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Effects of Buyer-Supplier Relationship on Procurement Performance of Selected Supermarkets, KISII, Kenya

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Abstract:

This study dealt with the effects of buyer-supplier relationship on procurement performance in supermarkets in Kisii County. The study concentrated on the following objectives; to establish the effect of trust on procurement performance, to establish the effect of commitment to suppliers on procurement performance, to establish the effect of cooperation on procurement performance and to establish the effect of communication on procurement performance. The study was informed by social exchange theory and agency theory. This study was conducted through a descriptive survey design. The study involved 30 supermarkets in Kisii County. This research project was guided by research questions based on the objectives, aforementioned. Literature related to this study was reviewed based on the variables; trust, commitment, cooperation and communication as factors deemed to influence procurement performance. Data was collected by use of structured questionnaires. Data was analyzed using descriptive statistical techniques, which included frequency, percentage and tables. From the research findings, it can be concluded that trust, commitment, cooperation and communication influence procurement performance. The following recommendations were made: it is important for organizations to employ the above four elements. This will enhance integrity, credibility trustworthiness and bring satisfaction to both parties.

1. Background to the Study

Supply chain management (SCM) is a key strategic factor for increasing organizational effectiveness and for better realization of organizational goals such as enhanced competitiveness, better customer care and increased profitability (Gunasekaran et al. 2001, p. 71). The major goals of SCM are to minimize non - value- added activities and associated investment cost and operating cost, increase customer responsiveness and flexibility in the supply chain, and enhance bottom - line performance and cost competitiveness (Stewart 1995). Petrovic - Lazarevic and Sohal (2002) reported that effective management of the supply chain has been identified as being of significant importance to achieving and sustaining a competitive advantage for firms.

Many companies are trying to find tools for performance improvement in response to turbulent business markets and for efficiently controlling their business activities. The objectives of performance measurement are to improve the efficiency and effectiveness of a supply chain (Beamon 1999; Gunasekaran et al. 2001). In addition, Keeber (2000) also stated that the purpose of performance measurement is to reduce operating costs and customer service in logistics activities, improve firm's revenue growth, and enhance shareholder value.

According to InjazzJ. Chen and Antony Paulraj, 2004- in the journal of operations management 22(2004) 119-150, procurement performance plays an important role in supply chain management; it potentially influences a firm's quality performance, product innovation, customer responsiveness, and the firm's financial performance. Ideally, internal and external customers judge the value received from procurement and eventually defect if their expectations are not satisfied. In this regard procurement would be expected to emphasize the value creation and delivery, not procedures. One tool procurement can use to improve both its supply chain performance and service to other functions, while helping to improve the firm's competitive position, is to develop a cooperative relationship with appropriate suppliers. The influence of the relationship strategies between buyer-supplier on the procurement performance depend on the benefits perceived by both parts. Kaufman, Wood & Theyel (2000) explicitly points to the buyer-supplier relationships as an important source of a company's competitive advantage. Thus if a company's competitive advantage is based on its supply relationships (Gadde & Hakansson, 2001, Nagurney, 2010) then the development and management of these relationships should be seen as an important source of competitive advantage which in turn provides the foundation for overall organizational competitiveness (Mrack & Mucha, 2011, Zich, 2010)

Jandaet al., (2002) argue that by treating suppliers as allies and sharing strategic information with them, firms can achieve better lead times and quality, increase operating flexibility, and establish long-term cost reductions, all of which could help these firms enhance value for the ultimate customer. According to Chin-Chun (2008), the benefits that result from collaborative relationships come in the

form of a firm's ability to engage suppliers and other partners in mutually beneficial value exchanges. Indeed, Hunt (2000) considered relationships to be a resource and therefore form part of a buyer-supplier relationships firm's capital.

Buyer-supplier relationships in the supply chain are one of the most important elements of supply chain integration. Establishing and managing effective relationships at every link in the supply chain is becoming the prerequisite of business success. High volatility in the retail industry reflects rapid fluctuations in customer demand and unpredictable market trends. In addition, environmental diversity reveals uncertainty in the global business environment. Facing market volatility and diversity, retailers are encouraged to develop relatively flexible relationships with multiple channel partners to deal with unexpected market demands and thus reduce the dependence on the vendor (Ganesan 1994). Each link in a supply chain represents a relationship between an individual customer and an individual supplier. The aim of this relationship is to service the immediate customer delivery requirements and then to replicate the process throughout the supply chain, to the benefit of the end consumer. Therefore, each link in the chain is reliant on all other links and the servicing of the end customer is a collective and interdependent process, though not necessarily a conscious one (Cohen & Roussel, 2004). A supply chain relationship thus involves the exchange of information to the joint benefit of the buyer and supplier (Chen, 2003). Achieving close supply chain relationships allows customers and suppliers to create and coordinate production and operation processes so that they are seamless, thus making it more difficult for competitors to replicate their offering. It is, true that supply chain relationships are key cost elements for any firm just like it is true that they serve a critical purpose for the firm. There is, thus, need to devise ways of reaping optimally from them by among other things structuring them in ways that cut the cost of developing and maintaining them in sound states.

High volatility in the retail industry reflects rapid fluctuations in customer demand and unpredictable market trends. In addition, environmental diversity reveals uncertainty in the global business environment. Facing market volatility and diversity, retailers are encouraged to develop relatively flexible relationships with multiple channel partners to deal with unexpected market demands and thus reduce the dependence on the vendor (Hsiao, 2004).

In a supply chain, relationships are not only used for connecting the firm with a partner, but also used to connect the firm throughout the supply chain (Hsu *et al.*, 2008). Supplier relationships are a part of supply chain relationships (Lemke *et al.*, 2002). They are the procurement and production relationships that exist between firms and those who supply to them (suppliers), on one hand and those they supply to (customers), on the other (Christopher, 2004). Minimum of two parties are involved in a relationship, in order to produce mutual benefits (Walter *et al.*, 2001). Therefore maintaining a strong relationship between buyer and supplier becomes most important. In order to win and retain the business both buyer and supplier must work together as a team. Care should be taken while choosing the suppliers to make sure that they have required capabilities and resources to fulfill the needs. A successful relationship is one in which there is mutual sharing of risk and rewards, clear understanding of each other's roles and responsibilities, high level of commitment and trust, long-term orientation, mutual information sharing, a sincere desire to win and responsiveness towards each other's and end customer's needs (Lemke *et al.*, 2002).

From the buyers' perspective, the benefits of close relationship with suppliers at the operational level are given as; improved quality of products or services, reduced cost and reduced lead-time or service completion time. At the strategic level, the benefits are obtained in the form of enhanced competitiveness, increased market share and innovation (Kannan and Tan, 2005). The importance of supplier management has been recognized by academics and many studies have showed the advantages that can be gained by the supplier alliances (Spina and Zotteri, 2000). According to Terpend *et al.* (2008), "The effects of many buyer, supplier and market characteristics, as well as product characteristics have yet to be explored" (Terpend *et al.*, 2008). Goffin *et al.* (2006) and Sheu *et al.* (2006) state that the understanding of nature of relationships in a supply chain is limited and needs to be improved.

In Kenya, for instance, the supermarket sector has grown at an annual rate of 19% over the past few years (Kenya National Bureau of Statistics, 2012). Kenya is the second most advanced country in terms of presence of supermarkets in sub Saharan Africa, after South Africa. Kenya has over 406 supermarkets and 20 hypermarkets (Economic Survey, 2010). In the last ten years, the formal food and necessities retail sector has undergone massive transformation, with traditional retailers, including small shops and public markets, losing a significant proportion of the market share to supermarkets. There are at least four big Kenyan owned supermarkets, including Nakumatt (which is the largest), Uchumi (which has just come out of receivership), Tuskys and Naivas which is the smallest of the giants (Business daily, Friday December 26, 2014). Kenya's advancement in supermarkets is evident from the fact that its top five cities (Nairobi, Mombasa, Nakuru, Eldoret, and Kisumu) have at least 165 supermarkets and 13 hypermarkets.

Selected research by Eunice *et al.*, 2013; Christopher, (2011) on Kenyan supermarkets concentrating on effectiveness of electronic inventory systems on customer service delivery and strategic responses to changes in external environments in the supermarkets, reveals that it is important to examine the predicted relationships between SCM practices and customer satisfaction in supermarkets in Kenya, to be able to improve on areas that may affect customer satisfaction. Most of the research related to strategic relationships is dynamic in nature. Supermarkets differ from traditional markets in many ways that also affect procurement channels and marketing options. The supermarket industry in Kenya is one of the fastest growing sectors, which is of utmost significance that the factors influencing the various dimensions of supply chain management (SCM) practices are looked into and how they affect customer satisfaction.

1.1. Statement of the Problem

Buyer-supplier relationships are an important source of competitive advantage. In practice buyer-supplier relationship entails creating closer collaborative relationships with key suppliers in order to uncover and realize new value, and reduce risk. However, in Kenya most of the supermarket managers focus on customer relationship management (CRM) process. In addition, a review of the

Supermarkets' Code of Practice by the Office of Fair Trading (OFT) in 2004 noted the continuing dissatisfaction with, and lack of evidence regarding, the impact of the Code on retailer-supplier relationships.

In the Kenyan scenario, many supermarkets are faced with amongst other challenges, delays of supplier goods, and cancelation of tenders. Buyer –supplier relations management therefore emerges as one strategy that offers solution to the above problems. However, whilst there is much research material on buyer and supplier performance assessment and management, a relationship perspective can bring an added dimension, especially to the procurement performance of close, mutual relationships like that of supermarkets. Further, there is a dearth gap on the existing literature on buyer-supplier relationship against procurement performance. It is therefore imperative to underscore the relationship- though minimal-between the procurement performance and the wholesome engagements and or relationships between the buyer (supermarkets) and the suppliers of various products. The management of the relations and or actions/ decisions of the buyer and the supplier that might influence procurement are solely a task of the procurement department. These decisions, preferences, and actions from either side do influence the performance and decisions of the procurement departments in various organizations or business entities, supermarkets not excluded. This paper therefore seeks to deeply analyze the effects of these engagements on procurement performances amongst supermarkets in Kisii, Kenya.

1.2. General Objective of the Study

The research intended to establish the effects of buyer-supplier relationship on procurement performance.

1.3. Specific Objectives

The study was guided by the following specific objectives;

- i. To establish the effect of trust on procurement performance
- ii. To establish the effect of communication to suppliers on procurement performance
- iii. To establish the effect of cooperation on procurement performance
- iv. To establish the effect of commitment on procurement performance

1.4. Justification of the Study

Procurement is a critical issue in every organization. The process of procurement of goods and services relies heavily on the organization's management and supplier organizations. The buyer knows the importance of a strong and healthy producer, who is a regular supplier and is capable of innovation and improvement. Similarly, a seller knows that his profits and progress are conditional to the profit and progress of his consumers. Thus their relationship in modern society cannot be adverse, but bound by mutual objectives.

The research findings of this study will enhance strategic decisions pertaining to supplier relationship management. Hopefully, the findings will help mend the trust, communication, commitment and cooperation issues that have proven to cripple the chain of supply. Further, the findings will-while in justifying the importance of trust, communication, commitment and cooperation, underscore the crucial role of these factors between the buyers and suppliers thus improving the end process in the chain of supply.

The findings of this study will also help Procurement in any organization entailing the spending of funds; be it private or public (from the exchequer) and thus effectiveness of the process is of paramount importance. There is need for accountability on any spending in terms of the organizational achievement of goals.

The issues discussed above justify the study that good relationship between the buyer and the supplier brings about desired performance. The users will in turn discharge their duties without huddles and the suppliers would further develop their businesses hence warding off some of the existing complaints, and developing of long term mutual/cordial relationships.

The study will benefit and provide knowledge and information to the existing body of research literature in the academia and will be useful to scholars who will use the findings to further research on buyer-supplier relationships. Other beneficiaries of this study are; small business entrepreneurs, prospecting business entrepreneurs, foreign investors, civil servants, and the nation at large. They will benefit chiefly from knowing that cordial supplier relations, requires a clear policy by management in dealing with suppliers and a deliberate undertaking by those directly in contact with them to cultivate and keep healthy relations. The key determinants of organizational performance are effectiveness, efficiency, relevance and financial viability

2. Theoretical Framework

Previous study has illustrated various theories used to explain the relationship between buyer-supplier relationships on procurement performance. This study is anchored on the social exchange theory and agency theory.

2.1. Social Exchange Theory

Social exchange theory posits that human relationships are formed by the use of a subjective cost-benefit analysis and the comparison of alternatives. It is the exchange of activity, tangible or intangible, and more or less rewarding or costly between at least two parties.

Based on the social exchange theory a business network may be seen as a type of exchange network (Blakenburg&Johanson, 1992), and can be defined as a set of interconnected exchange relationships (Prekert&Hallen, 2006). This is directly linked to supply relationships, and underlines the importance of the supply network within the business network context. Social exchange models assume that rewards and costs drive relationship decisions. Eriksson, (2001) argues that the main focus of such a system is on the transformation and exchanges of resources, and less on the social exchange component. It is from this perspective that buyer-supplier

networks sometimes referred to as supply networks are most frequently analyzed. These relationships are however usually embedded in various networks of interconnected buyer-supplier relationships, where both market exchange transformation and exchange of resources, as well social exchange perspectives trust, collaboration, etc. should play equal parts. However, despite this, there still exists a gap in the existing literature in appropriately balancing both of these perspectives in the study of buyer-supplier relationship. Thus, while the marketing literature has so far focused mainly on the impact of trust and commitment on satisfaction and loyalty, supply chain management has focused narrowly on the hard determinants of flexibility, like information optimization and inventory management. Claro (2004) also emphasizes how business networks, supply chains, networks and buyer-supplier relationships are all types of business relationships ranging from a web of connections to a dyadic relationship with often blurred boundaries.

2.2. Agency Theory

Agency theory is relevant when one part (principal) depends on another part (agent) for doing something for the principal. An agency perspective can provide insight into inter-organizational relationships (Lassar and Kerr 1996; Rossetti and Choi 2008) Eisenhardt (1989) suggests that agency theory is relevant in situations of supplier and buyer relationship and product innovation. Agency theory handles principal-agent relationships within or between organizations where the principal delegates work to the agent. In this paper, the principal represents the buying firm (supermarkets) while the agent is the supplier. In agency theory the contract between the principal and agent is investigated with concerns on two problems, namely the agency problem and the problem of risk sharing. The agency problem involves basically two parts, goal conflict and verification (Eisenhardt 1989). Risk sharing concerns the difference in attitude towards risk of the principal and agent. Often agency theory takes the principal's point of view (Aulakh and Gencturk 2000; Rijdsdijk and Van den Ende 2011) but some more recent studies take both the principal and agent's perspective (Dou et al. 2009; Van der Valk and Van Iwaarden 2011)

2.3. Empirical Review

2.3.1. Effect of Trust on Procurement Performance

Trust leads retail buyers and sellers to the focus on long - term benefits of the relationship (Ganesan 1994), and eventually enhance the performance outcomes in buyer- supplier relationships, including firm competitiveness and transaction costs reduction (Noordewier et al. 1990) . Doney and Cannon (1997) indicated that trust influences long - term relationships, while Morgan and Hunt (1994) found trust has the strongest effect on achieving cooperation in relationship. Anderson and Weitz (1989) demonstrate the evidence that trust is key to maintaining continuity in conventional channel relationships. Furthermore, Sigauw et al. (1998) concluded distributor trust is related significantly and positively to both cooperative norms and distributor satisfaction with financial performance.

Literature has largely highlighted the valuable effect of trust in procurement performance. Benefits of trust have been investigated in different fields of studies and explained through diverse theories, mainly the transaction cost economics and the relational exchange theory. Within the transaction cost economics theory, trust is of economic value because it reduces transaction costs, negotiation costs, monitoring and oversight costs, and uncertainty in information sharing, acting as a substituting of control (Dyer and Chu, 2003). Within relational exchange theory, trust is seen critical to foster and maintain relational exchanges. It increases the probability that organizational actors will exchange information and knowledge, will be involved in joint learning processes, and will share costs for exploring and exploiting new opportunities (Inkpen, 2001; Ladoet al., 2008). In operations management studies, trust is seen as significant predictor of positive outcomes in supply chains performances in terms of improved flexibility, responsiveness, and cost reduction (Handfield and Bechtel, 2002; Ireland and Webb, 2007; Laaksonen et al ., 2009, Narasimhan and Nair, 2005).

Trust is a key factor for the development of partnerships among the different agents of a supply chain, distinguished between interpersonal and inter-firm trust hence high procurement performance (Johnston, Mccutcheon, Stuart, & Kerwood, 2004). The creation of trust in inter-firm relationships can be considered related to a country's cultural context (Dyer & Chu, 2003; Sako, 1992; Zaheer & Zaheer, 2006).

2.3.2. Effect of Commitment to Suppliers on Procurement Performance

Commitment among buyers and suppliers brings the desire to develop a stable relationship, a willingness to make short-term sacrifices to maintain the relationship, a confidence in the stability of the relationship, and investments in the relationship thus improving procurement performance (Gounaris, 2005).

Commitment enables the suppliers and buyers to develop the belief that the existing relationship is very important and hence it deserves maximum efforts to maintain it for long-term period thus improving the procurement performance. (Stankoet al., 2007). Relationship commitment makes both parties to have the willingness to invest resources in a relationship. They are able to secure a relationship due to its identification with and internalization of the goals and values of another party thus improving procurement performance of a firm. (Kwon, 2005)

Commitment is the key driver of long-term relationship and both buyers and suppliers need to develop high levels commitment for developing long-term relationship for achieving sustainable competitive advantage thus improving the procurement performance (Gefen, 2000).

Stanley, (2004) in his study argues that commitment has become an important issue in supply chain integration because effective planning is based on information shared among partners that is an essential element for the successful integration making and high

procurement performance. Success of the procurement performance is based on the high level of trust and commitment among supply chain partners. Supply chain planning is based on information sharing and commitment between partners that is essential for the successful management of the supply chain. According to one study, one third of strategic alliances have failed due to a lack of commitment between partners. (Ford, 2001)

2.3.3. Effect of Communication on Procurement Performance

Effective communication is a critical component of buyer-supplier relationships. Procurement professionals utilize a variety of media to communicate with suppliers, including phone, fax, face-to-face, mail, e-mail, Internet, and electronic data interchange (EDI) thus improving procurement performance. (Rodrigo, 2001)

Effective communication in channel relationships can enhance levels of channel member coordination, satisfaction, commitment levels, and procurement performance (Goodman and Dion2001). In fashion apparel industry, frequent communication between retailers and suppliers can expedite quick and accurate response to volatile market, and reduce the costs and impact of inaccurate forecasts. With the presence of trust and support, channel members are more willing to pass information upward and promote bidirectional communication. Consequently, it will help better match supply with demand and increase profitability for channel members. On the other hand, under unequal power relationship a less powerful channel party has a tendency not to provide information and feedback to more powerful ones. Thus, the restricted information flow will impede the channel relationships and affect the supply chain performance as well. Effective communication is crucial to maintain a long-term buyer-relationship and achieve high procurement performance. (Bird, 2005)

2.3.4. Effect of Cooperation on Procurement Performance

Cooperation is essential for exchange partners to achieve coordination in supply chains. To cope with highly uncertain demand in fast-changing market, retailers are demanding for greater supply flexibility and responsiveness from their suppliers. Studies showed that when parties cooperate, they understand each other's expectation and needs better, which eventually help them to achieve their mutual goals thus improving procurement performance (Perreault, 1999).

In addition, cooperating parties tend to maintain the long-term relationships and enhance performance. Cooperation is recognized as key to maintaining long-term relationships and contributing to firm's success because of increased procurement performance. (Liu and Wang, 2000). Cooperation among buyers and sellers is assessed by their integrity, credibility, trustworthiness, and reputation. When cooperation is established, exchange parties will be more confident to engage in cooperative activities and avoid opportunistic behaviors thus improve procurement performance. (Cannon, 1999)

According to Maloni, (2000) the power of a supplier over a retailer is increased by the level of retailer's cooperation the supplier. Cooperation results from the need to maintain the channel relationship to achieve desired goals and reflects the essentiality and replaceability of the goods and services provided by the supplier thus successful outcomes.

3. Research Design

This study was conducted through a descriptive survey design. According to Orodho,2005 this design gathers data at a particular point in time with the intention of describing the nature of existing conditions, identifying the standards against the existing conditions that can be compared and determining the relationship that exists between specific event. It was therefore appropriate as the study involved fact finding to describe effects of buyer supplier relationship on procurement performance and document the findings.

3.1. Target Population

Population is the entire group of individuals, events or objects having common observable characteristics which the researcher wants to generalize the results of the study, Mugenda and Mugenda (1999). The study involved 30 supermarkets in Kisii County. This comprised of all the procurement, finance and sales managers in the 30 supermarkets. Each supermarket consists of 1 procurement officer, 1 finance officer and 1 sales officer.

Department	Number
Procurement	30
Finance	30
Sales	30
Total	90

Table 1: Target Population

4. Results and Discussion

4.1. Introduction

This chapter covers the research findings and discussion. Data was collected through the questionnaire as described in chapter three and descriptive statistical analysis employed to decode and analyze data. The data is presented in this chapter using tables, depicting the frequency distributions for easy understanding.

4.2. Buyer-Supplier Relationship Aspects

The researcher sought to know buyer-supplier relationship aspects and the order in which they were given priority in the organization. Table 2 below show the findings.

Function	Highest Priority	Moderate Priority	Least Priority
Trust	28%	59%	13%
Communication	68%	30%	2%
Cooperation	66%	24%	10%
Commitment	42%	48%	10%

Table 2: Buyer-supplier relationship aspects

The findings show that buyer-supplier relationship aspects were being implemented though the order of priority differed. Trust was given moderate priority while communication and cooperation were given highest priority. Commitment too was given moderate priority.

4.3. The Effect of Trust on Procurement Performance.

The researcher sought to find out how trust affects procurement performance and the summary of the findings were presented on table 3 below.

Element measured under trust	SD	D	N	A	SA
Information and knowledge sharing	4%	10%	2%	33%	51%
Cost sharing in exploration of new ideas	21%	20%	8%	39%	12%
High quality products and services	1%	1%	1%	19%	78%
Reduced Costs	3%	2%	7%	35%	53%
Suppliers keep our best interests in mind	5%	4%	11%	38%	42%

Table 3: effect of trust on procurement performance

The findings show that trust positively influences procurement performance. There was high level of performance in cases where trust was strong. This was consistent with (Ganesan 1994), who found out that Trust leads retail buyers and sellers to the focus on long-term benefits of the relationship, and eventually enhance the performance outcomes in buyer-supplier relationships, including firm competitiveness and transaction costs reduction (Noordewier et al. 1990). (Morgan & Hunt, 1994; Doney & Cannon, 1997) also found out that trust between the buying firm and its suppliers improves cooperation, enhance satisfaction, reduce conflicts, facilitate information exchange, and lead to long-term relationships.

4.4. Effect of Communication on Procurement Performance

Table 4 below shows the findings on the effect of communication on procurement performance.

Element measured under communication	SD	D	N	A	SA
Reduced lead time	2%	3%	3%	52%	40%
Open sharing of information	2%	6%	5%	42%	45%
Willing to share information which mutually benefits us.	2%	3%	5%	37%	53%
Communicate unforeseen challenges	1%	1%	1%	28%	69%
Exchange of information frequently	2%	2%	3%	15%	78%

Table 4: Effect of communication on procurement performance

Communication was shown to have a positive and significant effect on procurement performance. Communication received a high rating among firms which maintained a strong buyer-supplier relationship. Reduced lead time was noted, unforeseen challenges were communicated and therefore there was enhanced procurement performance. This conformed with (Bird, 2005) findings that effective communication is crucial to maintain a long-term buyer-relationship and achieve high procurement performance.

4.5. Effect of Cooperation on Procurement Performance

Table 5 below shows findings on the level of agreement on the statement concerning the effect of cooperation on procurement performance.

Element of cooperation under study	SD	D	N	A	SA
Joint development work with suppliers	2%	3%	3%	8%	84%
Understand each other's expectations	5%	8%	9%	33%	45%
Joint decision making	2%	1%	3%	63%	31%
Take full responsibility	3%	2%	3%	33%	59%
SD-Strongly Disagree D-Disagree N-Neutral A-Agree SA-Strongly agree					

Table 5: effect of cooperation on procurement performance

The findings revealed that cooperation has a positive and significant effect on procurement performance. Previous research on channel distribution has suggested that there is a positive relationship between cooperation and satisfaction (Anderson and Narus 1990; Skinner et al. 1992). Cooperation between channel members will increase channel efficiency and help members attain their mutual goals. Therefore, the study was in line with prior findings.

4.6. Effect of Commitment on Procurement Performance.

The table 6 below shows the findings of the effect of commitment on procurement performance.

Element of commitment under study	SD	D	N	A	SA
Relationship deserves our firm's maximum attention	1%	1%	2%	26%	70%
View relationship as longterm partnership	2%	5%	6%	27%	60%
Suppliers deliver high quality products on time.	1%	2%	2%	23%	72 %
Relationship with major suppliers is very important	1%	2%	2%	7%	88%
We are willing to make short-term sacrifices	17%	40%	8%	22%	13%
SD-Strongly Disagree D-Disagree N-Neutral A-Agree SA-Strongly agree					

Table 6: effect of commitment on procurement performance

The findings revealed that commitment has a positive and significant effect on procurement performance. This is in line with prior findings. According to (Stankoet al., 2007) Commitment enables the suppliers and buyers to develop the belief that the existing relationship is very important and hence it deserves maximum efforts to maintain it for long-term period thus improving the procurement performance. Relationship commitment makes both parties to have the willingness to invest resources in a relationship. They are able to secure a relationship due to its identification with and internalization of the goals and values of another party thus improving procurement performance of a firm (Kwon, 2005).

4.7. Procurement Performance

The researcher sought to know how buyer-supplier relationship had affected procurement performance. The findings were shown in the table below

Element of procurement performance	SD	D	N	A	SA
Improved competitive pricing	3%	4%	8%	15%	70%
Reduced lead time	6%	7%	5%	63%	19%
Reduced risk of non supply	0	2%	4%	72%	22%
Improved dependability of deliveries	0	5%	12%	17%	66%
Improved inventory management	7%	4%	5%	22%	62%
Increased sales	2%	6%	7%	54%	31%
Improved customer satisfaction	1%	3%	6%	20%	70%
SD-Strongly Disagree D-Disagree N-Neutral A-Agree SA-Strongly agree					

Table 7: Effects of buyer supplier relationship on procurement performance

The research findings revealed that buyer-supplier relationship has lead to improved competitive pricing, reduced lead time, reduced risk of non supply, improved dependability of deliveries, improved inventory management, increased sales and improved customer satisfaction. This shows that buyer-supplier relationship aspects improve procurement performance.

5. Recommendations

Based on the findings of the research, the following recommendations are presented which will be useful to stakeholders:-

- Since trust has a positive and significant effect on procurement performance, there is need for organizations to employ this element for mutual benefits. This will enable them enjoy many benefits including reduction in costs, free flow of ideas and knowledge and sharing of sensitive information.

- ii. Communication is also key if procurement performance is to be enhanced. As such there is need for buyers and suppliers to be in constant communication and to expedite quick and accurate response. It is necessary for organizations to work towards creating long term relationships.
- iii. Cooperation is also necessary in enhancing procurement performance. As a result there is need for buyers and sellers to cooperate in decision making and work jointly. This will enhance integrity, credibility trustworthiness and bring satisfaction to both parties.
- iv. Commitment is also essential in enhancing procurement performance. There is therefore need for buyers and suppliers to be committed to the existing relationship since it deserves maximum efforts to maintain it for long term. There should be willingness to invest resources and share information for mutual benefit.

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