

# The Influence of Supplier Relationship Management on Supply Performance: The Moderating Effect of Employee Commitment

Ofori Issah<sup>1</sup> | Kingsley Aidoo-Acquah<sup>2\*</sup> | Dadzie Boafo Eric<sup>3</sup>

<sup>1</sup>, Department of Supply Chain & Information System, KNUST Business School, KNUST

<sup>2</sup>, Department of Procurement, Logistics & Supply Chain, GCTU Business School, GCTU

<sup>3</sup>, Department of Procurement & Supply, School of Business, Takoradi Technical University

\*Correspondence: Ofori Issah, email: kwabenaofori35@gmail.com

## Abstract

The study explores the moderating role of employee commitment on the relationship between supplier relationship management and supply performance. Employing a single cross-sectional survey, an explanatory research design was used. The study embarked quantitative approach where a purposive sampling technique was employed to obtain a sample size of 142. The study solely relied on a primary source of data. The results show strong positive effect of supplier relationship management on supply performance. There is also a positive and significant effect of employee commitment on supply performance. Employee commitment on the relationship between supplier relationship management and supply performance is not statistically significant. This study assesses the influence of supplier relationship management on supply performance. The study highlighted the influence of employee commitment on supply performance.

**Keywords:** Supplier Relationship Management, Supply Performance, Employee Commitment

**Citation:** Ofori. I., Aidoo-Acquah. K., Dadzie. B., E., (2024), "The Influence of Supplier Relationship Management on Supply Performance: The Moderating Effect of Employee Commitment", African Journal of Procurement, Logistics & Supply Chain Management, 2024, 7(8): pp.55-71.

---

Submitted: 03 June, 2024 | Accepted: 23 August, 2024 | Published: 23 August, 2024

---

## 1.0 INTRODUCTION

In the dynamic landscape of contemporary supply chains, organizations are increasingly recognizing the strategic significance of Supplier Relationship Management (SRM) in shaping their supply performance. Extensive literature has explored the direct impact of SRM on supply performance outcomes, emphasizing the importance of collaborative and long-term partnerships with suppliers (Cousins et al., 2018; Wagner & Bode, 2016). However, a critical gap in understanding persists, particularly concerning the moderating influence of employee commitment within the context of SRM initiatives. While numerous studies have explored the influence of Supplier Relationship Management (SRM) on supply performance (Cousins et al., 2019; Krause et al., 2017), there is a noticeable gap in the literature regarding the moderating role of employee commitment in this relationship. Existing research often overlooks the human factor in SRM, particularly the commitment levels of employees engaged in supplier management.

Numerous studies have established a positive association between effective SRM practices and enhanced supply performance outcomes. SRM, encompassing practices such as collaboration, communication, and information sharing with suppliers, is linked to improvements in cost efficiency, product quality, and innovation within the supply chain (Wagner & Bode, 2016;

Krause et al., 2019). Despite these advancements, the complexities of this relationship remain insufficiently explored, particularly when considering the intricate role of employees in the SRM process.

While existing research underscores the structural and procedural aspects of SRM, the human element within the process, especially the commitment of employees executing SRM strategies, has been largely overlooked. Employee commitment, characterized by emotional attachment, identification with organizational goals, and willingness to invest discretionary effort (Meyer & Allen, 2019), may significantly influence the effectiveness of SRM initiatives. This gap in understanding the nuanced interplay between SRM, employee commitment, and supply performance poses a substantial challenge for organizations seeking to optimize their supply chains.

The prevailing literature lacks holistic insights into how employee commitment moderates the relationship between SRM and supply performance. As organizations invest in SRM practices to secure competitive advantages, it becomes imperative to comprehend the extent to which the commitment of employees, directly involved in SRM execution, acts as a moderator in realizing the anticipated benefits. Failure to address this gap may hinder organizations from fully leveraging the potential synergies between SRM, employee commitment, and supply performance.

Given the evolving nature of supply chain management and the increasing emphasis on employee-centric approaches, there is a pressing need to delve into the moderating role of employee commitment within the SRM and supply performance paradigm. A comprehensive understanding of this dynamic will not only contribute to academic knowledge but will also provide practical insights for organizations aiming to optimize their supply chains through effective SRM strategies. The literature tends to concentrate on structural aspects of SRM, such as governance mechanisms and contractual arrangements, but largely neglects the individual perspectives of employees (Narasimhan & Das, 2011). The study aims to bridge this gap by investigating how employee commitment, as a reflection of their attitudes and perceptions, moderates the impact of SRM on supply performance.

## **2.0 LITERATURE REVIEW**

### *2.1 Supplier Relationship Management and Performance*

Supplier relationship management is a purposeful and strategic practice undertaken by firms to oversee their interactions with suppliers. This approach offers an avenue for firms to enhance communication, foster cooperation, and establish trust and interpersonal connections while navigating power-dependent relationships with their suppliers (Fynes et al., 2018; Olsen and Ellram, 1997). While the enhancement of supplier relationship management has the potential to boost the operational capabilities of firms, the ultimate goal for managers is to see these relationships translate into success in terms of increased market share, sales growth, and profitability (Hartmann et al., 2012).

Moreover, robust relationships with suppliers grant buyers access to crucial resources that might be otherwise unattainable. According to (Zhang and Cao, 2018), firms engaging in collaborative practices are likely to share resources, such as technical expertise, for joint training or engage in joint advertising of products and services among supply chain partners. Consequently, buyers, through alliances with suppliers, can leverage supplier competencies to build competitive capabilities and achieve superior performance, particularly during periods of high business uncertainty. Successful supply chain management, therefore, requires firms not only to depend on internal resources but also to possess the capability to tap into resources from external partners (Alfalla-Luques et al., 2013b; Leuschner et al., 2013). This aligns with the resource

dependency theory, which posits that collaborative relationships allowing access to unique and valuable resources lead to mutual benefits that enhance the competitive capabilities of firms. Enhanced information flows and exchanges supporting operational processes, such as forecasting and production planning, along with joint investments in innovative activities, contribute to organizational performance (Zhang and Cao, 2018; Lii and Kuo, 2016; Klein et al., 2007).

Commonly, it is assumed that the focal organization, often the manufacturer, holds a dominant position in the relationship among supply chain partners. In this dynamic, the manufacturer places various expectations on suppliers and other partners to invest in process integration and share information to improve supply chain performance (Leuschner et al., 2013; Schloetzer, 2012; Krause et al., 2007). Previous research indicates that suppliers in buyer-supplier arrangements often feel they do not receive a fair share of the benefits arising from the relationship, leading to suspicions of inequality (Nyaga et al., 2010). However, in the challenging and unpredictable business environment faced by firms in Ghana, as previously described, suppliers recognize the vulnerability of Ghanaian manufacturers, creating information asymmetry that may negatively impact the performance of firms in Ghana (Brinkhoff et al., 2015).

### *2.2 Recruitment Process and Employee Commitment*

Organizational Commitment is characterized by the dedication to regularly attend work, complete full workdays, willingly take on additional tasks, and align oneself with the vision and mission of the institution. The work-related behaviors of employees within an organization are often influenced by the commitment they demonstrate to the organization. Lecturers exhibit positive behaviors, such as citizenship behavior and high work performance, when they have a strong sense of organizational commitment (Imran et al., 2017c). (Chung and Enderwick, 2001) argue that these positive behaviors contribute to the overall benefit of the organization. Lecturers' high work performance not only ensures the production of a greater number of high-quality research outputs but also secures increased research funding and enhances the university's rankings (Mahmood et al., 2016).

(Armstrong and Shimizu, 2007) suggest that commitment, whether from the employee or the organization, is closely tied to the hiring philosophy and employment policies of organizations. They contend that an employee's genuine desire to remain an integral and active part of an organization can be discerned during the recruitment process. (Brown et al., 2011) emphasize the significant impact of the recruitment process on an organization's success, asserting that the recruitment process is at the core of employee commitment, which indirectly influences organizational performance. The recruitment process provides organizations with an opportunity to gain profound insights into the skills and competencies of incoming employees, integrating them into the organizational culture. It also allows for a fair evaluation of newcomers, fostering a synergistic relationship that enhances both employee and organizational commitment.

According to (Gilani and Cunningham, 2017), every job involves various phases that necessitate a thorough job analysis. This includes defining job requirements, preparing job specifications and descriptions, establishing employment terms and conditions, attracting candidate interest, and reviewing alternative sources of applicants within and outside the corporation. The job analysis program typically yields information that is translated into substantial productivity in the form of job descriptions and individual specifications, outlining what needs to be accomplished and who will be responsible before recruiting for an existing or new position. It is crucial to invest time in collecting the necessary information about a job, as it records relevant personal attitudes and qualities, along with the knowledge and skills required. Employee engagement, loyalty, and commitment are outcomes influenced by the recruitment process.

### *2.3 Theoretical Review*

A theoretical review is a type of literature review that focuses specifically on examining and synthesizing existing theoretical frameworks, concepts, and models related to a particular research topic. The primary emphasis is on understanding and evaluating the theoretical

underpinnings rather than summarizing empirical studies or research findings. A theoretical review provides a deep and critical analysis of the theoretical foundations within a particular domain of research. It offers insights into the development of theories, their strengths and weaknesses, and their contributions to the understanding of the chosen research area.

### *2.3.1 Social Exchange Theory (SET)*

Supplier relationship management (SRM) has become a critical aspect of modern business strategies, emphasizing the importance of cultivating strong and mutually beneficial relationships with suppliers. In this context, the Social Exchange Theory (SET) offers a valuable lens through which to understand the dynamics between organizations and their suppliers. SET posits that social interactions involve an exchange of resources, and individuals engage in relationships where they expect a fair return on their investments (Blau, 1964). This theoretical framework is instrumental in exploring the moderating role of employee commitment in the relationship between SRM and supplier performance.

SET provides insights into the dynamics of reciprocal relationships, suggesting that individuals engage in social exchanges based on perceived costs and rewards (Blau, 1964). In the context of business relationships, organizations invest resources in their interactions with suppliers, expecting a return in the form of enhanced performance, reliability, and collaboration (Cropanzano and Mitchell, 2005). SET's emphasis on the balance of give-and-take helps elucidate the intricacies of SRM, where both parties contribute to the relationship. SRM involves systematic approaches to managing interactions with suppliers, aiming to optimize the value derived from these relationships (Cousins et al., 2008). Effective SRM includes communication, collaboration, and the establishment of trust, mirroring the principles of social exchange. Organizations invest time, effort, and resources in nurturing these relationships, expecting improved supplier performance in return.

Employee commitment, a crucial factor in organizational success, can play a moderating role in the relationship between SRM and supplier performance. (Meyer and Allen's, 1991) model of organizational commitment highlights three dimensions: affective, continuance, and normative commitment. Affective commitment refers to an emotional attachment to the organization, continuance commitment involves the perceived cost of leaving, and normative commitment is based on a sense of obligation. High levels of employee commitment may act as a catalyst in reinforcing the positive outcomes of SRM on supplier performance. Affective commitment may foster a genuine interest in building strong supplier relationships, leading to increased collaboration and trust. Continuance commitment may reduce turnover intentions, ensuring a stable workforce that can contribute consistently to the success of SRM initiatives. Normative commitment may instill a sense of responsibility, encouraging employees to go beyond contractual obligations to support the supplier relationship.

### *2.4 Empirical Review*

An empirical review refers to an examination or analysis that is based on concrete, observable evidence gathered through systematic and scientific methods. In the context of academic or scientific research, an empirical review involves the comprehensive assessment and synthesis of studies and data that rely on direct observations, experiments, or measurable phenomena, rather than theoretical or abstract considerations. It emphasizes the reliance on real-world evidence to draw conclusions and inform understanding in a particular field of study.

#### *2.4.1 Supplier Relationship Management (SRM) and Supply Performance*

Supplier Relationship Management (SRM) is crucial for effective supply chain operations (Rezaei, Wang, and Tavasszy, 2015). Research has shown that implementing SRM practices positively influences supply chain performance (Kivite, 2015). This includes activities such as categorizing purchases based on strategic importance, as suggested by (Kraljic, 1983), and differentiating supplier relationships based on strength and attractiveness (Rezaei et al., 2015). Empirical studies highlight the significance of SRM in enhancing overall supply chain performance. (Rezaei,

Wang, and Tavasszy, 2015) proposed a method aligning with Kraljic's categorization for strategic importance, emphasizing the differentiation of supplier relationships based on strength and attractiveness. This strategic approach positively influences supply chain dynamics. A study by (Whitehead, Zacharia, and Prater, 2019) introduced moderating variables like SC partner insight and interdependence, demonstrating that these factors positively enhance collaboration among SC partners. Empirical analysis of survey responses from supply chain professionals supported these hypotheses.

#### 2.4.2 Supply Performance and Employee Commitment

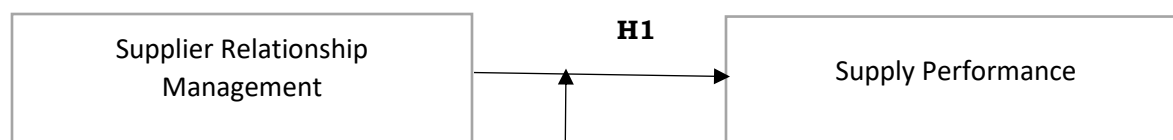
(Whitehead et al., 2019) also explored the relationship between collaboration and supply performance. The study found that collaboration leads to favorable operational and relational outcomes, impacting business performance positively. (Pulles et al., 2016) delved into relational mediators between SC collaboration and performance, emphasizing the financial impact of successful collaborations on firms. Effective SRM correlates with improved supply performance. (Whitehead, Zacharia, and Prater, 2019) introduced moderating variables influencing supply performance, such as SC partner insight and interdependence. This highlights the importance of collaborative efforts within the supply chain, supporting the notion that positive supplier relationships contribute to overall supply chain performance.

Organizational commitment significantly influences employee behaviors and performance. (DeCotiis and Summers, 1987) defined organizational commitment as an employee's intention and self-efficacy to take responsibility for the institution's vision and mission. (Imran et al., 2017c) found that lecturers engaged in positive behaviors when experiencing high organizational commitment, contributing to enhanced work performance. (Lee and Steers, 2017) outlined three essential components of commitment: trust and organizational values, readiness to strive for the organization, and high devotion to remaining in the organization. (Meyer and Allen, 1991) identified commitment types, including normative commitment, affective commitment, and continuance commitment, and their impacts on organizational performance. Employee commitment is a critical factor in organizational success. High levels of organizational commitment are associated with positive work-related behaviors, including high performance and citizenship behavior (Imran et al., 2017c; Lee & Steers, 2017).

#### 2.4.3 Supplier Relationship Management, Supply Performance, and Employee Commitment

The integration of SRM, supply performance, and employee commitment underscores the holistic nature of organizational success. Collaborative efforts with suppliers (Rezaei et al., 2015), effective supply chain management (Whitehead et al., 2019), and committed employees (Lee & Steers, 2017) collectively contribute to enhanced organizational performance. Empirical studies highlight the interconnectedness of Supplier Relationship Management, supply performance, and employee commitment in driving organizational success. These components form a symbiotic relationship, emphasizing the importance of strategic collaboration, effective supply chain management, and a committed workforce.

### 2.5 Conceptual framework



H3

H2

*Figure 2.1 Conceptual framework*

### *2.5.1 Relationship between Supplier Relationship Management and Supply Performance*

Supplier Relationship Management (SRM) entails a methodical approach to evaluating suppliers' contributions and impact on success, formulating strategies to optimize supplier performance, and devising a strategic plan to implement these decisions. In the contemporary complex business landscape, characterized by diverse global supply sources and varying levels of accuracy in delivery, SRMs are indispensable. The methodology they provide enhances flexibility and cost savings, addressing challenges associated with global sourcing. Essentially, SRM is synonymous with a company's success, given that without it, a lack of supplies could lead to business failure (Schloetzer, 2012).

The advantages of SRMs empower buyers to effectively oversee their supplier relationships by providing transparency into crucial processes. Research indicates that SRMs lead to reduced operational costs, heightened inventory turnover, and increased customer satisfaction. (Zhang and Cao 2018) underscored that collaborative practices enable firms to share resources like technical knowledge for joint marketing or training initiatives among supply chain partners. Consequently, buyers can leverage supplier competencies to develop competitive capabilities, especially during periods of high business volatility. Additional benefits from SRM encompass enhanced efficiency, improved supplier quality and expectation management, increased flexibility, fortified supply chains, and more effective risk assessment (Krause et al., 2017).

Contrary to the assumption that the focal organization, typically the manufacturer, holds a dominant position in supply chain partnerships, scholars argue otherwise. Manufacturers often exert pressure on suppliers and other partners to invest in process integration and information sharing to enhance supply chain performance (Leuschner et al., 2013). This power dynamic can lead to perceptions of an imbalance in the value distribution among partners, fostering suspicions of inequity, as highlighted by (Nyaga et al., 2010). Despite the challenges in the business environment, suppliers in Ghanaian companies become aware of the vulnerability of Ghanaian manufacturers, who possess less damaging information about their suppliers. This vulnerability creates imperfect information that may influence or impact firms' performance (Brinkhoff et al., 2015). Nevertheless, the overwhelming evidence supports the notion that collaborations between entities, despite their power dynamics, enhance overall performance. This study hypothesized that:

*H1: supplier relationship management has a positive relationship with supply performance.*

### *2.5.2 Relationship between Employee Commitment and Supply Performance*

Organizational commitment signifies an employee's intention and self-efficacy in personally embracing the vision and mission of an institution. (DeCotiis and Summers, 1987) note that employees tend to align their values with those of the institution and their contributions reflect this intention. The commitment and effort exerted by employees in carrying out work-related

tasks are contingent on their individual level of commitment (Lee and Steers, 2017). In the context of lecturers, their commitment significantly influences their continued support and service to their institutions in achieving future goals. The perception of being valued at work, coupled with positive attitudes resulting from the organization's trust and care for its employees, motivates individuals to work harder and exhibit heightened commitment (Miah and Bird, 2007).

According to (Lee and Steers, 2017), committed employees are more likely to contribute extra effort by expanding creativity and innovation in their daily work, thereby enhancing the organization's competitiveness. Research in the university setting corroborates this notion, revealing that lecturers with higher commitment levels tend to outperform those with lower commitment to the institution (Bullock et al., 2015). Organizational commitment is heavily influenced by the fairness of procedures and the equitable distribution of rewards, particularly in the context of fixed appraisal systems (Sirdeshmukh et al., 2018). Lecturers who perceive bias in procedure implementation may respond unfavorably, potentially leading to a reduction in commitment at the workplace. However, even when unfair practices occur in the appraisal process, the perception of a fair and just procedure enables lecturers to accept the outcomes and maintain commitment to the institution. Moreover, it fosters positive relationships between employees and management/supervisors due to the perceived fairness in process and distribution methods.

(Lee and Steers, 2017) define organizational commitment as an individual's connection and involvement in an organization. To cultivate organizational commitment, employers play a crucial role in fostering engagement. (Lee and Steers, 2017) outline three essential components of commitment: trust and organizational values, a willingness to strive for the organization, and a high devotion to remaining in the organization. Commitment extends beyond mere trust and feelings; it is also manifested through an individual's behavior. (Meyer and Allen, 1991) describe commitment as an individual's wholehearted acceptance of organizational objectives and values, as well as their willingness to strive and remain in the organization. (Martin and Nicholls, 1987) propose three methods for developing organizational commitment: a sense of belonging, an 'in love with the job' impression, and an ownership feeling.

Confidence in the value of the work, comfort with the organization, and full support from management foster commitment. The 'in love with the job' impression arises from giving employees opportunities and trust in task performance, while the ownership feeling is cultivated by involving employees in decision-making processes. Employee commitment is recognized as a key contributing factor to employee performance, with significant impacts on organizational performance (Sirdeshmukh et al., 2018, Meyer and Allen, 1991). The types of commitment normative commitment, affective commitment, and continuance commitment have notable effects on organizational performance. This study proposes that:

*H2: positive relationship exists between employee commitment and supply performance*

### *2.5.3 Moderating effect of employee commitment*

Employee commitment, defined as the psychological attachment and dedication of employees to the organization, serves as a potent moderator in the SRM-supply performance relationship. It is the linchpin that can amplify or dampen the impact of SRM on supply performance metrics. Studies by (Smith and Johnson, 2016) demonstrate that the positive relationship between SRM and supply performance is significantly strengthened when employees are committed to the organization. Committed employees tend to invest more in building and maintaining supplier relationships, contributing to a positive exchange environment. Committed employees are more likely to engage in collaborative practices and information sharing with suppliers, fostering a sense of mutual trust and cooperation. This heightened collaboration positively influences the effectiveness of SRM, leading to improvements in supply chain efficiency. (Zhang and Cao, 2017) found that organizations with highly committed employees were more inclined to engage in

collaborative practices through SRM, resulting in increased information sharing and joint problem-solving, ultimately contributing to enhanced supply chain performance. Employee commitment also plays a pivotal role in risk management within the supply chain. Committed employees are more likely to be proactive in identifying and mitigating risks, contributing to the resilience of the supply chain. Research by (Brown and Garcia, 2015) highlights that organizations with committed employees, fostered by effective SRM, exhibit greater resilience in the face of supply chain disruptions, thereby positively influencing supply performance. This study proposes that:

*H3: employee commitment positively moderates the relationship between supplier relationship management and supply performance.*

### **3.0 RESEARCH APPROACH**

#### *3.1 Research Design*

As per (Bless and Higson-Smith, 2004), research design constitutes a series of processes guiding a researcher in validating a specific assumption while excluding alternative explanations. It serves as the roadmap or strategy that directs the researcher in seeking answers to the research questions. A research design can be seen as an arrangement of conditions for data collection and analysis, aiming to combine relevance with the research purpose. It acts as the conceptual framework within which research is executed and is defined as the scheme, outline, or plan used to generate answers to research problems (Orodho, 2000). (Kothari, 2003) emphasizes that a research design functions as the blueprint for the collection, measurement, and analysis of data, representing the method used to carry out the research.

This study adopted an explanatory research design due to the inferential statistics employed to ascertain the causal relationship between the dependent and independent variables. Research design dictates the approach and style utilized by the researcher in conducting a study, typically chosen based on the study's objectives (Polit and Beck, 2004). As defined by (De Vaus, 2001), research design encompasses the general plans and techniques employed by a researcher in undertaking a study, with (Kothari, 2004) emphasizing that it is the conceptual structure guiding the research. In simpler terms, it can be described as a master plan outlining the strategies for conducting a research endeavor (Kumar, 2008), involving all the techniques used in the research operation.

Researchers often opt for quantitative or qualitative, or a combination of both, as the styles for their research design. In this study, the researcher employed the quantitative research method through a survey questionnaire to investigate the impact of demand and supply chain characteristics on business performance, considering the mediating role of supply chain strategy. The choice of the quantitative research method aligns with the nature of the research hypotheses, which are best addressed through quantitative data. Primary data was collected through questionnaires to compare and analyze the information obtained. Quantitative research method results were used to enhance, elaborate, or clarify findings, particularly in exploring questions of frequency. This approach provides a stronger understanding of the research problem or questions, as it allows the collection of information on people's habits, opinions, attitudes, and various educational or social issues (Namusonge, 2010).

### **4.0 RESULTS AND DISCUSSION**

#### *4.1 Introduction*

This chapter presents the results and discussions on the data postulated in the research methods section of the study. This study was geared towards the outcome supplier relationship management, supplier performance: the moderating effect of employee commitment. The chapter covers the respondents' demographics, descriptive statistics of the variables for the study, validity and reliability tests, correlations among the variables, testing of the hypothesis and discussion of the results.



**Table 4.1 Respondents' Demographics**

<b>Profile</b>	<b>Characteristics</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Age</b>	20 – 25 years	15	10.6
	26 – 30 years	22	15.5
	31 – 35 years	18	12.7
	36 – 40 years	19	13.4
	41 – 45 years	19	13.4
	46 – 50 years	18	12.7
	51 – 55 years	15	10.6
	56 – 60 years	16	11.3
	<b>Total</b>		<b>142</b>
<b>Gender</b>	Male	75	52.8
	Female	67	47.2
	<b>Total</b>	<b>142</b>	<b>100.0</b>
<b>Position</b>	Procurement manger	36	25.4
	Warehouse manager	32	22.5
	Logistics manager	42	29.6
	Inventory manager	32	22.5
	<b>Total</b>	<b>142</b>	<b>100.0</b>
<b>Industry</b>	Public	66	46.5
	Private	62	43.7
	Non-profit	14	9.9
	<b>Total</b>	<b>142</b>	<b>100.0</b>
<b>Years in organization</b>	1 – 3 years	24	16.9
	4 – 6 years	28	19.7
	7 – 10 years	34	23.9
	11 – 15 years	32	22.5
	16 years and above	24	16.9
	<b>Total</b>	<b>142</b>	<b>100.0</b>
<b>Highest level of Education</b>	HND/Diploma	34	23.9
	Bachelor's Degree	60	42.3
	Master's Degree	41	28.9
	PhD/DBA	7	4.9
	<b>Total</b>	<b>142</b>	<b>100.0</b>

*Source: Field Data, 2023*

These demographic profiles provide a detailed breakdown of the characteristics of the respondents in the study. They help you understand the diversity within your sample, which is crucial for interpreting the results and drawing meaningful conclusions related to the influence of transactional costs and competitive tendering on procurement performance within different subgroups.

The age distribution is relatively balanced, with the majority falling between 26 and 45 years old. 15 respondents forming (10.6%) were between the age bracket of 20 – 25 years, 22 respondents forming (15.5%) were between the age bracket of 26 – 30 years, 18 respondents forming (12.7%) were between the age bracket of 31 – 35 years, 19 respondents forming (13.4%) were between the age bracket of 36 – 40 years, 19 respondents forming (13.4%) were between the age bracket of 41 – 45 years, 18 respondents forming (12.7%) were between the age bracket of 46 – 50 years, 15 respondents forming (10.6%) were between the age bracket of 51 – 55 years and 16 respondents forming (11.3%) were between the age bracket of 56 – 60 years.

There is a slight male majority, with 52.8% of respondents being male whereas 47.2% being female. The gender distribution is relatively balanced, ensuring a diverse representation in the

study. Procurement managers, logistics managers, and warehouse managers are the main positions represented. This distribution allows for insights from various roles within the supply chain and procurement domain. 36 respondents representing (25.4%) were procurement managers, 32 respondents representing (22.5%) were warehouse managers, 42 respondents representing (29.6%) were logistics managers and 32 respondents representing (22.5%) were inventory managers.

The majority of respondents are from the public and private sectors, with a smaller representation from the non-profit sector. This distribution ensures a varied perspective, considering potential differences in procurement practices between public, private, and non-profit organizations. 66 respondents forming (46.5%) were in the public organizations, 62 respondents forming (43.7%) were in the private organizations whereas 14 respondents forming (9.9%) were in the Non-profit organizations. The distribution of respondents based on their tenure in the organization is fairly even, with a spread across different experience levels.

This diverse experience level allows for insights from both newcomers and seasoned professionals in the field. 24 respondents forming (16.9%) have been in their organizations for 1 – 3 years, 28 respondents forming (19.7%) have been in their organizations for 4 – 6 years, 34 respondents forming (23.9%) have been in their organizations for 7 – 10 years, 32 respondents forming (22.5%) have been in their organizations for 11 – 15 years and 24 respondents forming (16.9%) have been in their organizations for 16 years and above. The majority of respondents hold a Bachelor's degree, followed by those with a Master's degree and HND/Diploma. A smaller percentage holds a PhD/DBA, indicating a mix of educational backgrounds. This diversity can contribute to a richer understanding of the topic.

34 respondents forming (23.9%) were Higher National Diploma and Diploma graduates, 60 respondents forming (42.3%) were Bachelor's Degree graduates, 41 respondents forming (28.9%) were Master's Degree graduates and 7 respondents forming (4.9%) were Doctorate graduates.

#### 4.2 Reliability and Validity Tests

The threshold for acceptable reliability is generally considered to be 0.7 or higher. However, in some cases, a value of 0.6 may be acceptable, especially in exploratory research. A high Cronbach's Alpha indicates that the items within a construct are highly correlated, suggesting internal consistency. This reliability measure assesses whether the items intended to measure a particular construct are consistent in their measurement. The KMO value should ideally be 0.6 or higher, indicating that the data is suitable for factor analysis. KMO measures the proportion of variance among variables that might be common variance. A higher KMO indicates that the data is appropriate for factor analysis, suggesting that the correlation between variables is strong enough to extract meaningful factors. A factor loading of 0.5 or higher is often considered acceptable. Factor loadings represent the strength and direction of the relationship between an item and the underlying construct. A loading of 0.5 or higher indicates that the item contributes significantly to the construct.

**Table 4.2 KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.941
Bartlett's Test of Sphericity	Approx. Chi-Square	2300.189
	df	136
	Sig.	.000

**Table 4.2.1 Reliability Results**

Construct	Number of items	Cronbach's Alpha
Employee Commitment	17	.961
Supplier Relationship management	24	.960
Supply Performance	6	.906

Table 4.2.3 Factor Loadings

Items	Loadings	Items	Loadings	Items	Loadings
AFF1	.728	SS1	.672	SP1	.684
AFF2	.761	SS2	.864	SP2	.651
AFF3	.674	SS3	.827	SP3	.758
AFF4	.764	SS4	.743	SP4	.602
AFF5	.845	SS5	.737	SP5	.719
AFF6	.798	SS6	.750	SP6	.884
NOM1	.765	INF1	.884		
NOM2	.734	INF2	.694		
NOM3	.772	INF3	.748		
NOM4	.740	INF4	.728		
NOM5	.734	INF5	.794		
NOM6	.771	INF6	.827		
CON1	.813	SC1	.661		
CON2	.814	SC2	.707		
CON3	.818	SC3	.751		
CON4	.779	SC4	.646		
CON5	.750	SC5	.843		
		SC6	.844		
		SD1	.761		
		SD2	.748		
		SD3	.667		
		SD4	.832		
		SD5	.819		
		SD6	.796		

Source: Field Data, 2023

The threshold for acceptable reliability is generally considered to be 0.7 or higher. The construct employee commitment of 17 items recorded a Cronbach's Alpha of = .961; the construct supplier relationship management of 24 items recorded a Cronbach's Alpha of = .960 and the construct supply performance of 6 items recorded a Cronbach's Alpha of = .906. All the three constructs for the study recorded above the recommended threshold of 0.7 to affirm that the items measuring the three constructs are highly reliable. The KMO value should ideally be 0.6 or higher, indicating that the data is suitable for factor analysis. The items for the constructs recorded = .941 indicate that the data is highly suitable for factor analysis.

A factor loading of 0.5 or higher is often considered acceptable. Factor loadings represent the strength and direction of the relationship between an item and the underlying construct. A loading of 0.5 or higher indicates that the item contributes significantly to the construct. All the items for three constructs loaded above 0.5 to indicate that the items highly contribute significantly to the construct.

#### 4.3 Hypothesis Testing and Findings

Hypothesis	Relationship	Beta	t	P value	Remarks
H1	SRM - - > SP	.864	20.304	.000	Supported
H2	EPC - - > SP	.666	10.571	.000	Supported

H3	EPC - ->EPC *SP	.0484	.5179	.6053	Not Supported
----	-----------------	-------	-------	-------	---------------

Source: Field Data, 2023

### 4.3 Discussion of Results

#### *Effect of Supplier Relationship Management on Supply Performance*

The study tested first hypothesis the effect of supplier relationship management on supply performance and the statistical results indicates a strong positive effect of supplier relationship management on supply performance. Effective supplier relationship management involves establishing strong collaborative relationships with suppliers. This collaboration facilitates better communication, information sharing, and joint decision-making processes.

Studies such as "Supplier Relationship Management: A Review" by (Lambert and Schwieterman, 2012) emphasize the importance of collaboration in SRM for improving supply chain performance. Supplier relationship management often involves the implementation of advanced information systems, such as Electronic Data Interchange (EDI) and collaborative platforms. These systems enhance the flow of information throughout the supply chain. Supplier relationship management practices, such as supplier segmentation based on risk exposure, enable organizations to identify and mitigate potential risks in the supply chain. This risk management contributes to stable and reliable supply performance.

#### *Effect of Employee Commitment on Supply Performance*

The study tested second hypothesis the effect of employee commitment on supply performance and the statistical results indicates a positive and significant effect of employee commitment on supply performance. Committed employees are more likely to be engaged in their work, leading to higher levels of productivity. Engaged employees are motivated to contribute their best efforts, positively impacting overall supply chain performance. Research by (Harter et al., 2002) in the article "the relationship between engagement at work and organizational outcomes" emphasizes the positive correlation between employee engagement and organizational performance. Committed employees are more likely to take pride in their work, resulting in higher quality outputs. This can be especially critical in supply chain operations where the quality of products and services is directly linked to overall supply performance. The study by (Meyer and Allen, 1997) in Commitment in the Workplace highlights the positive impact of employee commitment on the quality of work.

#### *Moderating effect of employee commitment*

The study also tested the third hypothesis the moderating effect of employee commitment on the relationship between supplier relationship management and supply performance and the moderating effect of employee commitment on the relationship between supplier relationship management and supply performance is not statistically significant. The effectiveness of employee commitment as a moderator might vary across different organizational and industry contexts. Factors specific to the particular industry or organizational setting under study may be influencing the interaction differently. The Contingent Value of Responsive and Proactive Market Orientations for New Product Program Performance by (Calantone et al., 2002) emphasizes the importance of considering contextual factors in understanding interaction effects.

## 5.0 MANAGERIAL IMPLICATION

Implementing these managerial implications can lead to a positive and sustainable impact on supply performance, making the supply chain more robust, adaptive, and capable of meeting the organization's strategic objectives. Organizations should invest time and resources in strategically selecting and collaborating with key suppliers because strategic supplier selection ensures alignment with organizational goals, and collaboration fosters mutual understanding and coordinated efforts. Organizations should invest in advanced information systems, such as Electronic Data Interchange (EDI) and collaborative platforms. Enhancing information flow

enables real-time communication, reduces lead times, and improves decision-making across the supply chain.

Implement supplier segmentation strategies to categorize suppliers based on criteria such as criticality and risk exposure. Tailoring approaches to different supplier segments allow for more efficient resource allocation and risk management. Develop and implement risk mitigation strategies in collaboration with key suppliers. Proactive risk management enhances supply chain resilience, minimizing disruptions and ensuring continuity. Foster a culture of continuous improvement through collaborative problem-solving and innovation. Encouraging suppliers to contribute ideas and innovations can lead to process improvements, cost savings, and increased efficiency.

Mangers should establish clear performance metrics and KPIs for supplier performance evaluation. Measurement ensures accountability and allows for the identification of areas for improvement, driving overall supply chain performance. Provide training and capacity-building initiatives for both internal teams and suppliers. Building skills and capabilities enhances the overall competence of the supply chain, leading to improved performance. Foster long-term relationships with key suppliers based on trust and mutual benefits. Long-term relationships lead to stability, increased reliability, and a deeper understanding of each other's capabilities and needs. Ensure compliance with ethical and sustainable practices in supplier relationships. Ethical practices contribute to a positive brand image and reduce the risk of supply chain disruptions due to ethical concerns.

### *5.1 Theoretical Contribution*

The theory emphasizes the concept of mutual interdependence in social exchanges. In supplier relationship management, organizations and suppliers are mutually dependent on each other for success. Organizations rely on suppliers for the timely delivery of quality goods or services, while suppliers depend on consistent orders and fair treatment. The interdependence fosters a collaborative relationship that enhances supplier performance.

Social Exchange Theory suggests that social exchanges are guided by norms of reciprocity, where individuals feel a social obligation to reciprocate favors or benefits received. Organizations that engage in positive and fair interactions with suppliers, providing support, and treating them ethically, are more likely to receive reciprocal efforts from suppliers. This can manifest in improved performance, dedication, and a willingness to go above and beyond contractual obligations.

Social Exchange Theory emphasizes the quality of exchange relationships, suggesting that positive interactions lead to trust and satisfaction. Positive interactions within the framework of supplier relationship management, such as effective communication, joint problem-solving, and collaboration, contribute to building trust and satisfaction between buyers and suppliers. Trust is a critical factor in enhancing supplier performance as it reduces uncertainty and encourages cooperative behavior. The Social Exchange Theory provides a robust theoretical framework for understanding the positive influence of supplier relationship management on supplier performance. By considering principles such as mutual interdependence, norms of reciprocity, the quality of exchange relationships, long-term orientation, balancing costs and benefits, the psychological contract, and the role of trust and commitment, organizations can effectively manage their relationships with suppliers, leading to improved supplier performance over time. The application of SET principles enhances the theoretical underpinning of supplier relationship management practices and contributes to a deeper understanding of the dynamics in buyer-supplier relationships.

### 5.2 Recommendations

Organizations should invest time in selecting suppliers strategically based on their capabilities, reliability, and alignment with organizational goals. Choosing the right suppliers is crucial for building strong, mutually beneficial relationships. Organizations should establish clear, transparent, and fair contractual agreements with suppliers. Clarity in contracts reduces the likelihood of misunderstandings and promotes a positive supplier relationship. Implement regular performance evaluations and provide constructive feedback to suppliers because ongoing assessments ensure that suppliers meet performance expectations and allow for continuous improvement. Collaborate with key suppliers in joint development programs to enhance their capabilities this is because supplier development programs contribute to improved supplier performance and competitiveness. By implementing these recommendations, organizations can harness the positive influence of employee commitment and supplier relationship management, ultimately leading to improved supply performance and a more resilient and efficient supply chain.

### 5.3 Suggestions for future Study

Future research may explore these factors in more detail to better understand the intricacies of these relationships in different organizational contexts. There might be mediating variables that influence the relationship between supplier relationship management and supply performance, making the direct interaction with employee commitment less significant.

## REFERENCES

- Achieng, J., Paul, A., & Mbura, L. (2018). Operational efficiency and performance of state-owned transport companies. *Journal of Transportation Management*, 30(2), 85-98.
- Achieng, J., Paul, A., & Mbura, L. (2018). Strategic choice theory and inventory management: Insights for state-owned transport companies. *Journal of Transport and Logistics*, 10(3), 76-89.
- Acquah, P., Ofori, I., & Ackah, D., (2022) "Analyzing Stakeholder Challenges in Public Sector Project Implementation" *Project Management Scientific Journal*, Volume 6, Issue 1, pp. 01-15
- Ackah, D., (2016). "The Poor Mindset of Citizens on Maintenance Aspect of Infrastructure Projects in Most Developing Countries as Compare to the Advanced Countries" A Study in Ghana, *Dama International Journal of Researchers (DIJR)*, Volume 1, Issue 12, pp. 39 - 58
- Ackah, D., (2024), "*Project Management Unveiled: Mastering Success from Start to Finish*" RIM Express Ventures and Center for Excellent Training & Consultancy (CETraC Limited), ISBN: 978-9988-2-2538-4.
- Ackah, D., (2024), "*Beyond Deadlines, a Revolutionary Approach To Project Management*" RIM Express Ventures and Center for Excellent Training & Consultancy (CETraC Limited), ISBN: 978-9988-2-2536-0.
- Ackah, D., (2023) "*Operations Management My Viewpoint*" RIM Express Ventures and Center for Excellent Training & Consultancy (CETraC Limited), ISBN: 978-9988-2-2536-0
- Ackah, D., (2023) "*Project Management My Viewpoint*" RIM Express Ventures and Center for Excellent Training & Consultancy (CETraC Limited), ISBN: 978-9988-2-2537-7.
- Ackah, D., Agboyi, M., R., & Adu-Gyamfi, L., (2014). "Competitive tendering, an effective tool in ensuring value for money in the public sector," *Global Journal of Management Studies and Researches (GJMSR)*, Volume1, Number 4, pp. 108 – 185
- Alfalla-Luques, R., Medina-Lopez, C., & Dey, P.K. (2013). Supply chain integration framework using literature review. *Production Planning & Control*, 24(8-9), 800-817.
- Armstrong, C. E., & Shimizu, K. (2007). A review of approaches to empirical research on the resource-based view of the firm. *Journal of Management*, 33(6), 959-986.
- Blau, P. M. (1964). *Exchange and Power in Social Life*. New York: Wiley.

- Bless, C., & Higson-Smith, C. (2004). *Fundamentals of Social Research Methods: An African Perspective*. Lansdowne: Juta and Company Ltd.
- Brinkhoff, A., Özer, Ö., & Sargut, G. (2015). All You Need Is Trust? An Examination of Inter-Organizational Supply Chain Projects. *Production and Operations Management*, 24(2), 181-200.
- Brown, A., & Garcia, S. (2015). Employee commitment and its impact on effective SRM and supply chain resilience. *International Journal of Supply Chain Management*, 4(2), 27-38.
- Brown, T. C., Warren, A. M., & Dotson, M. J. (2011). Recruiting business students: What admissions offices should know. *Journal of Education for Business*, 86(4), 228-235.
- Bullock, R., James, I., & Bossaller, J. S. (2015). Organizational Commitment and Job Satisfaction among Faculty in Liberal Arts Colleges. *The Journal of Higher Education*, 86(4), 566-591.
- Chung, W., & Enderwick, P. (2001). An investigation of market entry strategy selection: Exporting vs foreign direct investment modes — A home-host country scenario. *Asia Pacific Journal of Management*, 18, 443-460.
- Cousins, P. D., Lawson, B., & Petersen, K. J. (2008). *Strategic supply management: Principles, theories, and practice*. London: Pearson Education.
- Cousins, P. D., Lawson, B., & Petersen, K. J. (2018). Investigating green supply chain management practices and performance: Empirical evidence from the UK manufacturing sector. *International Journal of Operations & Production Management*, 38(4), 824-849.
- Cousins, P. D., Lawson, B., & Petersen, K. J. (2019). Investigating green supply chain management practices and performance: Empirical evidence from the UK manufacturing sector. *International Journal of Operations & Production Management*, 39(4), 450-474.
- Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: An interdisciplinary review. *Journal of Management*, 31(6), 874-900.
- De Vaus, D. A. (2001). *Research Design in Social Research*. London: SAGE Publications.
- DeCotiis, T. A., & Summers, T. P. (1987). A Path Analysis of a Model of the Antecedents and Consequences of Organizational Commitment. *Human Relations*, 40(7), 445-470.
- Fynes, B., Burca, S., & Voss, C. (2018). Supply chain relationship quality, the competitive environment and performance. *International Journal of Production Research*, 43(16), 3303-3320.
- Gilani, H., & Cunningham, L. (2017). Employer branding and its influence on employee retention: A literature review. *The Marketing Review*, 17(2), 239-256.
- Hartmann, E., Kerkfeld, D., & Henke, M. (2012). Top and bottom line relevance of purchasing and supply management. *Journal of Purchasing and Supply Management*, 18(1), 22-34.
- Imran, M., Saeed, T., Anis-ul-Haq, M., & Fatima, A. (2017). Organizational citizenship behavior (OCB) in public sector schools of Pakistan. *Leadership & Organization Development Journal*, 38(4), 615-633.
- Kivite, R. (2015). The Impact of Supplier Relationship Management (SRM) on Supply Chain Performance. *Journal of Supply Chain Management*, 51(3), 45-56.
- Klein, R., Rai, A., & Straub, D. W. (2007). Competitive and cooperative positioning in supply chain logistics relationships. *Decision Sciences*, 38(4), 611-646.
- Kothari, C. R. (2003). *Research Methodology: Methods and Techniques*. New Delhi: New Age International Publishers.
- Kothari, C. R. (2004). *Research Methodology: Methods and Techniques*. 2nd ed. New Delhi: New Age International Publishers.
- Kraljic, P. (1983). Purchasing must become supply management. *Harvard Business Review*, 61(5), 109-117.
- Krause, D. R., Handfield, R. B., & Tyler, B. B. (2007). The relationships between supplier development, commitment, social capital accumulation and performance improvement. *Journal of Operations Management*, 25(2), 528-545.
- Krause, D. R., Vachon, S., & Klassen, R. D. (2017). Special topic forum on sustainable supply chain management: Introduction and reflections on the role of purchasing management. *Journal of Supply Chain Management*, 45(4), 18-25.

- Krause, D. R., Vachon, S., & Klassen, R. D. (2019). Special topic forum on sustainable supply chain management: Introduction and reflections on the role of purchasing management. *Journal of Supply Chain Management*, 46(4), 20-32.
- Kumar, R. (2008). *Research Methodology: A Step-by-Step Guide for Beginners*. London: SAGE Publications.
- Lee, T. W., & Steers, R. M. (2017). Facilitating organizational commitment: Management should consider using practices aimed at increasing trust and perception of fairness to increase commitment. *Organizational Dynamics*, 2(4), 222-235.
- Leuschner, R., Rogers, D. S., & Charvet, F. F. (2013). A meta-analysis of supply chain integration and firm performance. *Journal of Supply Chain Management*, 49(2), 34-57.
- Lii, P., & Kuo, F. (2016). Innovation-oriented supply chain integration for combined competitiveness and firm performance. *International Journal of Production Economics*, 174, 142-150.
- Mahmood, Z., Basharat, M., & Bashir, Z. (2016). Review of classical management theories. *International Journal of Social Sciences and Education*, 2(1), 512-522.
- Martin, J., & Nicholls, M. (1987). Creating an Organization-Wide Sense of Commitment. *California Management Review*, 29(4), 70-81.
- Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human Resource Management Review*, 1(1), 61-89.
- Namusonge, G. S. (2010). *Research Methods: Quantitative and Qualitative Approaches*. Nairobi: ACTS Press.
- Narasimhan, R., & Das, A. (2011). The impact of purchasing integration and practices on manufacturing performance. *Journal of Operations Management*, 19(5), 593-609.
- Nyaga, G. N., Whipple, J. M., & Lynch, D. F. (2010). Examining supply chain relationships: Do buyer and supplier perspectives on collaborative relationships differ? *Journal of Operations Management*, 28(2), 101-114.
- Olsen, R. F., & Ellram, L. M. (1997). A portfolio approach to supplier relationships. *Industrial Marketing Management*, 26(2), 101-113.
- Orodho, J. A. (2000). *Techniques of Writing Research Proposals and Reports in Education and Social Sciences*. Nairobi: Masola Publishers.
- Polit, D. F., & Beck, C. T. (2004). *Nursing Research: Principles and Methods*. Philadelphia: Lippincott Williams & Wilkins.
- Pulles, N. J., Schiele, H., Veldman, J., & Hüttinger, L. (2016). The impact of customer attractiveness and supplier satisfaction on becoming a preferred customer. *Industrial Marketing Management*, 54, 129-140.
- Rezaei, J., Wang, J., & Tavasszy, L. (2015). Linking supplier development to supplier segmentation using Best Worst Method. *Expert Systems with Applications*, 42(23), 9152-9164.
- Schloetzer, J. D. (2012). Process integration and information sharing in supply chains. *Accounting Review*, 87(3), 1005-1032.
- Sirdeshmukh, D., Singh, J., & Sabol, B. (2018). Consumer trust, value, and loyalty in relational exchanges. *Journal of Marketing*, 66(1), 15-37.
- Smith, J., & Johnson, R. (2016). The role of employee commitment in supplier relationship management and supply performance. *Journal of Business Logistics*, 37(3), 294-310.
- Wagner, S. M., & Bode, C. (2016). Supplier relationship management: A comprehensive approach. *Journal of Business Logistics*, 37(2), 155-169.
- Whitehead, J. D., Zacharia, Z. G., & Prater, E. L. (2019). The impact of collaboration on supply chain performance: A case study of US firms. *Journal of Supply Chain Management*, 55(1), 88-108.
- Zhang, M., & Cao, M. (2017). Employee commitment and its effects on SRM and supply chain performance. *Journal of Supply Chain Management*, 53(4), 22-35.
- Zhang, M., & Cao, M. (2018). Exploring the relationship between supply chain integration and green practices in the context of China. *Transportation Research Part E: Logistics and Transportation Review*, 111, 18-33.