

**BINDURA UNIVERSITY OF SCIENCE EDUCATION**

**FACULTY OF COMMERCE**

**DEPARTMENT OF ECONOMICS**



**AN INVESTIGATION INTO THE IMPACT OF BUYER SUPPLIER  
RELATIONSHIP ON ORGANIZATIONAL PERFORMANCE: A CASE STUDY OF  
CAR SERVICING COMPANIES**

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**DISSERTATION SUBMITTED IN PARTIAL FUFILMENT OF THE REQUIRED FOR  
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COMMERCE. (MAY 2022)**

## **APPROVAL FORM**

**The undersigned certify that they have supervised, read and recommend to the Bindura University of Science Education for acceptance of a research project entitled: An investigation into the impact of buyer-supplier relationship on organizational performance by Macmillan Farai Mpofu in partial fulfilment of the requirements for the Bachelor of Commerce Honours Degree in Purchasing and Supply Degree Program**

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May the love of God, the Father and the grace of our Lord Jesus Christ be with you forever.

## **ABSTRACT**

The goal of this study was to examine how the relationship between the buyer and the supplier affected organizational effectiveness. The study's focus was strictly descriptive. The purpose of the study is to ascertain the degree to which car servicing businesses have embraced the idea of buyer-supplier relationships, the difficulties in doing so, the effect of buyer-supplier relationships on business performance among car servicing businesses, and the demographic variation of buyer-supplier relationships on business performance among manufacturing businesses. The population of the study consisted of Dalkeith Engineering and several of its suppliers. Using SPSS software, the data were analysed using the mean, standard deviation, and ANOVA. According to the study's findings, buyer-supplier relationships covered by significant trust demonstrated improved organizational performance, those covered by significant communication demonstrated superior organizational performance, and those comprised of significant co-operation demonstrated superior organizational performance. In general, relationships between buyers and suppliers have improved organizational performance and had positive effects.

## Table of contents

APPROVAL FORM.....	2
RELEASE FORM.....	3
ACKNOWLEDGEMENTS.....	4
ABSTRACT.....	5
LIST OF FIGURES.....	7
LIST OF TABLES.....	8
CHAPTER 1: INTRODUCTION.....	9
1.1 INTRODUCTION.....	9
1.2 BACKGROUND OF THE STUDY.....	9
1.3 STATEMENT OF THE PROBLEM.....	11
1.4 RESEARCH OBJECTIVES.....	12
1.5 RESEARCH QUESTIONS.....	12
1.6 RESEARCH HYPOTHESIS.....	12
1.7 CONCEPTUAL FRAMEWORK.....	13
1.8 SIGNIFICANCE OF THE STUDY.....	13
1.9 JUSTIFICATIONS OF THE STUDY.....	14
1.10 SCOPE OF THE STUDY.....	14
1.11 CONCLUSION.....	14
CHAPTER 2: LITERATURE REVIEW.....	15
2.1 INTRODUCTION.....	15
2.2 TRUST IN THE CAR SERVICING INDUSTRY.....	15
2.3 COMMUNICATION WITH SUPPLIERS.....	17
2.4 BUYER AND SUPPLIER COOPERATION.....	17
2.5 POWER DEPENDENCE.....	17
2.6 MEASURES OF THE SUPPLY CHAIN PERFORMANCE.....	18
2.7 BUYER-SUPPLIER RELATIONSHIPS AND TRANSACTIONAL COSTS ECONOMICS.....	20

2.8 BUYER-SUPPLIER RELATIONSHIP AND RELATIONSHIP MARKETING.....	20
2.9 RELATIONSHIP BETWEEN BUYERS AND SUPPLIERS.....	21
2.10 SUPPLY CHAIN PERFORMANCE.....	23
CHAPTER 3: METHODOLOGY.....	26
3.1 INTRODUCTION.....	26
3.2 RESEARCH PHILOSOPHY.....	26
3.3 RESEARCH DESIGN.....	26
3.4 TARGET POPULATION.....	27
3.5 SAMPLING TECHNIQUES.....	27
3.6 DATA COLLECTION PROCEDURES.....	29
3.7 CREDIBILITY OF THE DATA.....	31
3.8 RELIABILITY OF DATA.....	31
3.9 VALIDATION OF DATA.....	31
3.10 DATA ANALYSIS AND PRESENTATION METHODS.....	32
3.11 CONCLUSION.....	32
CHAPTER 4: RESULTS AND ANALYSIS.....	34
4.1.1 SECTION A OF THE QUESTIONNAIRE.....	35
4.1.2 SECTION B OF THE QUESTIONNAIRE.....	37
4.1.3 SECTION C OF THE QUESTIONNAIRE.....	43
4.2 INTERVIEW STUDY.....	45
4.3 TESTING OF HYPOTHESIS.....	50
4.4 CONCLUSION.....	51
CHAPTER 5.....	52
5.1 INTRODUCTION.....	52
5.2 SUMMARY.....	52
5.3 CONCLUSION.....	52
5.4 RECOMMENDATIONS.....	53
5.5 ORGANISATION OF THE STUDY.....	54
REFERENCES.....	55

## **LIST OF TABLES**

RESEARCH HYPOTHESIS, table 1.....	12
EXPERIENCE AT WORK, table 2.....	37
RELATIONSHIP WITH SUPPLIER TYPE, table 3.....	42
PERFORMANCE OF THE ORGANIZATION, table 4.....	45
SECTION 2 RELATIONSHIP, table 5.....	46
RELATIONSHIP CRITERIA, table 6.....	50
TESTING OF HYPOTHESIS, table 7.....	51
EFFECT OF TRUST ON PROCUREMENT, table 8.....	51
TRUST BETWEEN BUYER AND SUPPLIER, table 9.....	51
EFFECT OF COMMUNICATION ON PERFORMANCE, table 10.....	52
COMMUNICATION BETWEEN BUYER AND SUPPLIER, table 11.....	52

## **LIST OF FIGURES**

QUESTIONNAIRE RESPONSE RATE.....	36
STAFF DISTRIBUTION.....	37
GENDER CHAT.....	38
AGE GROUPS.....	39
SOURCING OF MATERIALS.....	40
TYPES OF MATERIALS.....	41
IDENTIFICATION OF SUPPLIER.....	42
TIME OF RELATIONSHIP WITH SUPPLIER.....	43
TYPE OF CONTRACTS SIGNED.....	44
COMMON TYPES OF RELATIONSHIP MANAGEMENT.....	47
ADVANTAGES OF THESE RELATIONSHIPS.....	48
HOW TO CREATE THESE RELATIONSHIPS.....	49



## **CHAPTER ONE**

### **1.1 INTRODUCTION**

Many businesses have turned to enhancing the performance of their product deliveries, quality, greater customer service, and cost reduction as a result of globalization and increased rivalry in corporate endeavours Kannan & Tan, (2006). Businesses are working to establish different methods of managing supply chains, mostly through integrating and assessing the importance of suppliers in the firm's operations Kannan & Tan, (2006). In order to increase efficiency, flexibility, and competitive advantage, businesses are increasingly developing cooperative connections with the stakeholders in their supply chain Nyaga et al, (2010). The cooperative connections play a crucial role in allowing the businesses to implement contract extension plans that enable the supply chain members to create distinctive value, that is challenging to create by just one portion Nyaga et al, (2010). Procurement management is "a important aspect for boosting organizational performance Gunasekaran et al. (2009). The main objectives of Supply Chain Management are to increase purchaser receptiveness and liveness in the supply chain, decrease non-value-added operations and related capital costs and operational costs, and improve bottom-line effectiveness and cost competitiveness Stewart (1995). Efficient supply chain governance has indeed been acknowledged as also being important to gaining and sustaining a competitive edge for enterprises, according to a recent survey by Petrovic-Lazarevic and Sohal (2002). In reaction to volatile business marketplaces and for effective control of their business activities, many companies are looking for solutions for performance enhancement. Enhancing a supply chain's quality and efficiency is one of productivity measurement's goals Beamon (2007). Keeber (2006) added that the goal of performance measurement is to lower costs by improving customer experience in logistics operations, as well as to maximize shareholder value. This offers an introduction for the writer, who will use it to explore how the relationship between suppliers and customers affects an organization's effectiveness.

### **1.2 Background of study**

Due to the benefits that result, such as reduced rivalry, integrating the firm's strategic resources, improving the availability of resources, and increasing creativity and innovation, collaboration between enterprises is crucial to obtaining competitive advantage. Lastly, by making a larger profit, the companies' overall performance will improve Prior, (2012). In the last ten years, businesses have realized how crucial it is to manage the supply chain as part of overall company

objectives and, in particular, to build strong relationships with all supply chain partners Hsuet al., (2008). It was found that working with suppliers could bring the company even greater benefits than the usual relationship, which only involves exchanging goods and money Nyaga et al., (2010). Organizations will gain from developing buyer-supplier interactions by having fewer suppliers, accurate demand forecasting, better delivery performance, and more great organizational performance Prior, (2012). Additionally, it should be emphasized that connections with suppliers allow businesses to increase their operational capacity and secure additional inventories in the event that other suppliers fall short of their obligations Mchopa et al., (2020). However, for partnerships like that between a customer and a supplier to be effective, there must be trust and dedication on all parties' parts Prior, (2012). Trust is regarded as the crucial ingredient that accelerates the development of the relationship components in any relationship. This helps to increase the likelihood of members depending on one another while also making the flow of information rich and seamless. There are many studies that theoretically explain and debate the value of cooperation in cross supplier relationships, but very few implementations offer answers that can be put into practice with a fair amount of work. Moreover, only a small number of studies examine situations in which real-time information is not feasible or in which the reasonableness of the trade-off between implementation costs and prospective advantages is questioned. According to a number of research, ties of cooperation rely on relational forms of exchange marked by a high degree of trust. Auto repair shops engage in direct competition with other businesses for market share and position in their competing sets. Because the interaction among vendors and contractors is seen as a lose-lose scenario in this kind of competing circumstances, contractors frequently handle vendors in an antagonistic approach. To better serve the final consumer, many forward-thinking businesses have discovered that working cooperatively with its vendors is further effectual. These new-fangled buyer and supplier connections have been labelled as coalitions, corporations, collective relationships, and edge less organizations Terpend, Tyler, Krause, & Handfield, (2016). Strategic alliances are one of the vital success rudiments that supply chain study has recognized as working to improve the supply chain's overall results. Alliance-related activities have grown significantly during the last few decades. It appears that alliances have become mainstays of many corporations' marketing advantage.

Cost reduction is the aim of acquiring these competencies. One of two models can be used to achieve these cost savings. Procurers pit suppliers against one another in an adversarial approach to reduce costs. In a cooperative approach, both parties obtain lower costs by

collaborating to reduce expenses of vendors and purchasers. As can be seen, financial dimension requires balancing economic problems like fair trade, bids granted to the cheapest price bidder, and other economic concerns are considered in procurement activities. It also involves the pursuit of economic sustainable development objectives. In 2016, the Chartered Institute of Purchasing and Supply, research scholars and purchasing professionals have recently developed a growing interest in how businesses and their suppliers affect the economy Lysons and Farrington (2015). The necessity for firms to adhere to economic rules, control expenses through whole life costing, manage supply chain risks, and maintain a positive reputation in the community and industry has driven this. Relationships between buyers and sellers are increasingly playing a crucial role as a lever for economic sustainability. Managers need to be aware of these concerns since their stakeholders, customers, regulators, non-governmental organizations, and even their own staff are increasingly pressing businesses to address and manage economic issues that will have an impact on the next generation Van Weele, (2017). Supply chain managers are in a really pertinent position in this situation because they have the ability to influence economic performance, for example, through product or service specification, evaluation, and supplier selection. They can also assess vendor performance and create efficiency assessment methods or by using those criteria to assess the provider's fulfillment of the contract for which they were hired. The study discovered a basis to construct a conceptual underpinning as an account to formulate the thesis because she has experience in the auto service industry.

### **1.3 Statement of the problem**

Supplier relationships are not seen as a crucial procuring factor in many organizations, claim Gelderman & Canils (2011). Around the time of the industrial revolution, businesses realized how crucial it was to manage the supply chain. The formation of relationships is accelerating as businesses work to forge connections in order to achieve their objectives in the modern vehicle maintenance industry, where buyer-supplier ties have taken on a "strategic" nature. Because of the demand to improve quality, lower inventory, create just-in-time methods, and shorten time to market, many procurers are creating single vendor providers, which is a significant occurrence in the context of buyer-supplier interactions. Relationships become biased in favor of one party, the provider, as a result of this behavior. Since the buyer-supplier relationship is founded on either nepotism or favoritism, there is an underlying gap between organizational performance and quality service. The latter factor may result in a rise in the cost of carrying inventory and supply-chain inefficiency. Additionally, consumer preferences,

mismatched supply caused by buyer-supplier relationships that can be biased and used as a tool for making money at the expense of customers' needs, and changes in market demand for car service can all have an impact on sales.

### 1.4 Research objectives

The goal of this research is to comprehend how interactions between buyers and sellers affect how well firms perform in Zimbabwe's car maintenance industry. There will be tests of the null and the alternative hypotheses.

Specifically stated goals for this study:

- To determine the factors that influence the retail supply chain's efficiency.
- To outline the precursors for each determinant.
- To outline the conceptual framework for this situation. The conceptualization of organizational performance assessment will be discussed in this study.

### 1.5 Research Questions

- What distinguishes partnerships between buyers and suppliers that are mutually beneficial?
- From before parameters, is there any interdependence?
- Is there something that encourages collaboration more?

### 1.6 Research hypothesis

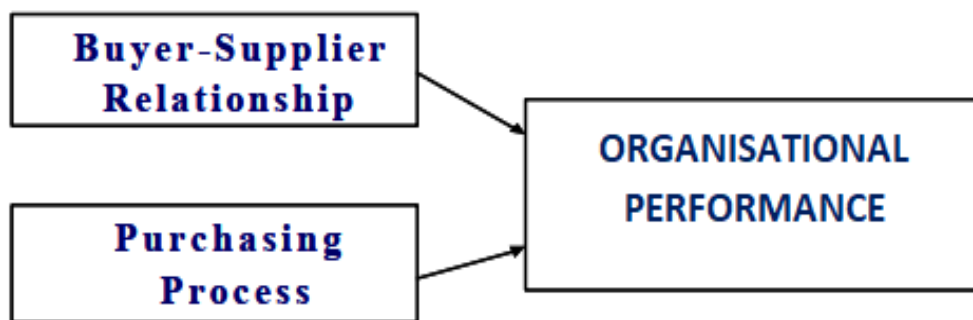
This study therefore seeks to establish the effect of buyer-supplier relationships on procurement performance among car servicing firms. This study hypothesized that:

Table 1

<i>Ho1:</i>	<i>The performance of procurement is not much impacted by trust</i>
<i>Ho2:</i>	<i>Communication has no discernible impact on the effectiveness of the procurement process.</i>
<i>Ho3:</i>	<i>The effectiveness of procurement is not much impacted by cooperation.</i>
<i>Ho4:</i>	<i>The performance of procurement is not significantly impacted by commitment.</i>

### **1.7 Conceptual framework**

Njeru, Njeru, Memba, and Tirimba (2015) define a conceptual framework as a collection of ideas that are scientifically structured to provide a focus, a tool, and a justification for explaining and integrating knowledge. This is typically accomplished using graphic examples. Relationship marketing, purchasing, and business-to-business marketing literature have all focused on the study of buyer-supplier relationships and the buying process. Based on a hierarchical conceptual model, a review of relevant literature will be presented, and the details will be examined with a proposed hypothesis in the part that follows.



### **1.8 Significance of the study**

#### **1.8.1 To the researcher**

The study will help the researcher to acquire knowledge on the influence of the buyer and supplier relationship on the performance of organizations. The study will be useful to the researcher since he will be able to lever issues pertaining the buyer-supplier relationship in relation to the total performance of the organization.

#### **1.8.2 To the procuring entities**

The study will help the buying organization to equip itself on the advanced knowledge on how to implement the buyer-supplier relationship. The results will help the organization to attain its objectives which include sustainable supplies, profit maximisation, market growth and market share.

### **1.8.3 To forthcoming researchers**

The study will help the next generation researchers as a foundation of acquiring knowledge on the impact of buyer-supplier relationship which they will use in their academic studies and can also be applicable for students doing their attachment programs.

### **1.9 Justifications of the study**

Towards the best of the knowledge, there is hardly any research examining the relationship between buyer and supplier towards the performance of an organization in the field of car servicing that has been done to show the role of buyer-supplier relationships in achieving economic sustainability, despite the existence of these crucial studies in this area. In light of this, this study aims to advance our understanding of the subject matter and determine how the connections between buyers and suppliers affect organizational performance. Although there is a wealth of data on the evaluation and management of buyer and supplier performance, a relationship perspective can offer another layer, particularly to the procurement performance of tight relationships like that of the car servicing industry. Additionally, there is a paucity of literature on buyer supplier relationships and procurement performance, notably in Zimbabwe, where many auto service businesses experience delays in receiving supplies and tender cancellations. So, one tactic that gives a solution to the aforementioned issues is buyer-supplier relations management.

### **1.10 Scope of the study**

The researcher will concentrate more on analysing the effects of the interaction between the buyer and supplier in the auto repair industry. The researcher will concentrate more on comprehending the empirical view and theoretical view of relationships-based organizational performance in Zimbabwe through credible study investigation.

### **1.11 Conclusion**

The purpose of this study is to determine whether a company's performance is impacted by its relationships with suppliers and customers. The researcher seeks to establish a theoretical foundation for these characteristics when it comes to the relationship between the consumer and supplier by taking a close look at elements like communication, trust, commitment, and cooperation.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The network through ordering phase to the date of delivery for modern manufacturers is becoming more intricate as they work with a variety of suppliers. Margin pressure is unprecedented due to the consumer's growing need for price reductions Davies, (2022). These businesses are using supplier relationship management as a managed and organized method of procuring the products and resources they require in order to retain profitability and increase efficiency. Researchers have hypothesized that company, market, or product variables are likely to have a moderating effect on the level of corporation that develops between a customer and a supplier as well as the performance results realized. This chapter will examine the body of research in the area of organizational performance as it relates to supply-buyer relationships Waithaka and Waiganjo, (2015).

#### **2.2 Trust in the car servicing industry**

As modern firms interact with a multitude of suppliers, their supply chains are getting more complicated. Because of the consumer's increasing need for price reductions, margin pressure is unprecedented Davies, (2022). In order to maintain profitability and boost efficiency, these companies use supplier relationship management as a controlled and organized means of acquiring the goods and resources they need. Researchers have proposed that factors relating to a company, a market, or a product are likely to moderate the degree to which a customer and a supplier become partners as well as the performance outcomes attained. In respect to supply-buyer relationships, this chapter will review the body of research in the field of organizational performance Waithaka and Waiganjo, (2015). According to Matev and Maja (2013), trust encourages retail customers and sellers to concentrate on the relationship's long-term benefits, which ultimately improves the performance outcomes in buyer-supplier partnerships, including firm competitiveness and the reduction of transaction costs Noordewier et al. (1990). While Morgan and Hunt (1994) discovered trust has the largest impact on obtaining collaboration in relationships, Doney and Cannon (2012) suggested that trust influences long-term relationships. Trust is essential for preserving consistency in connections formed through conventional channels, as Anderson and Weitz (1989) show in their demonstration 6. In addition, distributor trust is considerably and favorably associated to both cooperative norms and distributor satisfaction with financial performance, according to (Carla and Pereira, 2010).

### **2.2.1 Personal trust.**

The emphasis on trust has dominated economic sectors, including communities of vehicle service businesses. In order to maintain the intricate web of trading contacts, trust was essential Waithaka and Waiganjo, (2015). The connections for repairing cars seem to be very customized and built on mutual trust Axelsson and Karlsson, (2014). Personal trust is a key factor in the formation of partnerships, according to Kao's (1996) research of "personal trust" in large enterprises in Zimbabwe. With less clearly defined rights and obligations, car servicing procedures are built on personal trust Mavondo and Rodrigo (2001). Formal contracts serve merely as insurance against legal commitment. As a result, Axelsson and Karlsson, (2014) draw the conclusion that the absence of written contracts typifies the channel members' mutual confidence.

### **2.2.2 Organizational trust.**

Before conducting business or establishing credit, other organizations typically check the credit history of new clients. Trust and credibility can be easily established if a provider has a positive reputation in his past interactions with other businesses. In other industries, credibility refers to verbal or written communication that can be trusted between a supplier and a buyer Matev and Maja, (2013). In business circles, "a person's credit rating" and "a person's integrity, reliability, trustworthiness, or the reputation and character of a person" are commonly referred to as "credibility" Carla and Pereira, (2010).

## **2.3 Communication with suppliers**

Small businesses are prone to reduce inventory carrying costs and maximize revenues from the products supplied by the suppliers because of the danger of seasonality and short product life. Many businesses have recognized the value of replacing inventories with information as a potentially strong source of competitive advantage Morsy, (2018). As a result, efficient communication is crucial in both social and professional interactions. Communication is described as "the formal as well as informal sharing of meaningful and timely information between organizations" by Waithaka and Waiganjo (2015). The willingness of both sides to give crucial information may indicate a more open sharing of information, according to Waithaka and Waiganjo (2015). However, a lack of confidence might manifest as a refusal to divulge information Fawcett and Marnan, (2001).



The cooperation, contentment, dedication, and effectiveness of channel members can all be improved through effective communication Morsy, (2018). Frequent communication between retailers and suppliers helps speed up quick and correct response to the market and lessen the costs and consequences of faulty projections in the parts manufacturing industry Fisher et al. (1994). When trust and support are there, channel members are more inclined to share information and encourage two-way conversation Ramos and Skepticism, (2003). As a result, it will improve supply and demand matching and boost channel members' profitability. On the other hand, in situations where there is an imbalance of power, the channel party that is weaker tends to refrain from providing information and feedback to the party that is stronger Mushonga, (2020). Therefore, the restricted information flow will hinder the channel interactions and have an impact on the effectiveness of the supply chain. To establish a long-term customer relationship and achieve high performance, effective communication is essential Duffy and Fearne, (2017).

#### **2.4 Buyer and supplier cooperation**

The expectation of working together to accomplish both shared and individual goals is reflected in the exchange parties' cooperation Duffy and Fearne, (2004). The cooperative inter-business connection is mostly supported by the parties' personal confidence in one another. The majority of businessmen agree that intimate ties within and across commercial organizations serve as the most trustworthy sources of information. Without a solid relationship, suppliers or buyers are less likely to cooperate and less eager to exchange information. According to Davies, (2022) active cooperation contributes to the growth of export sales. According to earlier studies on channel distribution, cooperation and satisfaction have a favorable link Matev and Maja, (2013). Members of the channel will achieve their shared objectives with more ease if they cooperate with one another.

#### **2.5 Power-Dependence**

The issue of power is directly tied to the type of reliance that exists in business relationships. According to Bizmark (2008), who identified the roles of power and dependence in distribution channels, "channel member dependence and sources of power in marketing channels are conceptually inseparable" and "dependence is a component or dimension of these power sources rather than a separate phenomenon." Marketing channel power is the capacity of one channel member (such as a supplier) to affect the decision factor in the marketing strategy of another member at a different level of distribution Matev and Maja, (2013). Power is a major

factor in the supply chain, and the various sources of power have varying effects on the interactions between firms and the efficiency of the overall supply chain Maloni and Benton (2000). Although academic researchers and practitioners have drawn attention to the significance of power and reliance, there is little research on how these factors impact retailers' purchasing decisions and the efficiency of their supply chains. The resources the supplier has available to affect the retailer's buying decisions are characterized as the bases of power for this research by Skinner et al. (1992). The bases of power reward, legitimate, referent, and expert are divided into coercive power and non-coercive power in Axelsson and Karlsson, (2014; Morsy, (2018)

## **2.6 Measures of supply chain performance**

An important and complex problem in supply chain management is supply chain performance. Information on processes and goods results that permits evaluation and comparison in respect to objectives, trends, previous results, and with other processes and products is known as performance measurement Petrovic Lazarevic and Sohal (2002). Finding the factors that influence supply chain success is crucial. In today's fast-paced, cutthroat economy, the essential questions are what should be measured and what actions should be performed in response to the measure. Many businesses now understand the value of performance review and the appropriate metrics for achieving an effective and efficient supply chain. Enhancing a supply chain's effectiveness and efficiency is one of performance measurement's goals Duffy and Fearne, (2004).

### **Measures of Performance**

The performance metrics used in this study are classified as financial and non-financial according to Gunasekaran et al, (2001).s classification in order to assess the efficacy and efficiency of retail supply chain performance. The following section will cover each measure in more detail.

#### **Financial measures**

##### **2.6.1 Sales growth rate and profitability**

Profitability and sales growth rate are common indicators of financial performance. The percentage change in annual sales over the previous three years is used to calculate the sales growth rate Ismajli, Perjuci and Prenaj, (2019)

### **2.6.2 Profitability**

The term "profitability" refers to the average retail profits that auto repair shops can achieve. There is a significant positive association between purchasing activity and firm profitability, according to research by Ismajli, Perjuci, and Prenaj (2019).

### **Non-financial measures**

The fundamentals of flexibility and customer service in supply chains are characterized by non-financial indicators.

### **2.6.3 Flexibility**

When something is flexible, it can be made available in order to satisfy a specific customer's needs Gunasekaran et al. (2001). A major indicator of supply chain effectiveness, flexibility is frequently seen as a response to environmental uncertainty Machinjike and Garikai, (2021).

### **2.6.4 Supply flexibility.**

The supply of automobile components is a risky business since there are many different types, sizes, and specifications of car parts. Retailers typically place small orders and get frequent delivery in order to maintain sufficient inventory to meet consumer demand for the lowest possible inventory carrying cost. Quantity flexibility (QF) is recommended as a solution to supply chain inefficiencies like overstocking and understocking Axelsson and Karlsson, (2014).

### **2.6.5 Product exchange and return**

Some customers choose purchasing auto parts on consignment so that they don't have to invest in inventory or through memorandum purchases so that any unsold products may be returned for a full refund or exchange Axelsson and Karlsson, (2014)

### **2.6.6 Delivery efficiency.**

Customers today have higher service expectations due to ever-shorter delivery times Fawcett and Marnan (2001). According to Morsy, (2018), the first step in achieving supply chain excellence and the key to customer happiness in supply chain management is delivery performance. Measuring how providers are providing (or not serving) customers is the core goal of customer service metrics Hausman (2000). Customer service has become one of a car servicing company's and supplier company's key competitive advantages due to its high level of differentiation.

### **2.6.7 Product availability**

Service accessibility is essential to client happiness and loyalty because the nature of the auto servicing industry does not involve instability or seasonality (Sabath 1995). Sales will be lost, customers will leave, and supplies will become out-of-date (Matev and Maja, (2013).

### **2.6.8 Product quality**

The caliber of the goods supplied by suppliers reflects the reputation and worth of the brand (Chaudhuri and Holbrook (2001). According to Waithaka and Waiganjo (2015), product quality has a favorable effect on growth and return on assets. Wisner and Tan (2000) consider product quality as a criterion of supplier performance.

## **2.7 Buyer-supplier relationships and transaction cost economics**

In order to better understand the competitive advantage-building nature of buyer-supplier interactions and their management, Hunt & Davis (2008) suggested the adoption of the resource-advantage theory method within a supply chain perspective, especially connected to buyer-supplier relationships. By facilitating the flexibility of embeddedness and disembedding, relationships might be considered as drivers of long-term competitive advantages, rather than merely being a crucial organizational resource that connects users to other resources, according to Hunt & Davis, (2012) TCE saw buyer-supplier interactions as a set of discrete transactions between two parties, adopting a fundamentally logical perspective. Even if deciding whether to manufacture, source, or take any other action depended only on the optimization of production costs in relation to market transactions, the efficacy of governance was also taken into consideration (Lintukangas, (2007). Grover & Malhotra (2002) made the following recommendation in this regard, TCE approaches to buyer-supplier relationship governance were particularly useful in respect to issues with efficiency, flexibility, and overall performance. As a result, it is now acknowledged that the markets vs. hierarchies perspective has significantly improved both economic theory and business research (Dahlstrom & Nygaard, (2010). But it also inevitably changed into a stance on government (Williamson, (2010).

## **2.8 Buyer-supplier relationships and relationship marketing**

Relationship marketing, which emphasizes long-term and value-adding connections as an alternative to TCE and its interest in transaction-based partnerships (Duffy and Fearn, (2017). The advent of the connection marketing perspective in the marketing theory is said to have been heralded by a paradigmatic shift to relationships, which came at the forefront of economics with the downfall of neoliberal economic orthodoxy (Axelsson and Karlsson,

(2014). In addition to the conventional underlying characteristics of economic exchanges in these two settings, relationship marketing takes into consideration non-economic attributes, such as trust and commitment, which are seen as important traits in social exchange-based relationships Grönroos, (2009). The commitment-trust theory Morgan & Hunt, (2010) has emerged as one of the major ideas within the relationship marketing paradigm because trust and commitment are seen as mediators to the antecedents and determinants of the performance of buyer-supplier relationships. This has been scientifically cross-validated, particularly in B2B marketing contexts and buyer-supplier relationships Yang et al (2008). Later, Hsiao and Purchase, (2022), emphasized the long-term and value-adding nature of such relational exchanges, but Matev and Maja, 2013, have recently brought attention to the reciprocity of such long-term and value-adding relationships as well as the question of relative returns of such relationships Hsiao and Purchase, (2022). Building on the so called service dominant logic of marketing Vargo & Lusch, (2008) or the broader service logic, the importance of services as a mediating component in the process of reciprocal buyer and supplier value generation was further underlined Normann, (2006). This reasoning holds that real value is produced not just via transactions but also through partners active participation in and integration into each other's operations Grönroos, (2011). This is more consistent with relationship marketing as a substitute for a network view on relationships between buyers and suppliers Gummesson, (2000).

## **2.9 Relationship between buyers and suppliers**

### **2.9.1 Mutuality**

Mutuality suggests that businesses are united by shared objectives and interests. When assessing a connection, it's critical to determine how much each actor is ready to compromise their own interests in order to advance their mutually beneficial outcomes. Short-term opportunism and long-term benefit are traded off in mutuality Schillermann, (2018).

### **2.9.1 Particularity**

Particularity refers to the nature and direction of communication within a relationship. This trait displays the degree to which one party adapts to the particulars of the other Waithaka and Waiganjo, (2015). It comprises how much each party invests in, is willing to adjust to, and shows commitment to the relationship. This may not always be a question of choice for some businesses: particularity may be forced on a business and become a restriction or burden as a result Duffy and Fearne, (2017).

### **2.9.2 Cooperation**

Particularity refers to the nature and direction of communication within a relationship. This trait displays the degree to which one party adapts to the particulars of the other Waithaka and Waiganjo, (2015). It comprises how much each party invests in, is willing to adjust to, and shows commitment to the relationship. This may not always be a question of choice for some businesses: particularity may be forced on a business and become a restriction or burden as a result Duffy and Fearne, (2017).

### **2.9.3 Conflict**

There are no clear distinctions between relationships that are combative and those that are cooperative, according to Morsy, (2018), which states that all relationships are defined by a blend of conflict and collaboration. When contrasted to other organizations, differences in expectations, objectives, and cultural norms may give rise to conflict. Thus, when assessing the connection between buyers and suppliers, conflict is an important factor to take into account. If it is found, it should not necessarily be viewed as a problem but rather be handled constructively Duffy and Fearne, (2004).

### **2.9.4 Intensity**

The degree of interaction and resource exchange between a buyer and supplier is reflected in relationship intensity, which can be considered as a key component of relationship evaluation Matev and Maja, (2013). For projects and problem-solving between the parties making up cross-functional groups between the corporations, a strong relationship entails professional involvement from both sides.

### **2.9.4 Interpersonal inconsistency**

Individual expectations and desires that influence contact are referred to as interpersonal inconsistency Carla and Pereira, (2010). This implies that several departments within the same company may view problems differently and interact with one another differently. For instance, the relationship between the commercial and technical departments is distinct. It can provide room for creativity or innovation in the formation of relationships by bringing together various firms and managers with various viewpoints, cultures, strategies, and talents.

### **2.9.5 Power – Dependence**

The prevalence of one party's specialty over the other towards one party at one level, for example, technical supremacy over the economic) and the other party at another level, for

example, economic can be used to diagnose power in supply relationships. Power is not the monopoly of one company over the other Makichi, (2020). Therefore, the power-dependence dimension must be considered as a multidimensional notion in order to evaluate strategic supply connections Morsy, (2018).

### **2.9.6 Trust**

When uncertainty manifests as opportunistic behavior, the quality of trust is a crucial bulwark against it Machinjike and Garikai, (2021). There are three distinct trust kinds given: Contractual Trust: Confidence that the other party will abide by the express and implied terms of the agreement; Competence Trust: The belief that the other party has the skills or knowledge necessary to fulfill their end of the bargain; Goodwill Trust: The belief that the other party will go above and beyond the terms and conditions of the agreement to produce results that are more valuable and beneficial than anticipated Duffy and Fearn, (2017).

### **2.10 Supply Chain Performance**

Organizational effects of supplier-buyer relationships can be examined from both operational and strategic angles. For instance, Campbell (2009) emphasizes the influence of strong supplier-buyer relationships on quality and service delivery or costs from an operational perspective. They place a focus on better competitiveness, sustained continuous improvement, and increasing market presence from a strategic standpoint Carla and Pereira, (2010). In terms of supplier-buyer performance and/or competitiveness, it is important to stress that suppliers have a significant impact on the overall performance and/or competitiveness of industrial organizations. This is true not only of their ability to reduce costs, but also of their ability to develop products, services, and processes together, as well as their ongoing commitment to quality improvement at all levels of the organization. Practitioners and scholars frequently make the assumption that purchasing strategies that are effective in large businesses may also be applied to smaller organizations Gibb, (2000). Such partnerships are frequently well-established and long-lasting in many major enterprises. One could respond that because small businesses lack specialized organizational resources and are generally under resourced, their buyer-supplier relationships may not be as developed as those of major corporations Axelsson and Karlsson, (2014). Due to relatively low purchase volumes, for instance, there may be a lack of purchasing power or the inability to influence suppliers, as well as a lack of internal resources, such as executive time, that can be used to forge relationships with suppliers.

### **2.10.1 Cost**

Cost, according to Schillermann, (2018), is the worth of money that was expended during production and is therefore no longer available for use. When a cost in business is an acquisition cost, the sum of money spent to acquire it is recorded as a cost. In this instance, the input used to obtain the thing was money. This acquisition cost may include both additional transaction expenses incurred by the acquirer over and above the price paid to the producer as well as the cost of production as incurred by the original producer Langa, (2020). A markup for profit over the cost of production is typically included in the pricing as well. . Ping (2003) The necessity for industrial buyers of goods and services to establish and preserve long-term partnerships with their suppliers has become increasingly apparent in recent years. This is especially important given that sustained partnerships can have a number of positive impacts, including decreased costs and increased effectiveness Governance, Markets and Mhaka, (2021). Benefits could result from decreased transaction costs, increased information flow, better product quality, and improved performance. Therefore, for industrial business partners seeking long-term sustainability in fiercely competitive industries, establishing and enhancing buyer-seller partnerships is essential (Morsy, 2018).

### **2.10.2 Quality**

Both academics and managers have been interested in the management of quality and buyer-supplier interactions. According to academic standards, the development of theories in quality management is relatively new, in contrast to the lengthy development and testing of rigorous theories in the field of buyer-supplier relationships, particularly in the field of industrial marketing Matev and Maja, (2013). Managers have also shown an interest in managing buyer-supplier interactions Juran, (2006). For instance, the Japanese "lean supply" philosophy, which emphasizes tight collaboration, open communication, and the devolution of design and engineering responsibilities lower down the supply chain, has ramifications for both customers and suppliers Carla and Pereira, (2010). While suppliers are concerned with providing the correct quality goods at a price that is profitable, buyers are concerned with acquiring the right product at the right price. As a result, it is possible to learn a lot about why quality practices affect quality performance by examining the connection between quality and buyer-supplier interactions. Empirical developments in the field initially concentrated on identifying the fundamental quality practices, which included top management support, quality information, process management, product design, workforce management, supplier involvement, and customer orientation Axelsson and Karlsson, (2014). Later empirical research shifted their



attention to the relationship between quality practices and quality performance as well as quality performance. Relationship and business performance received strong support for the former but only moderate support for the latter. While these studies are significant in and of themselves, they also raise issues regarding the nature of quality performance and its different aspects. While external quality performance includes quality-in-use, customer value, and satisfaction, internal quality performance includes both design quality, and conformance quality Morsy, (2018).

## **CHAPTER 3:**

### **METHODOLOGY**

#### **3.1 Introduction**

This third chapter describes the methods used to carry out the thesis, including illustrations of the data collection and analysis processes. An overview of the analytical procedure is given after an explanation of the chosen study approach and model. Critical statements about the study are consistently incorporated.

#### **3.2 Research philosophy**

This study focuses on the interactions between buyers and suppliers, specifically how these interactions affect an organization's performance. Prior research in this area has primarily taken a buyer's perspective on the topic, while just a small amount of research has done the opposite Chen et al., (2004). As a result, this thesis has adopted a new viewpoint on buyer-supplier relationships by using a mixed method approach to examine the topic from the perspectives of both the buyer and the supplier. Using a case study approach, we specifically look at the auto repair sector and its relationships to various suppliers in order to acquire a greater knowledge of the reasons that were essential to both parties Case studies are appropriate for academics who are conducting research internationally and who want to better comprehend the subject of their study Ghauri, (2009). Since this study focuses on interactions with suppliers from three separate continents, the methodology was therefore deemed appropriate. Additionally, both qualitative and quantitative research can be used to create a case study Collis & Hussey, (2009). In this study, qualitative research in the form of interviews served as the primary approach, and quantitative research in the form of surveys was employed to supplement these findings. This combination has produced a thorough grasp of the topic, where ratings and in-depth descriptions have been supplied regarding the influence on organizational performance in tandem from buyer and supplier relationships.

#### **3.3 Research design**

The selection of a case company will depend on a number of factors. The researcher first intended to look at a car repair business because outsourcing is very common in the manufacturing sector. Second, the researcher sought a locally based business to enable human contact and communication. Last but not least, as the goal was to investigate close cooperation connections, having prior contacts with crucial suppliers was necessary. A automobile repair

company was approached based on these criteria and asked if they would be interested in taking part in the study. Soon after the request was issued, a positive response was returned. Important to remember is that car servicing industry ABC is a fictitious name for the actual purchasing firm in this study, which due to confidentiality reasons does not wish to be referred to by name in the thesis.

### **3.4 Target population**

The population is going to be conducted from Dalkeith engineering which has 3 productional segments, which are Rubber workshop, Springs workshop and Suspension servicing workshop and also the administration and stores department. A total of 25 representatives is going to be used for sampling.

### **3.5 Sampling techniques**

In order to draw statistical inferences and estimate structure of the population, sampling is a technique that involves choosing individuals or a subset of the population. Several sampling techniques are frequently used in market research so that researchers don't have to survey the complete population in order to gather insightful data. It is the basis of any research design because it is also a time- and money-efficient technique. Software for research surveys can use sampling methodologies for the best derivation. Non-random and random sampling methods are the two primary kinds of sampling techniques.

#### **3.5.1 Probability sampling**

Is a sampling strategy where a researcher picks a few parameters and picks people from a population at random. All members have an equal probability of being chosen for the sample under these selection criteria.

#### **Types of probability sampling**

##### **Simple random sampling**

One of the best probability sampling techniques for time and cost savings is the Simple Random Sampling method. It's a reliable method of data collection because every individual in a population is chosen at random and purely by chance. Each applicant has an equal chance of being selected to take part in a sample. When a company's human resources department decides to conduct team-building exercises, it's likely that they will prefer picking chits out of a bowl. In this situation, each employee has an equal probability of being selected.

### **Cluster sampling**

Is a method in which scientists divide the entire population into chunks or clusters, each of which represents a different population. Clusters are found and included in a sample based on demographic factors like age, sex, geography, and so on. Because of this, it is quite simple for a survey's creator to infer valuable information from the responses. For instance, the Zimbabwean government may group the nation according to states or other factors if it wanted to estimate the number of immigrants living on the mainland. This way of holding a poll will be more effective because the results will be categorized into states and provide analytical immigration information.

### **Systematic sampling**

Researchers employ this strategy to periodically choose a sample of a population. It calls for selecting a sample size and starting point that can be repeated on a regular basis. This kind of sampling technique uses the least time because it has a predetermined range. For instance, a researcher might want to select 500 persons at random from a population of 5000. He or she will number each member of the population from 1-5000 and select every tenth person to be included in the sample (Total population/ Sample Size =  $5000/500 = 10$ ).

### **Stratified random sampling**

With this technique, the population can be divided into more manageable groupings that do not overlap but still represent the entire population. Before sampling, these groups can be sorted, and now a representative can be individually selected from each group.

### **3.5.2 non-probability sampling**

The non-probability approach is a sampling technique that relies on a researcher's or statistician's ability to choose a representative sample rather than on a predetermined selection procedure. In most circumstances, a survey's findings from a non-probable sample are skewed and might not correctly represent the target population. Non-probability sampling, however, has its advantages over the other sort of sampling from time to time, such as during the preliminary stages of research or while doing low-cost research.

### **Types of non-probability sampling**

#### **Convenience sampling**

Is predicated on the accessibility of the topic, such as polling mall patrons or passing drivers on a busy road. It is frequently referred to as convenience sampling because of how easily the researcher may conduct it and contact the subjects. The sample items that researchers select have absolutely no influence over them, and they simply chose them based on proximity rather than representativeness. Due to time and money restrictions, this non-probability sampling method is used to collect input. When resources are scarce, such as in the early stages of research, convenience sampling is used.

### **Critical sampling**

The researcher can decide whether to develop a critical or purposeful sample. Researchers simply take into account the study's goal and the comprehension of the intended audience. For instance, when scientists want to understand the mental processes of those who want to pursue a degree.

### **Snowball sampling**

Researchers employ the snowball sampling technique when finding people is difficult. It will be very challenging to survey the homeless or unauthorized immigrants, for example. In these situations, researchers can monitor a few categories to interview and derive conclusions using the snowball hypothesis. Researchers also employ this sampling technique in circumstances where the topic is extremely delicate and taboo, like surveys to compile data on Covid 19. The queries will be met with resistance from many of the victims. By contacting acquaintances or volunteers connected to the cause, researchers can still get in touch with victims and collect information.

### **Quota sampling**

Using this sampling method, participants are chosen according to a pre-set standard. In this case, a sample will be created based on specific criteria, and as a consequence, it will have the same features as the full population. It's an efficient approach to obtain data.

## **3.6 Data Collection Procedures**

As was already mentioned, both qualitative and quantitative techniques were used to collect the empirical data. Formal and informal interviews, as well as observations, were used to gather the qualitative data. Ten interviews in all have been done, of which five have been with suppliers and five have been with people working in the auto service sector. The researcher also had the chance to observe the suppliers' roles in the automobile servicing industry's present

and future strategies. On the other hand, surveys that were distributed to suppliers and employees of the participating auto service industry were used to collect the quantitative data. Because the researcher chose to mail surveys to respondents who had already been contacted, the sample size was determined for convenience.

### **3.6.1 Primary data**

Churchill (1991), explains that this refers to information gathered from respondents especially for the current study or project. For the objective of the study, primary data were acquired via questionnaires and interviews that were somewhat loosely structured. The information was gathered through discussions about the subject with various procurement system stakeholders, with the hospital management, including the administration, accountants, medical staff, and suppliers, serving as the primary sources. This was chosen because it offered more control over data accuracy and problem-relatedness. Because it was current and provided a balanced view of the subject, the data obtained was, thus, relevant and valid for this research.

### **3.6.2 Secondary data**

Documentary or secondary data, as defined by Kotler et al. (1996), is knowledge that already exists and has been gathered for other purposes. As the researcher reviewed many texts, journals, magazines, newspapers, the internet, earlier research initiatives, and other publications, secondary material greatly aided the study endeavor. This made it possible for the researchers to swiftly and cheaply find information. Since little travel is required and scheduling appointments with respondents, which takes time, collecting secondary data was simple. However, the amount of secondary data was insufficient, necessitating the necessity for primary data.

### **3.6.3 Interview Protocol and Interview Process**

Plossy (1997) asserts that an interview is a conversation between two people the interviewer and the interviewee, during which the interviewer probes the interviewee for information. For this work, the researcher used semi-structured individual interviews. A structured interview, sometimes referred to as a standardized interview, is a quantitative research approach that is widely used to ensure that responses are consistently aggregated and that segment comparisons can be made with confidence. The researcher interviewed members of the automobile repair business and staff from suppliers to gain a dual viewpoint on the interactions. The five respondents in the automobile servicing business were chosen for the study because they were all members of the buying management team at their respective organizations and had a wealth

of supplier-related experience. 7 of the 10 interviews were conducted in-person, while 3 were done over the phone. The goal was to do as many in-person interviews as possible because they foster a more intimate environment Bryman & Bell, (2007). But some of the interviews had to be conducted over the phone because of differences in geographic locations and COVID 19 limitations. Semi-structured interviewing has been used throughout. This permitted the use of an interview guide that was mostly open-ended and broad while also allowing complimentary follow-up questions Collis & Hussey, (2009).

### **3.7 Credibility of the Data Collection**

There are no commonly recognized definitions of the elements utilized in the survey because the study of buyer-supplier relationships is still relatively new. As a result, operationalization was done to lower the possibility of misconceptions and raise the dependability of the study parameters included in the survey. The respondents' individual impressions of the criteria may have caused them to ignore the operationalization because, as was already indicated, some of the factors appear to have been seen differently. However, the interviews that were done provided a chance to both explain and discuss the concepts, which served to narrow the range of possible interpretations. The conceptual model, which was created to identify the variables that characterize successful relationships, served as the foundation for the interview guides and surveys, which helped to prove the validity of the study. Data was gathered from formal and informal interviews as well as questionnaires to confirm the veracity of the findings, and the validity was further improved by using numerous sources.

### **3.8 Reliability of Data**

Malhotra (2006) defined data dependability as the degree to which a scale generates consistent findings when measurements of the attributes are conducted repeatedly. Bari (2006) defined dependability as the extent to which data collection procedures will provide consistent findings, comparable observations would be made, or other researchers would reach the same conclusions, or there is transparency in how sense was created from raw data. This suggests that a research tool should produce consistent outcomes.

### **3.9 Validation of data**

A panel of academic experts in the car servicing industry, buyer-supplier interactions, and a group of business leaders reviewed all metrics before the questionnaire was submitted. The phrasing of a few questions was slightly altered as a result of this examination. All measures were evaluated for reliability and validity using factor analysis and Cronbach's alpha after the

data had been gathered. Face-to-face interviews allowed respondents to get a clear explanation of the questions, which increased the validity of the data. Furthermore, because respondents had the ability to share their in-depth views and ideas about the topic, the accuracy of the data they supplied was further supported.

### **3.10 Data analysis and presentation methods**

The SPSS platform was used to gather, modify, and code quantitative data. According to Saunders et al, (2012) it is a software program used in data analysis and is a menu-driven system that enables detailed data access and preparation, analytical reporting, and modeling. The two-analysis is computed using descriptive statistics, such as frequencies and percentages, and inferential statistics correlations. By using content analysis and human judgment to collect, conceptualize, classify, and categorize qualitative data, relationships were examined and data was shown. Tables, pie charts, and bar graphs were the presentation tools employed. The researcher examined qualitative information from interview transcripts and observation session notes. Additionally, the researcher used photographs that were evaluated to get data from pictures and other images. Qualitative content analysis is the process of grouping or categorizing raw data based on reliable inference and interpretation. The material processing started after the empirical findings had been gathered. For the interviews, the researcher started by transcription the recordings, which was done for each interview. Data processing for the survey was done in Excel, and the survey responses were gathered and shown as tables, figures, and graphs. Following that, the questionnaire and interview results from the suppliers and the employees of the auto service business were each separately analyzed in order to generate an empirical conclusion about the suppliers' perspectives and another about the employees' perceptions. The empirical results from the auto servicing business and the suppliers were then compared to the theoretical framework for the analysis chapter to identify areas of agreement and disagreement with the findings. Based on the results of the study, the basic conceptual framework was reviewed to make sure the model was accurate and, thus, consistent with the thesis's major goal and research question.

### **3.11 Conclusion**

The theoretical framework, empirical findings, and analysis chapters all follow a similar format to make reading easier for readers. Whenever writing about the empirical findings, we frequently refer back to the interview transcriptions to ensure that no personal interpretations have been made. We have also taken care not to change the original significance of the answers



when translating the responses. These preventative procedures improved the thesis' correctness, making them crucial steps to consider before inferring findings and implications from the study. The chapter's main topic was research methodology, which includes all the procedures and procedures used by the researcher to collect, record, and analyze data for the research. A secondary source was employed, some data was gathered through interviews, and descriptive statistical analysis was used to interpret the results. The study's subjects, validity, and the upcoming chapter will examine data presentation, analysis, and conclusions, which will be demonstrated with the use of tables and figures. This chapter also emphasized the dependability of the data. The presentation, analysis, and conclusions of data will be covered in detail in the following chapter and illustrated with the use of tables and figures.

## **CHAPTER 4:**

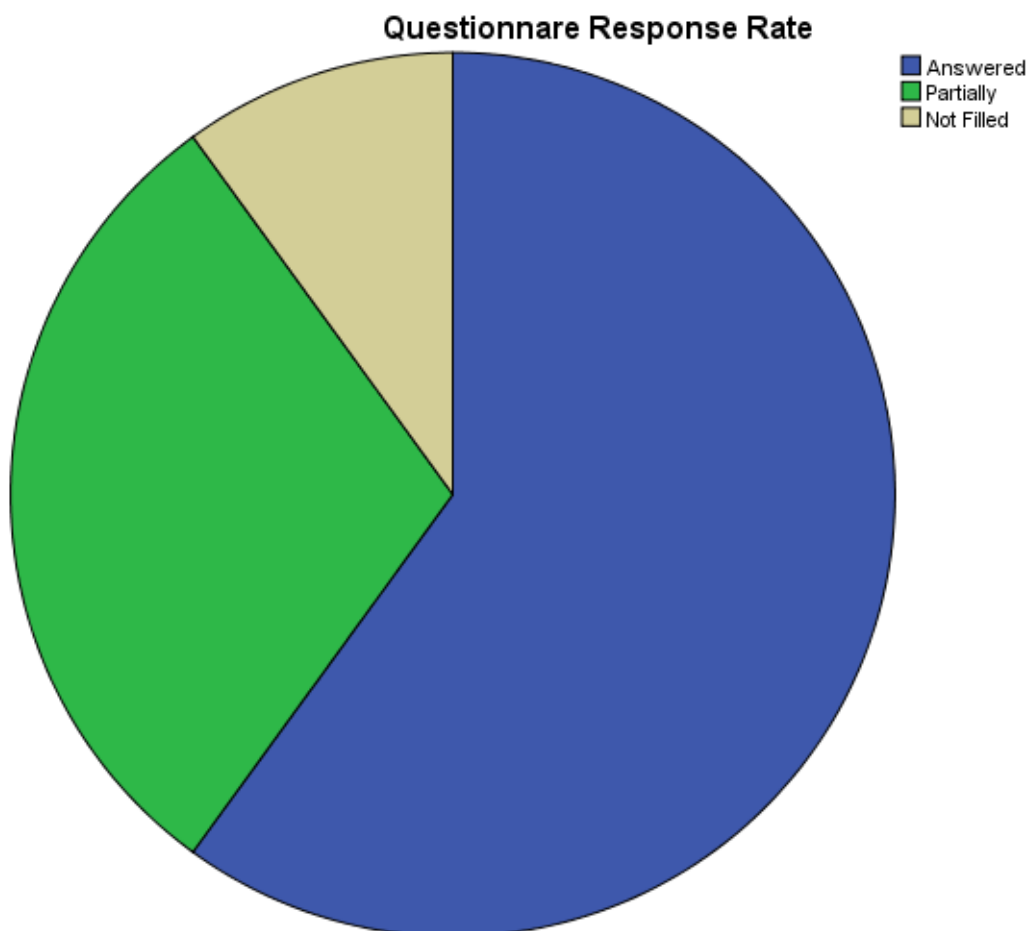
### **RESULTS AND ANALYSIS**

#### **4.1 Introduction**

The research study's findings were generally presented in the chapter. The information gathered from the interviews formed the basis for the conclusions. The research results will be presented in figures, tables, and graphs. The research's findings are presented, examined, and interpreted in this chapter. The first segment presents, examines, and interprets the findings as it organizes the information into sections.

#### **4.2 Questionnaire study**

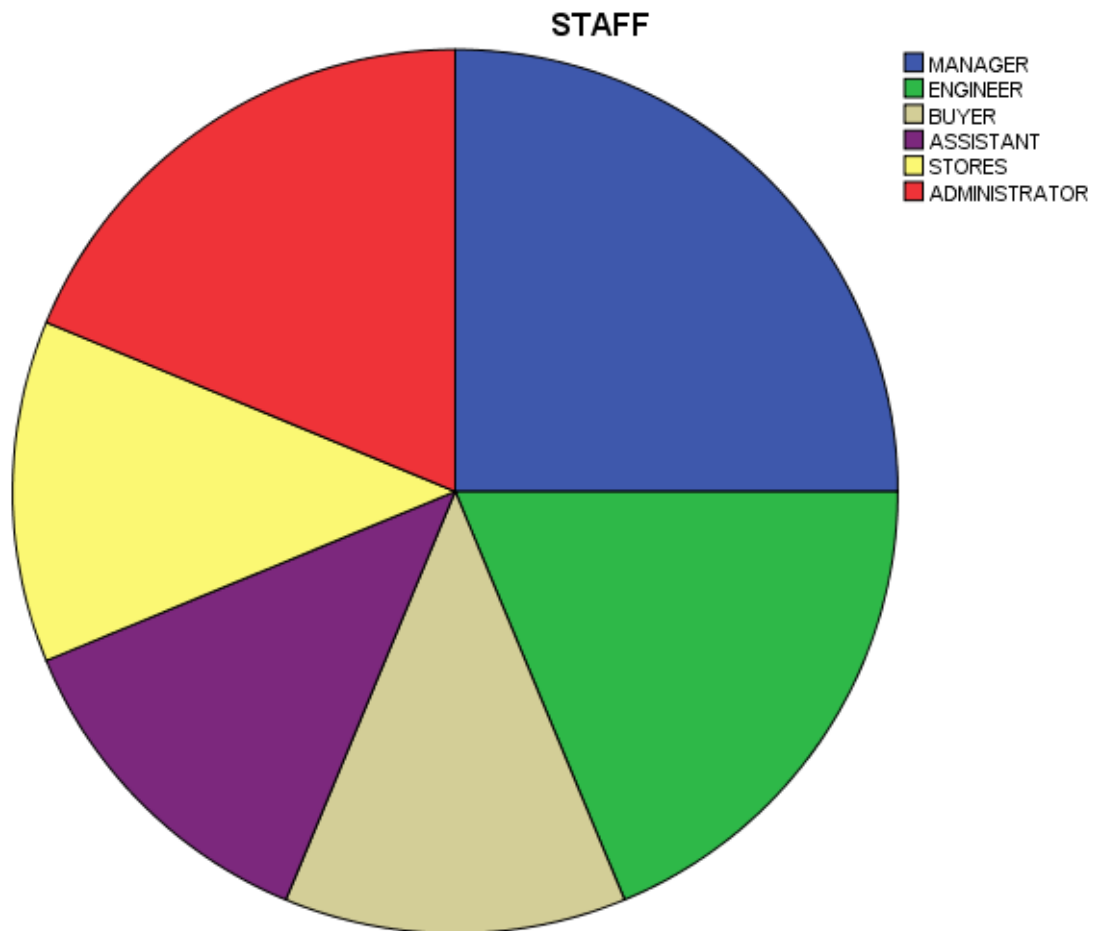
Questionnaire response



It can be seen that the questionnaires were fully answered by 60% of the respondents whilst 28% partially answered and the remaining 12% did not answer or rejected the questionnaire.

### 4.3 Section A of the questionnaire

#### 4.3.1 Staff distribution



The chart simply highlights that manager represent the large number of management at Dalkeith Engineering. The 15% contribution from assistants is a considerate number due to the recruitment of interns at the company out of the 18 who responded to the questionnaires.

#### 4.3.2 Experience at work

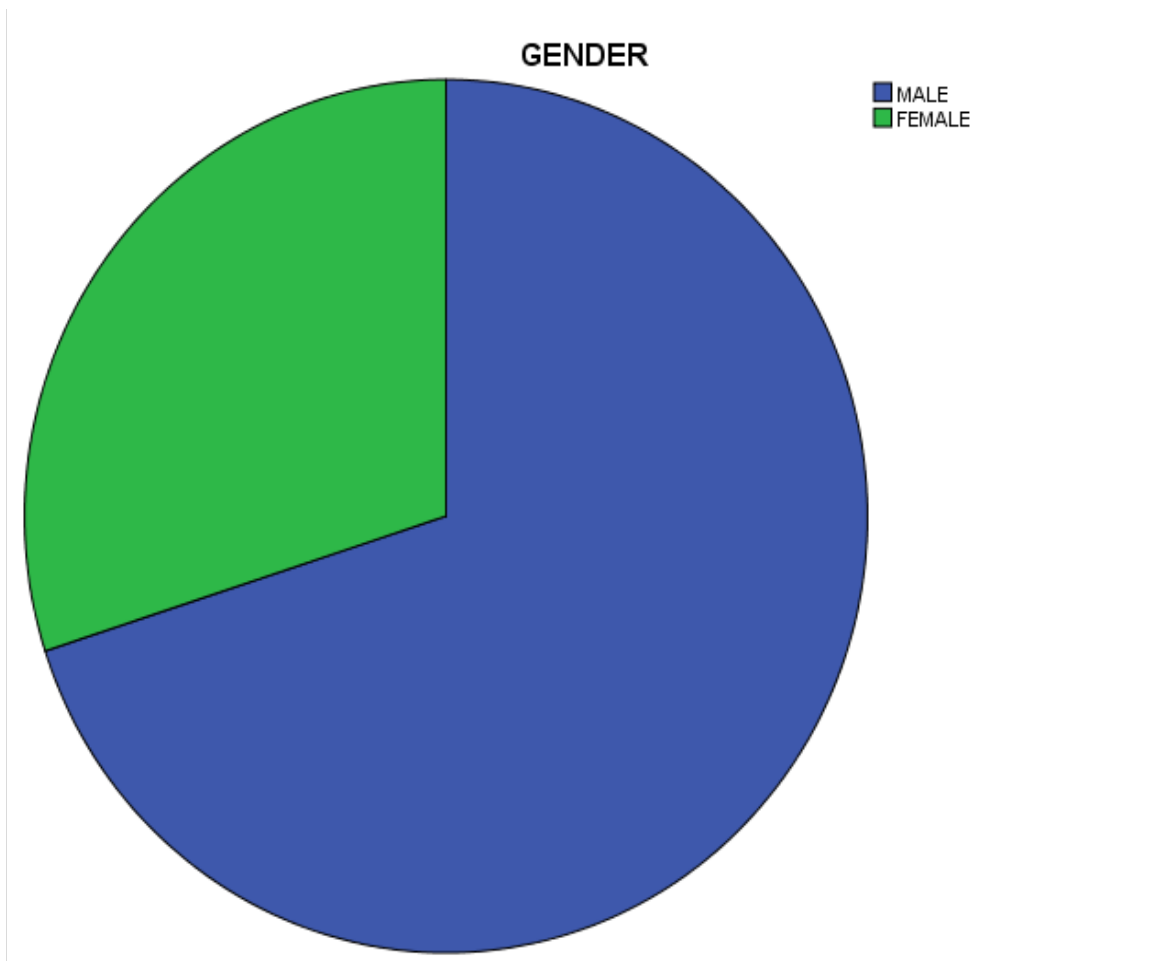
Table 2

Variables	Categories	Frequency in %
Working experience at Dalkeith Engineering	Less than 2 years	40
	2 to 6 years	20

	6 to 10 years	25
	More than 10 years	15

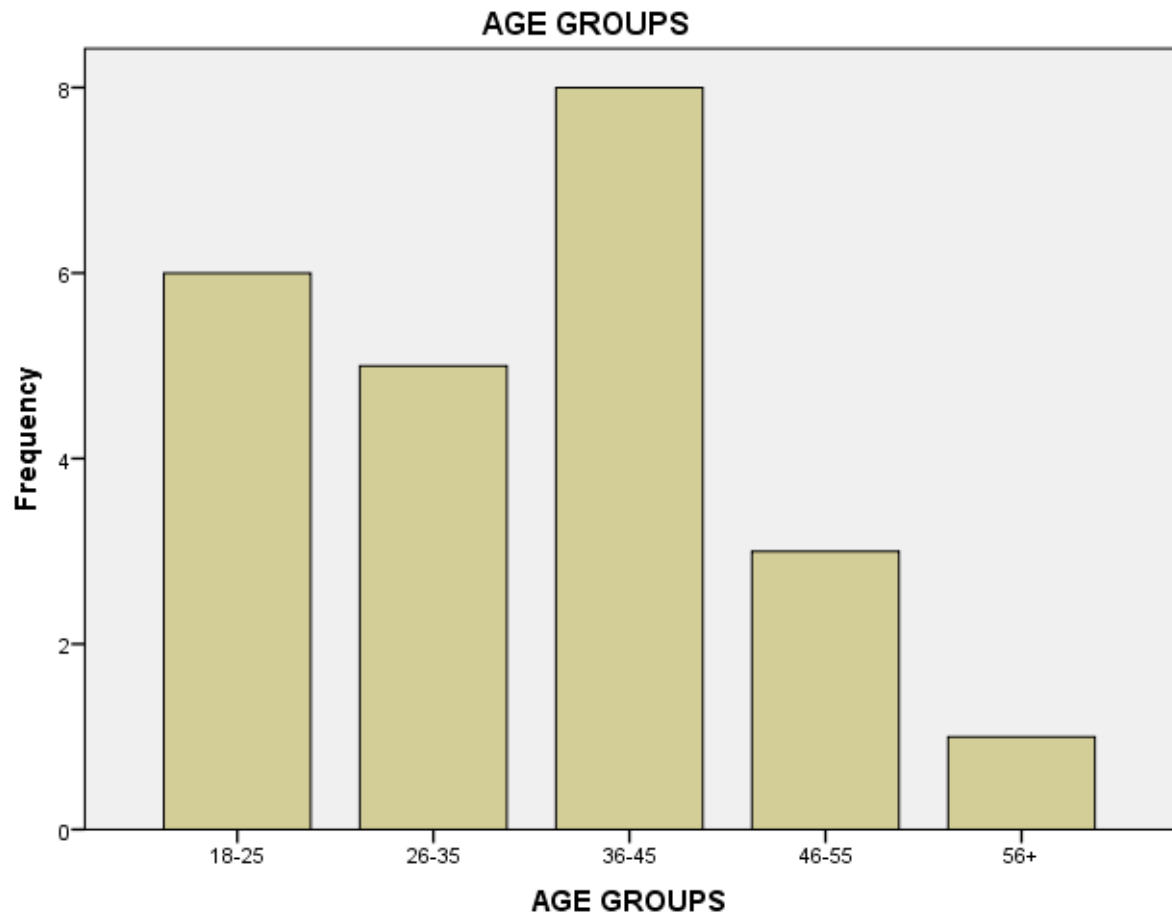
From table 2 above, it has been seen that respondents (40%) were at Dalkeith Engineering for a tenure of less than two years, whilst (20%) have worked for Dalkeith Engineering for 2 to 5 years. Of the respondents (25%) have been at the organisation for the tenure of 6 to 10 years and lastly (15%) reported having worked for the organisation for over 10 years. The results indicates that larger number of respondents had been at Dalkeith Engineering for a period long.

*Gender chart*



It can be seen on the chart that 70% of the respondents were male and the rest were female. The participants at Dalkeith Engineering were largely dominated by male candidates from the workshop and other departments.

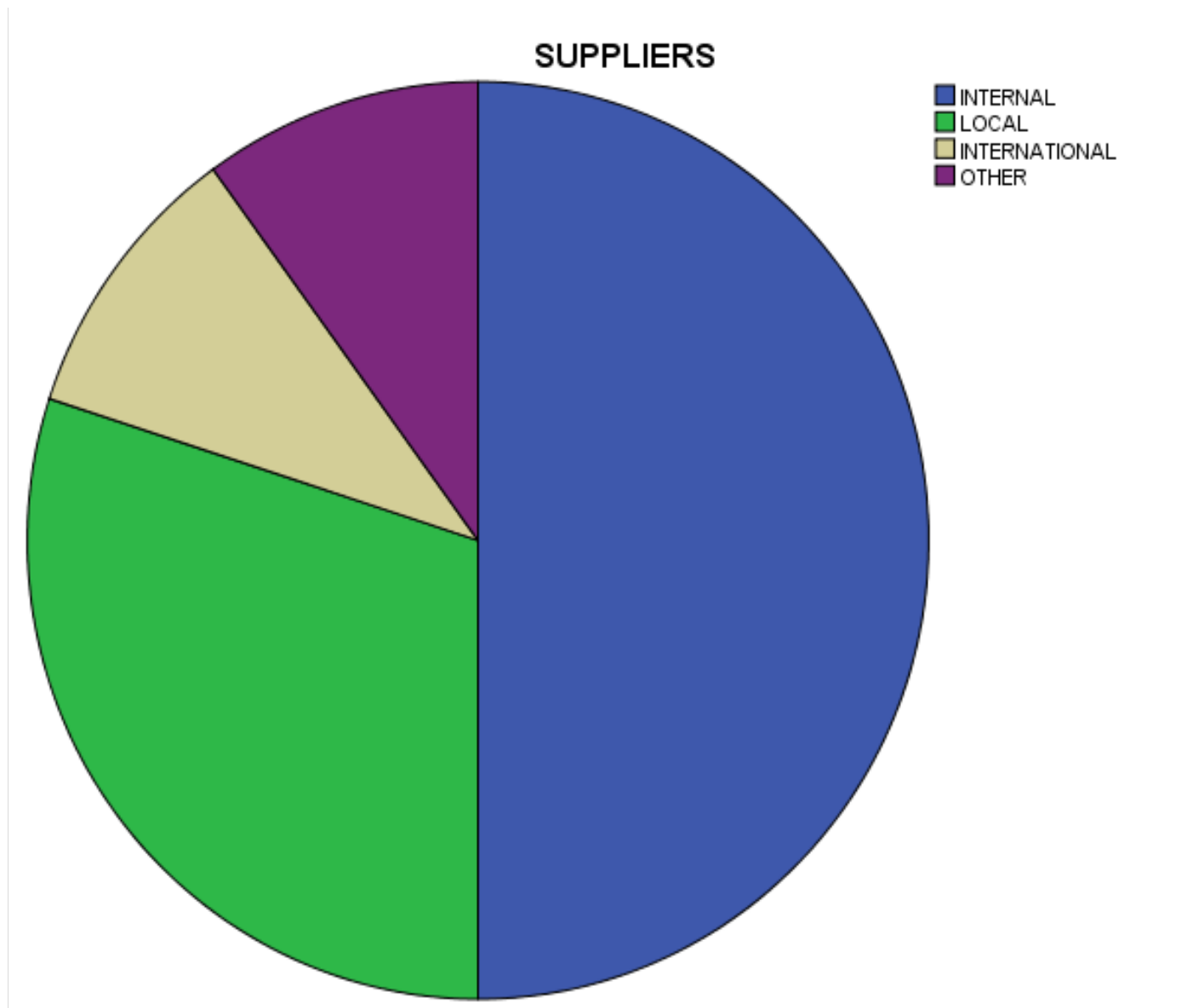
#### 4.3.4 Age group



The population at Dalkeith Engineering is largely dominated by employees under the range of 36-45, followed by 18-25 who constitute of students on attachment and graduate trainees.

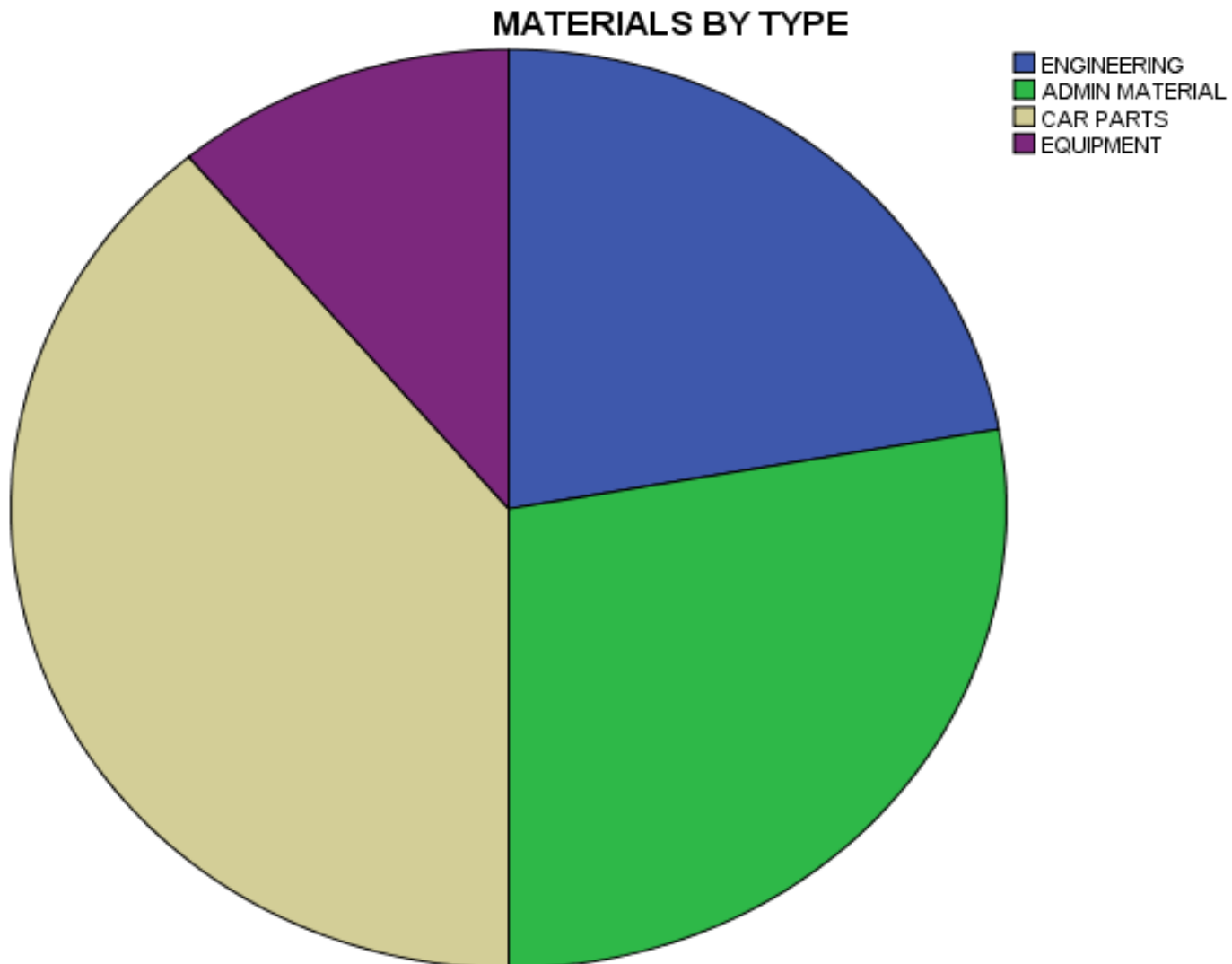
#### 4.4 Section B of the questionnaire

Q2 sourcing of materials/suppliers' pie chart



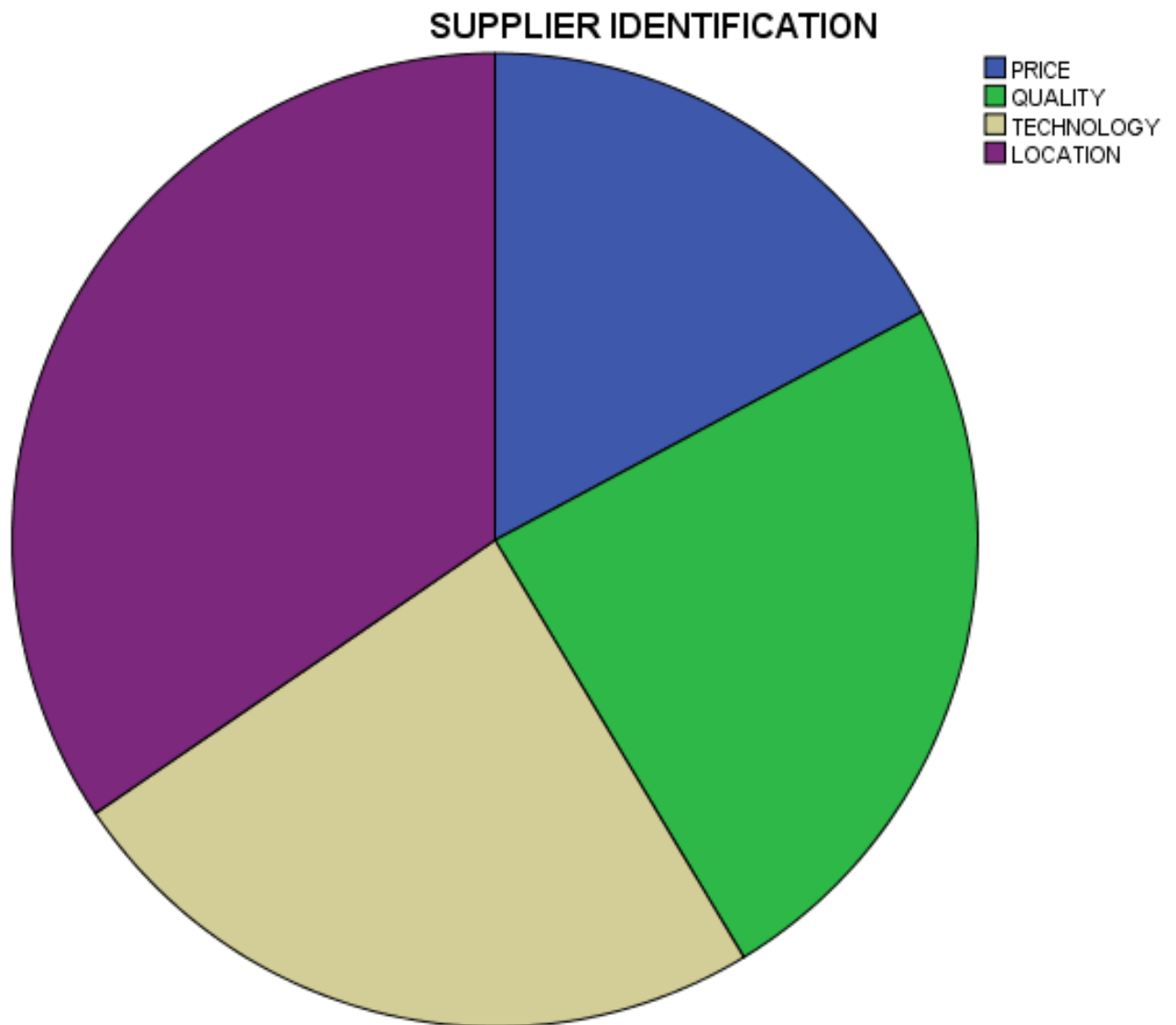
The study showed that many supplies are from within premises of the company. This means that at Dalkeith Engineering they do less outsourcing. The presents of international supplies are shown with a slight figure (10%), local suppliers contribute much more than the latter.

Q3 number of suppliers/ types of material pie chart



The most materials that Dalkeith Engineering requires supplier for is car part (38%) whilst admin related materials contribute (28%). Equipment and other materials give (12%) at the expense of engineering with (22%) share of materials required from suppliers. The researcher used the type of materials to determine the number of suppliers that conduct business with Dalkeith Engineering.

Q4 Identification of supplier pie chat



The chart above shows the proportion of supplier identification criteria used by the organization when making its sourcing decisions. It is notably seen that Dalkeith Engineering largely depends on suppliers who are geographically located close to the company's premises.



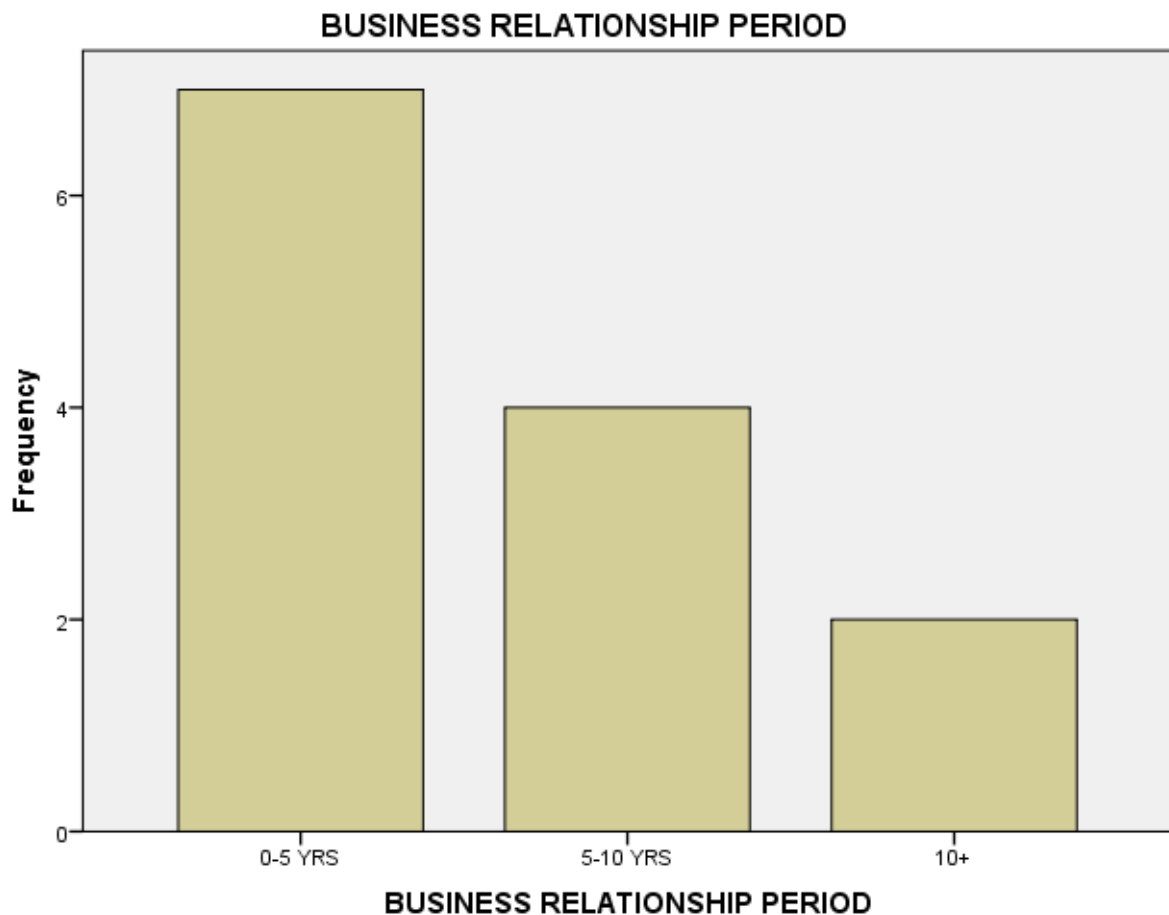
## Q6 Relationship with supplier types table

Table 3

Type	Percentage
Transactional	65%
Long term	35%

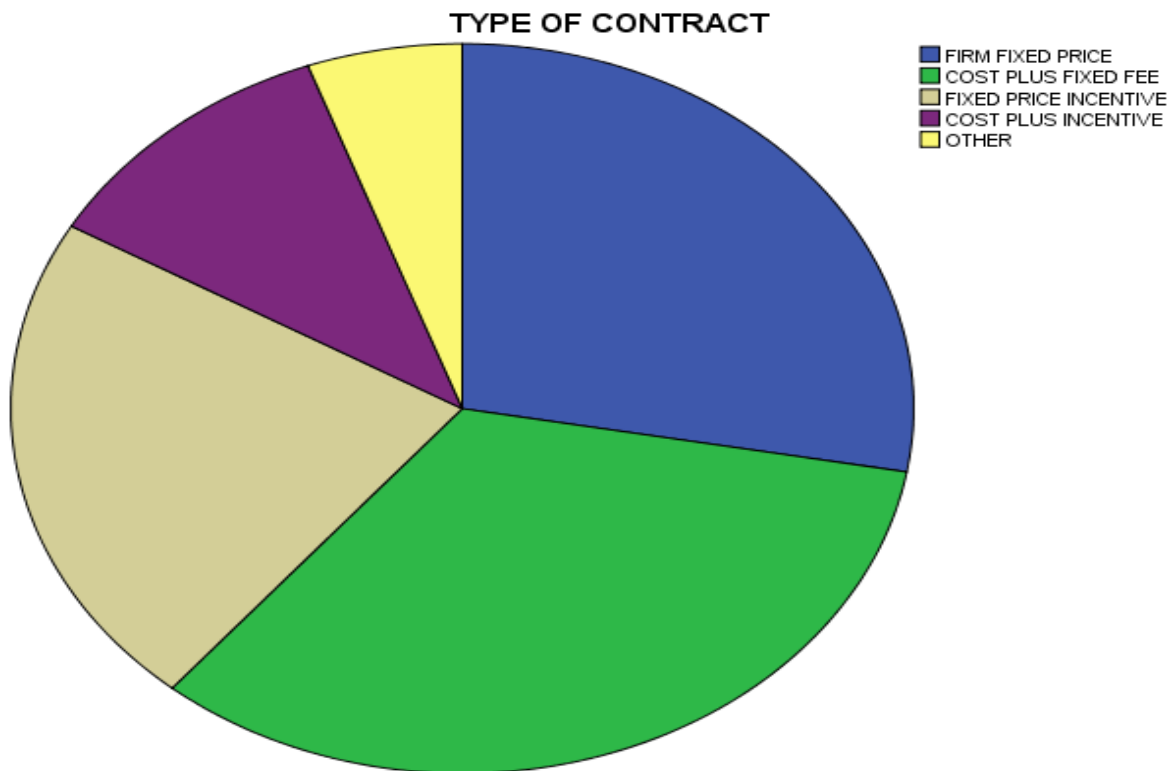
The table above clearly shows that 65% of the relationship at Dalkeith relationship are transactional due to the changes of supplier identification criterion, and long-term relationship only constitute to 35%.

## Q7 Time of relationship with supplier



The bar graph above shows the time of supplier relationship with Dalkeith Engineering. The 0-5 years period is dominating a large frequency since the organization usually base on transactional relationships which does not last for long.

#### Q10 Type of contracts signed



The above diagram shows that the contracts often agreed or signed by Dalkeith Engineering are cost plus fixed fee since it bases on transactional relationships. Firm fixed price comes at a second rank since Dalkeith Engineering does not want to bear a risk but rather decides for a price with the contractor once and for all.

#### Q11 Commitment to agreement



Commitment agreement

shows that a large proportion of the arrangements held were agreed than violated by all parties in the contract.

#### 4.5 Sections C of the questionnaire

The researcher employed the five-level "questionnaire" study and calculated the mean and standard deviation for the answers of the sample members to discuss the study questions in this part:

1 = Strongly disagree

2 = Disagree

3 = Not sure

4 = Agree

5 = Strongly agree

Depended on: Disagreement is indicated by a mean of 1 to less than 2.33.

Neutral is defined as a mean between 2.33 and less than 3.66.

Agreement is indicated by a mean of 3.66 to 5.

Table 4

<b>Section 1 (Performance of the organization)</b>	<b>Arithmetic mean</b>	<b>SD</b>
There's a lot of work in progress	3.191	0.7748
A lot of damages are made at Dalkeith Engineering	2.147	0.6292
More work is made than ordered for	3.073	0.8189
People ever complain about the services offered by Dalkeith Engineering	2.944	0.7214
When it comes to picking up merchandise from vendors, staff are always apprehensive.	2.981	0.8801
Occasionally, suppliers receive higher payments than they should.	3.123	0.8519
Usually, pricey materials are purchased for Dalkeith Engineering.	3.015	0.8845
When choosing a supplier for Dalkeith Engineering, management decisions occasionally differs.	3.114	0.7638
<b>Total</b>	<b>2.949</b>	<b>0.6800</b>

Table 5

<b>Section 2 (Relationship)</b>	<b>Arithmetic mean</b>	<b>SD</b>
Our vendors are responsible for the work that is currently being done at Dalkeith Engineering.	2.73	1.27
The majority of the supplies that were received are damaged	4.91	0.30
Occasionally, suppliers will supply more materials than were requested.	4.36	0.67
The majority of packing materials purchased from vendors are of poor quality.	3.64	1.03
When Dalkeith Engineering places an order, suppliers often take a long time to deliver it.	3.82	1.17
Suppliers deliver expensive materials used at the Dalkeith Engineering	3.09	1.22
Most of the supplies do not fit the required specifications	3.08	1.50
<b>Total</b>	<b>3.66</b>	<b>1.02</b>

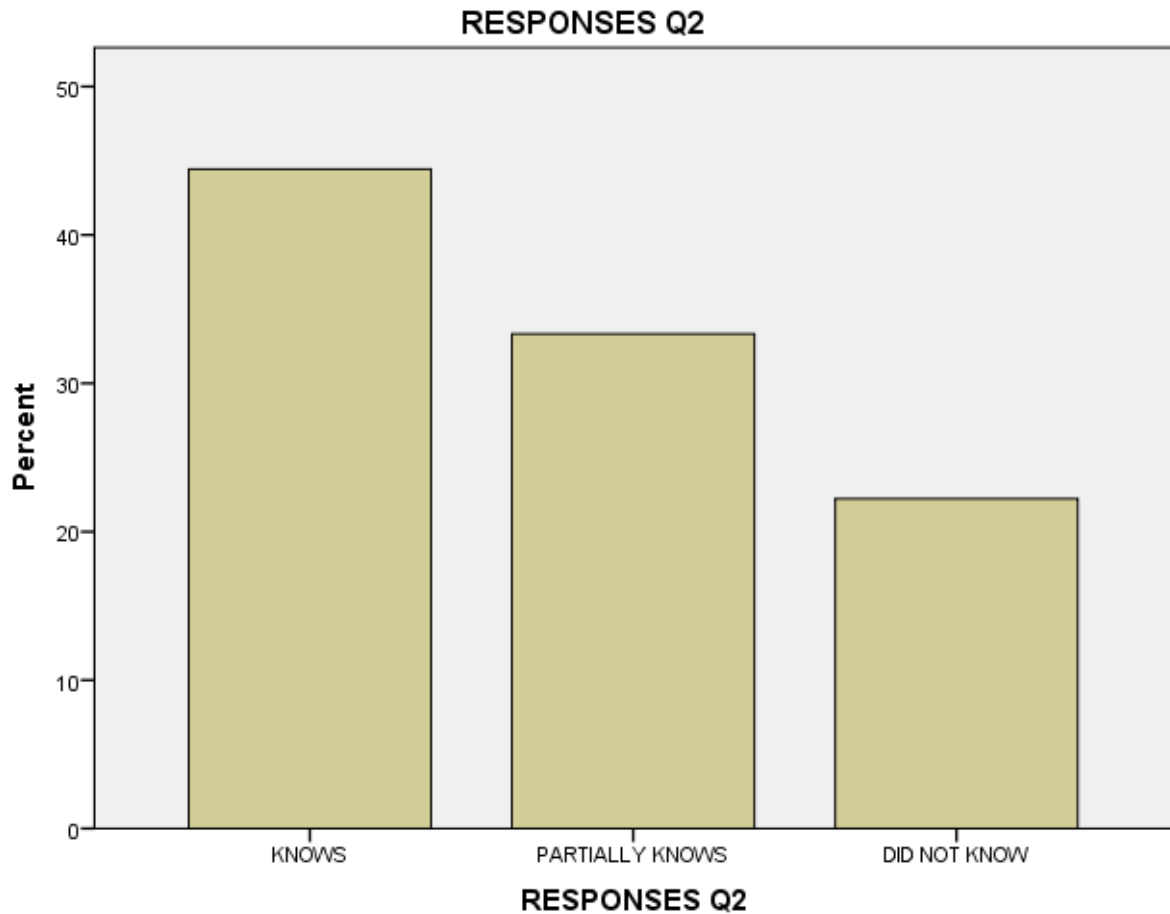
#### 4.6 Interview Study

##### 1. What is supplier relationship management?

The researcher wanted to know if the respondent knew about management and the relations that included therein with the respective positions that each respondent had. From Dalkeith Engineering all the personnel interviewed knew what relationship management is and they all showed appreciation.

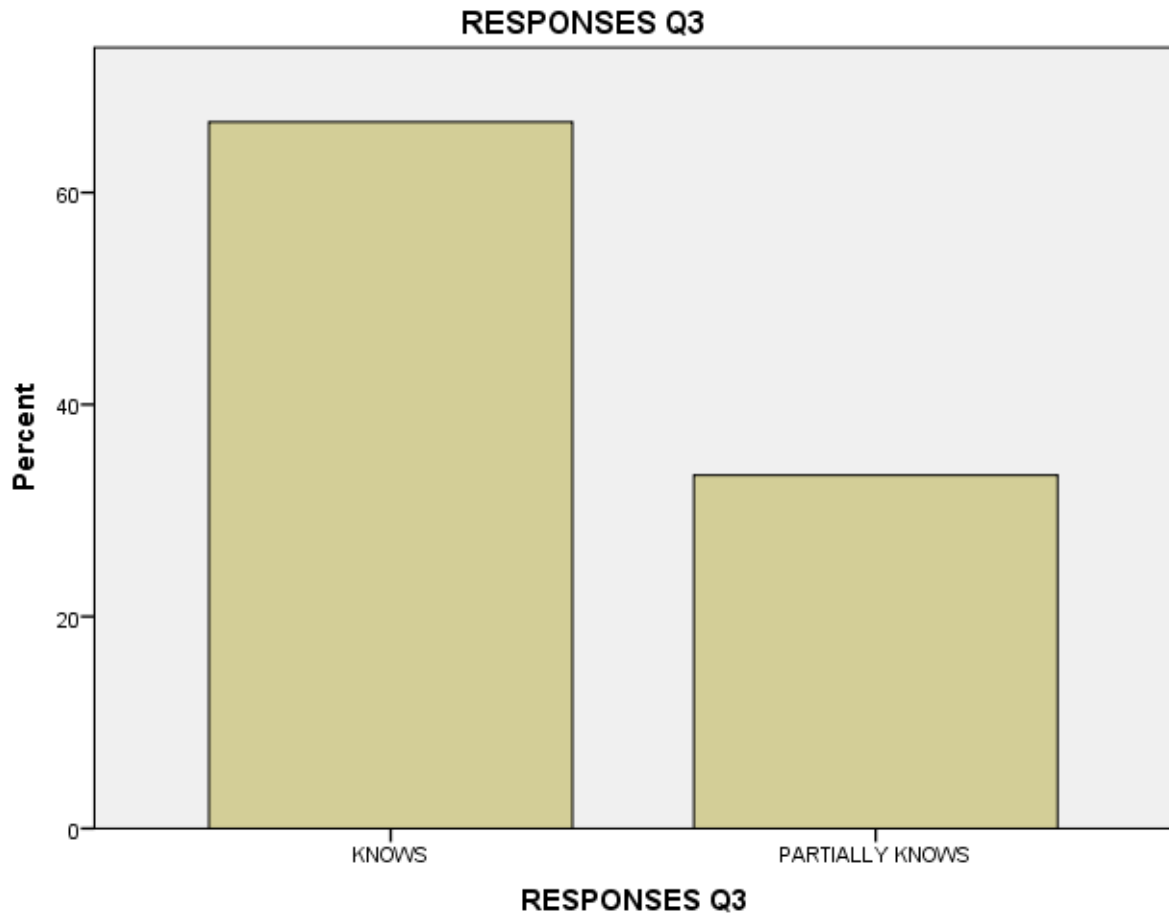
##### 2. What are the most common types of relationship management?

The researcher wanted to understand if the respondents knew the types of relational management that exist and wanted to know if the respondents could relate with the experiences and practises at their workplaces. The response from Dalkeith Engineering interviews was that 44% knew the types of relational management and they could relate with the experiences at Dalkeith Engineering whilst 33% partially knew and 23% did not know about the types of relational management.



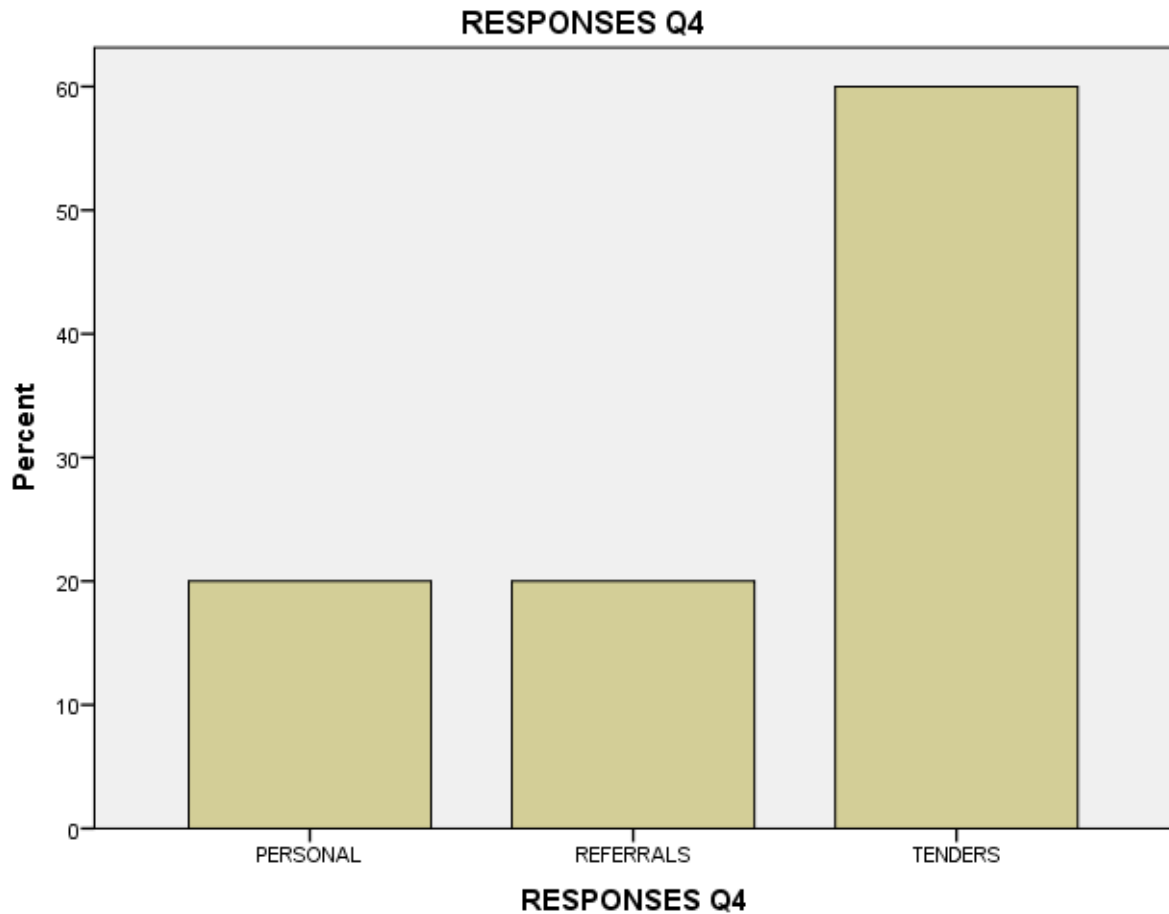
3. What are the advantages of these relationships?

The researcher wanted to understand if the respondents appreciated the application of the types of relational management at their respective workplaces. The results from Dalkeith Engineering showed that 70% appreciated by knowing the advantages of relational management whilst 30% moderately knew based on their experiences.



4. How do you create these relationships in your organization?

The researcher wanted to know how the respondents create their relationships (that is buyers and suppliers' relationships). The responses from Dalkeith Engineering were that 60% suggested the usage of tender application as a means of creating relations if the supplier exhibits intended results. 20% of the respondent from Dalkeith mentioned personal relationships with suppliers as a means of creation of the buyer supplier relation. The remaining 20% said that referrals from other firm in same field as Dalkeith Engineering helps them create relationships.



5. What is the meaning on performance?

The researcher wanted to know if the respondents could define performance based on their experiences at their respective workplaces. The responses were that from Dalkeith Engineering all the interviewees 100% could define performance and they all knew what it meant at organisational level.

6. What are some of performance indicators in the organization?

The researcher wanted to identify performance indicators that are used by the respondents in their respective organisations. The response from Dalkeith Engineering had all (100%) the respondents saying the same thing. The indicators included materials purchased against used, OEE and number of clients served without having complaints of after work jobs.

## 7. What are the advantages of performance?

The researcher wanted to know if the respondents appreciated the idea of measuring performance by asking them to state the advantages of performance. In relation to the question the respondents from Dalkeith Engineering showed that 60% appreciated performance measuring approach. Some of the responses are as shown below.

*The organisation can track its trends and study patterns. The patterns will show whether the company is growing or there is need for intervention. (Interviewee 1)*

*The growth of a company is measured by its performance. Without this the company cannot clearly state their position as to whether its stagnant, growth or decline state. (Interviewee 2)*

*Dalkeith Engineering has been growing. Amendments such performance measure in every department of the company have helped the company to see loops and make corrective actions against such. (Interviewee 3)*

## 8. What are the criteria's of creating these relationships?

The researcher wanted to understand the criteria that the respondents use within their respective organisations in creating relationships. The responses were that at Dalkeith Engineering they all mentioned that the organisation uses various criterion depending on the service or product required. the response from suppliers also had 100% of the stating the same response as that of Dalkeith Engineering. The list is as shown below.

Table 6

<b>Criteria</b>
Cost of the Goods or Services.
Product or service quality.
Technical aspects.
Policy for Location Credit.
Personal Connection.

## 9. Do you have relationships with your supplier?



The researcher wanted to understand whether the respondents had relationship with their suppliers. For the Dalkeith Engineering interviewee 40% said that they had long term relationship with their suppliers whilst 60% said that their relationship was transactional. .

#### 4.7 Testing of Hypotheses

Understanding the role of buyer–supplier relationships in the performance of organizations in the car servicing sector in Zimbabwe is the objective of this research. Both null and alternative hypothesis will be tested. The researcher tested the hypothesis using a sample t-test of the following hypothesis mentioned in chapter 1.

Table 7

<i>Ho1:</i>	<i>There is no significant effect of trust on procurement performance</i>
<i>Ho2:</i>	<i>There is no significant effect of communication on procurement performance</i>
<i>Ho3:</i>	<i>There is no significant effect of cooperation on procurement performance</i>
<i>Ho4:</i>	<i>There is no significant effect of commitment on procurement performance</i>

Table 8

<i>Ho1:</i>	<i>There is no significant effect of trust on procurement performance</i>		
<b>Item</b>	<b>t-value</b>	<b>Mean</b>	<b>Significance</b>
Trust between buyer and supplier has an effect on organisational performance	12.104	2.881	0.000

From the table above the researcher noted that where the significant value was 0.000 the following was true  $\alpha \leq 0.005$ . this means that the null hypothesis is rejected the researcher accepted the alternative that says that

**Trust between buyer and supplier relationship affects organisational performance**

Table 9

<i>Ho2:</i>	<i>There is no significant effect of communication on procurement performance</i>		
<b>Item</b>	<b>t-value</b>	<b>Mean</b>	<b>Significance</b>
Communication between buyer and supplier has an effect on organisational performance	13.801	2.850	0.000

From the table above the researcher noted that where the significant value was 0.000 the following was true  $\alpha \leq 0.005$ . this means that the null hypothesis is rejected the researcher accepted the alternative that says that

### **Communication between buyer and supplier affects organisational performance**

Table 10

<i>Ho3:</i>	<i>There is no significant effect of cooperation on procurement performance</i>		
<b>Item</b>	<b>t-value</b>	<b>Mean</b>	<b>Significance</b>
Cooperation between buyer and supplier relationship has an effect on organisational performance	12.908	3.1408	0.000

From the table above the researcher noted that where the significant value was 0.000 the following was true  $\alpha \leq 0.005$ . this means that the null hypothesis is rejected the researcher accepted the alternative that says that

### **Cooperation between buyer and supplier relationship affects organisational performance**

Table 11

<i>Ho4:</i>	<i>There is no significant effect of commitment on procurement performance</i>		
<b>Item</b>	<b>t-value</b>	<b>Mean</b>	<b>Significance</b>
Commitment between buyer and supplier has an effect on organisational performance	13.251	2.481	0.000

From the table above the researcher noted that where the significant value was 0.000 the following was true  $\alpha \leq 0.005$ . this means that the null hypothesis is rejected the researcher accepted the alternative that says that

### **Commitment between buyer and supplier affects organisational performance**

According to the results of this study and the accomplishment of the primary goals, the researcher can draw the conclusion that the factors recognized by the respondents as valid in evaluating demonstrated and demonstrated that the relationship between the buyer and the supplier under the four factors used by the researcher can affect the performance of an organization.

1. Trust
2. Cooperation
3. Commitment
4. Communication

### **4.8 Conclusion**

In conclusion, the previous chapter presented data and conducted data analysis on the findings from field research equipment. Pie charts were utilized to graphically illustrate the results, and a brief explanation was used to explain the significance of the charts. A literature study was also used to support the results. The attainment of the objective to prove the significance of buyer supplier relationship was milestone in research study for the researcher.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 INTRODUCTION**

This chapter contains an overview of the entire study, as well as conclusions and recommendations. This chapter also suggests areas for additional research.

#### **5.2 SUMMARY**

By relying on assumed appropriate methods for relational governance, the study examined the impact of buyer-supplier interactions on organizational performance in the car servicing industry. The findings demonstrated that buyer-supplier interactions explained a bigger portion of the variation in organizational performance in terms of information sharing, knowledge sharing, supplier base reduction, and cooperative problem resolution. As a result, effective information and knowledge sharing, supplier base reduction, and joint problem solving between suppliers and buyers were found to increase organizational performance. As a result, the study advised buying organizations, including car servicing and other manufacturing firms to build strong processes to manage buyer-supplier interactions. These can be accomplished by reinforcing partnerships with local suppliers and providing other suppliers with regular market information and trends such as the sustainability issues to enable them to produce high-quality products for the car servicing industry.

#### **5.3 CONCLUSION**

The buyer-supplier relationship has a crucial influence in organizational performance, according to the analysis and interpretation of data. This study's final result can assist corporate management in implementing buyer-supplier relationships effectively. The following is the study's conclusion:

- The buyer-supplier questionnaire employed in this study is an important research tool for determining the impact of the buyer-supplier relationship on organizational performance in the car servicing industry.
- The results revealed that buyer-supplier relationships were characterized by a high level of trust, indicating increased organizational performance.
- The outcome shows that the buyer-supplier relationship is characterized by extensive communication, resulting in improved organizational performance.

- The result shows that buyer-supplier connections have a high level of cooperation, indicating good organizational performance.
- The results revealed that buyer-supplier interactions were characterized by high levels of commitment, indicating increased organizational performance.
- Buyer-supplier connections, in general, have aided in the improvement of and had a favourable impact on organizational performance.

#### **5.4 RECOMMENDATIONS**

The study found that buyer-supplier relationships based on trust, commitment, communication, and cooperation are particularly important in increasing an organization's success. It is recommended that all manufacturing companies, as well as other organizations, adopt the buyer-supplier idea in order to fulfil their objectives and improve their overall performance.

- The findings show that male employees are more likely than female employees to believe in the impact of buyer-supplier relationships on organizational performance. It is recommended that corporate institutions hold awareness training for female members of their staff so that they can gain a better grasp of the buyer-supplier relationship in the car servicing industry and participate in its implementation.
- Manufacturing enterprises were also found to have marginally embraced the buyer-supplier relationship idea. It is advised that all firms seeking to improve their performance comprehend and apply this notion.
- Employees with more than 5 years on the job had the highest means, indicating that they believe in and understand the buyer-supplier relationship, according to the study's findings. It is advised that all employees with more than 5 years of experience serve as mentors to newcomers.
- According to the present study, partnerships between buyers and suppliers won't succeed in the absence of cooperation, dedication, trust, communication, and supplier performance. In order for both parties to gain from the buyer-supplier relationship concept, it is advised that businesses seek to foster partnerships characterized by trust, cooperation, communication, and commitment.

## 5.5 ORGANISATION OF THE STUDY

**Chapter One** of the dissertation gives a broad overview of the full investigation. It includes the study's background, a description of the research problem, research objectives, a research question, the study's scope, restrictions and delimitations, and a summary.

**Chapter two** of this survey of the literature is provided in the study, which demonstrates the conceptual framework, the theoretical viewpoint on trust and communication between buyers and suppliers and finally the empirical data.

**Chapter Three** focuses on the study's research strategy and methods. The research strategy, population being studied, sample size and sampling techniques, research tools, and data collection techniques are all described in the research design and methodology.

**Chapter Four** centered on the analysis, presentation, and debate of data. The information gathered will be presented for debate, assessment, and analysis in this chapter. The evaluation of the results and the formulation of certain conclusions will be guided by the research goals.

**Chapter Five** summarizes the research goals and offers an overview of the investigation. Conclusions are drawn from this narrowly focused dissertation, along with a proposal and recommendations for potential future study.

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