1.51	38.97	8.36	51.20	7.41	66.77	4.17

Table no 7 shows position duration wise comparison of the buyer supplier relationship on organizational performance. The result shows that the employees belonging to the duration on the position less than 5 years and 5 to 10 years are having nearly equal mean (<5, M=37.33, 5-10, M=38.97) and employee having duration on position more than 10 years having mean more then 50. The mean scores of respondents having duration of <5 years is 37.33, 5-10 years is 38.97, while the mean scores for 11-15 years is 51.20 and more than 15 years is 66.77.

Table 8

Degree to which Manufacturing Firms Embraced Buyer-Supplier Relationships	Mean	Standard deviation
Existence of communication between supplier and company	3.43	1.191
Existence of trust between supplier and company	3.57	1.121
Maintain of relationship at long-term basis	3.42	1.208
Existence of commitment between supplier and company	3.45	1.234
Information is been mutually share by our suppliers and our company.	3.71	1.175
Responsiveness is been shown towards each other's needs between our suppliers and our company.	3.64	1.194
Clear understanding exists our each other's roles as well as Responsibilities	3.46	1.243

Table 8 shows that the following factors of buyer-supplier relationship had been adopted by manufacturing firm in Islamabad/Rawalpindi to very moderate to small extent: existence of communication between supplier and company, existence of trust between supplier and company, maintain of relationship at long-term basis, existence of commitment between supplier and company, information is been mutually share by our suppliers and our company, responsiveness is been shown towards each other's needs between our suppliers and our company, and clear understanding exists our each other's roles as well as responsibilities. All of the above factors of buyer-supplier relationship had a mean of between 3 and 4. Meaning that, manufacturing organizations have adapted to these factors to a moderate extent. However, the study showed a highest mean of 3.64 on responsiveness is been shown towards each other's needs between our suppliers and our company which means that level of responsiveness to each other's need is least in manufacturing firms. Result on the table portrays therefore shows that manufacturing firms in Islamabad/Rawalpindi had not embraced the concept of buyer-supplier relationships to larger extent.

Table 9

Challenges facing buyer-supplier relationship	Mean	SD
Lack of communication	1.94	1.254
Lack of trust	2.33	1.207
Poor performance	2.30	1.124
Lack of commitment	2.36	1.069
Lack of co-operation	2.32	1.197

Table no 9 shows that a scale which was used to show and check degree to which the participant believe that statement like lack of co-operation, commitment, trust, communication and poor performance can affect buyer-supplier relationships was found true. Scale ranges from 1 to 5, 1(strongly Agree), 2 (Agree), 3 (Undecided), 4 (Disagree), 5 (Strongly Disagree). Therefore a mean of less than 3 (<3) shows that the respondent agrees with the statement of question, that following factor have an effects on buyer-supplier relationships. If a mean is equal to 3 and less than 4 (<4), depicts that the participant is undecided about statement of question. If a mean is ranges from 4-5 (>=4) depicts that the participant doesn't agree with statement and he/she believes that the factor in question does not have any effects on buyer-Supplier relationships. This study shows that the majority of our participants have agreement with the statement that the following factors have an effect on buyer-supplier relationships.

Table 10: ANOVA TABLE

Model	Sum of squares	DF	Mean square	F	Sig.
Regression	11376.876	5	2275.375	267.864	.000
Residual	798.484	94	8.495		
Total	12175.360	99			

Table no 10 shows that for 5% level of significance, F value is 267.864 at DF = (5, 94). Hence the regression model is statistically significant which shows that impact of buyer-supplier relationship on the organizational performance.

17. DISCUSSION

The research was explored to study the effect of buyer-supplier relationships on organizational performance among manufacturing firms in Islamabad/Rawalpindi. The study was descriptive in nature. The research includes four objectives: To know the extent to which the concept of buyer-supplier relationships is adopted by manufacturing companies, to know the challenges involved in implementing the concept of buyer-supplier relationship, to establish impact of buyer-supplier relationships on performance of organization among manufacturing companies and to explore the demographic variation of buyer-supplier on organizational performance among manufacturing firms. This chapter presents discussion, the conclusions, recommendations made based on findings.

BS questionnaire's reliability was measured through process of split half reliability by separating the items into 2 parts (9 items will be in Part one and 9 items will be in Part two). Part 1 reliability was 0.601 and the part 2 reliability was 0.746 while correlation between forms was 0.834. This discloses that the instrument has shown internal consistency to calculate the buyer-supplier relationship on the organizational performance. In order to find the relationship between research's variables, inter scales correlations of buyer-supplier relationship on organizational performance with its subscales and total scale were computed. Out of results in the table, it can be clearly seen that the subscales of BS shows strong positive correlation among them and as well as shows significant correlation with their total scale. The maximum correlation is between communication and commitment is .830. It also explains that significant correlation exist between all the subscales and total scales of BS. The number of correlation starts from 0.781** to 0.864**. The maximum correlation is between

BS and Communication which is 0.864**.

The hypothesis that there is significant trust in buyer-supplier relationships showing improved organizational performance was accepted as result from t test shows that trust is statistically significant at 0.00. The regression model further elaborates that the measure of organizational performance is increase by 2.500 as each unit increase in measure of trust. The hypothesis that there is significant communication in buyer-supplier relationships showing enhanced organizational performance was accepted as result from t test shows that communication is statistically significant at 0.011. The regression model further elaborates that the measure of organizational performance is increase by 4.003 as each unit increase in measure of communication.

The hypothesis that there is significant co-operation in buyer-supplier relationships showing superior organizational performance was accepted as result from t test shows that co-operation is statistically significant at 0.00. The regression model further elaborates that the measure of organizational performance is increase by 1.670 as each unit increase in measure of co-operation. The hypothesis that there is significant commitment in buyer-supplier relationships showing improved organizational performance was accepted as result from t test shows that co-operation is statistically significant at 0.00. The regression model further elaborates that the measure of organizational performance is increase by 2.521 as each unit increase in measure of commitment.

18. FINDINGS

Following are the findings of the study:

1. Subscales of BS shows strong positive correlation among them and as well as shows significant correlation with their

total scale. The maximum correlation is between Communication and commitment is .830 whereas the highest correlation among all is in between BS and Communication which is 0.864**.

2. Result portrays gender wise comparison of the buyer supplier relationship on organizational performance. It explains that male members of the organization are more frequent firm believers than female on the effect of buyer supplier relationship on the organizational performance. (Male Mean= 50.15, Female Mean=42.45).
3. Result showed designation wise comparison of the buyer supplier relationship on organizational performance. It explains that finance manager shows more buyer supplier relationship on the organizational performance as compared to other designation levels. (Supply chain manager Mean = 59.66, Assistant supply chain manager Mean = 66.50, supply chain officer Mean = 37.60, finance manager Mean = 71 and other (procurement and logistic department members) Mean = 50.30.)
4. Result showed position duration wise comparison of the buyer supplier relationship on organizational performance .It further illustrates that organization respondent who have position duration >15 years shows higher buyer supplier relationship on the organizational performance as compared to other position duration (<5 years Mean = 37.33, 5-10 years Mean = 38.97, 11-15 years Mean = 51.20 and more than 15 years Mean = 66.77).
5. Result showed that the factors of buyer-supplier relationship had been adopted by manufacturing firm in

Islamabad/Rawalpindi to very moderate to small extent: existence of communication between supplier and company, existence of trust between supplier and company, maintain of relationship at long-term basis, existence of commitment between supplier and company, information is been mutually share by our suppliers and our company, responsiveness is been shown towards each other's needs between our suppliers and our company, and clear understanding exists our each other's roles as well as responsibilities. The mean scores lies between 3 and 4 illustrates that manufacturing organizations have adapted to these factors to a moderate extent.

6. Study shows that the majority of our participants have agreement with the statement that respondent facing challenge in the buyer supplier relationship. (Co-operation Mean = 2.32, commitment Mean = 2.36, trust Mean = 2.33, communication Mean = 1.94 and poor performance Mean = 2.30).
7. The results further explains that for 5% level of significance, F value is 267.864 at DF = (5, 94) that showed that the regression model is statistically significant which shows that impact of buyer-supplier relationship on the organizational performance.

19. CONCLUSIONS

In the light of analysis and interpretation of data, it reveals that the buyer-supplier relation play important role in organizational performance. The end product of this research can help the business management in the effective application of buyer-supplier

relationship. The study is concluded as below:

1. Buyer-supplier (BS) questionnaire that was used in this study is a valuable research tool to measure the effect of buyer-supplier relationship on organizational performance.
2. Result showed that buyer-supplier relationships embraced with significant trust showing improved organizational performance.
3. Result portrays that buyer-supplier relationship covered by significant communication showing enhanced organizational performance.
4. Result illustrates that buyer-supplier relationships consist of significant co-operation showing superior organizational performance.
5. Result showed that buyer-supplier relationships comprised of significant commitment showing improved organizational performance.
6. In general, buyer-supplier relationships have helped to improve and had positive impact on organizational performance.

20. RECOMMENDATIONS

The study has established the fact that buyer-supplier relationships comprises of trust, commitment, communication and co-operation are very significant in improving the performance of an organization. It is recommended that all manufacturing firms and as well as other organizations should embrace the concept of buyer-supplier so that they can be able to achieve their goals and enhance their organizational performance. Following Recommendations are given on the basis of findings:

1. Findings explains that male members of the organization are more frequent firm believers than female on the effect of

buyer supplier relationship on the organizational performance. It is recommended that business institution should arrange awareness sessions for female member of their settings so that there will be increase in their understanding and they will also participate in implementing the concept of buyer-supplier relationship.

2. It is also found that in Islamabad/Rawalpindi manufacturing firms had moderately embraced the buyer-supplier relationship concept. It is recommended that all those companies who want to improve their performance should understand and implement this concept.
3. According to the findings of the study, employees having positions more than 15 years showed highest means which depicts that they believe and understand the concept of buyer-supplier relationship. It is recommended that all employees have experience of more than 15 should work as a mentor to new comers.
4. Present study reveals that buyer-supplier relationship will lead to failure in the absence of co-operation, commitment, trust, communication and performance of supplier so it is recommended that companies should work on building trust, co-operation, communication, commitment in their relationships and supplier should provide its 100% in performance so that both can reap the benefits of the philosophy of buyer-supplier relationship.



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