

YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF MANAGEMENT STUDIES
MBA PROGRAMME

BUYER-SUPPLIER RELATIONSHIP AND
PROCUREMENT PERFORMANCE OF ELECTRICAL
PANEL MANUFACTURING FIRMS IN YANGON

NYO MI KHAING

EMBA II – 16

EMBA 16th BATCH

DECEMBER, 2019

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ACADEMIC YEAR (2017-2019)

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EMBA II - 16
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This thesis submitted to the Board of Examiners in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA)

Supervised By:

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ACCEPTANCE

This is to certify that the thesis entitled “Buyer-Supplier Relationship and Procurement Performance of Electrical Panel Manufacturing Firms in Yangon” has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

Board of Examiners

(Chairman)

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Rector

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DECEMBER, 2019

ABSTRACT

The purposes of this study are to explore buyer-supplier relationship and procurement performance of electrical panel manufacture firm in Yangon region. Primary data are collected from 62 electrical panel manufacturing firms with structured questionnaire. The findings of this study show that the effective communication is positively-contributed in building trust between buyer and supplier. Moreover, the results proved that trust between buyer and supplier have a significant effect on both operational and financial performance. The management of the electrical panel manufactures should maintain the proper and efficient communication for enhancing the supplier-buyer relationships and thereby improving procurement performance of the firm.

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LIST OF ABBREVIATIONS

B2B	Business to Business
B2G	Business to Government
ESB	Electricity Supply Board
EPC	Electric Power Corporation
MEPE	Myanmar Electric Power Enterprise
MOEE	Ministry of Electricity and Energy
MOEP	Ministry of Electrical Power
SCM	Supply Chain Management
SOP	Standard Operating Procedure

CHAPTER 1

INTRODUCTION

Today's world of economy revolving rapidly more than ever in terms of change in social trends, technological advancements and strategy makers are being threaten by complicity of this new business era. In this new phase of corporate world, most companies exert conscious effort to thrive due to threatening competition, the ever increasing difficult-to-satisfy customer. In view of this, the capability of firms to sustain their very existence and preserve competitive power depends on their ability to innovate and the relationship they have with their suppliers. This implies that, there is an enormous advantage that accrues to producers that develop relationships with suppliers within the context of supply chain management (SCM).

Buyer-Supplier relationships that had traditionally operated in an adversarial form have since been promoted in a more positive frame encompassing collaboration, joint problem solving, and strategic supplier integration. Relationship continuity is the willingness of parties to make longer their agreement to cooperate during a particular period of time, indefinite or not, in the future (Auruskeviciene & Palaima, 2007). Comparative studies show that firms with high levels of collaboration have greater chances of sustaining their relationship than those in less collaborative supply chains (Myhr & Spekman, 2005). This implies that any firm's ability to generate customer satisfaction, stand loyal, meet future expectations and intensions and maintain suppliers will condition the desire to preserve the established relationship. This enhances trust, commitment and adaptation between firms with their suppliers subsequently resulting in relationship continuity (Heide & John, 1992, 1990).

This study aims to explore how buyer-supplier relationship has being constructed and influenced on procurement performance among electrical panel manufacturing firms in Yangon, Myanmar and electrical equipment suppliers. Electricity is a key infrastructure component which is vital to social and economic development. It supports wide-ranging activities to improve quality of life, increase labor productivity, and encourage entrepreneurial activity. And it is a vital input in economic production, making goods and services throughout all economic sectors possible. Power sector can be generally divided into three main stream. Upstream includes exploring of fuel sources and power generation,

transmission of generated electricity is midstream and distribution of electricity to power consumer is downstream. Electrical control panels are utilized in these all along of electricity supply chain.

Electricity consumption in Myanmar is dramatically growing and the government is being prioritized its stable, efficient, and affordable supply. Instead of having abundant energy resources, including renewable alternatives, hydropower, natural gas and coal in country, it is still facing challenges of infrastructure incompetency. Per capital electricity consumption in Myanmar remains under below among its regional peers' countries. More than half of the country population have no access to electricity and heavily rely on traditional biomass for lighting and cooking. Moreover, electricity demand by existing users or population within national grip is also radically increasing. The significant gap has been occurring between demand and supply of electricity in country.

Not only market potential existence but also due to the opening of market economy in country, international venture firms and electrical equipment suppliers had flown into the country's electric power market during recent years. More and more international giant firms were attracted to present their business on this virgin land and incorporating. Furthermore, political reform of country also levelized investment flow in which is result of relieving several sanctions on country. As the country economy is opening up and approaching to the global competitiveness, rival among electrical equipment suppliers is becoming fiercely. The nature of the electrical component supplying business heavily rely on industrial sale mode or B2B (Business to Business) correlation and establishing a strong buyer-supplier relationship is the lifeline of the business for long term surviving in market.

1.1 Rationale of the Study

Accordance with the nature of business translation, the supplier to buyer relationship has become the core of economic activities and critical point in attainment of the set goals and targets. Helper and Sako (2005) state that buyer-supplier relationships refer to commercial transactions between organizations for the purchase and supply of goods or services. Although inter-organizational transactions have always been important in purchasing and marketing process, it is only comparatively recently that interest in buyer-supplier relationships has spread throughout a range of management disciplines

reflecting global changes that have made the management of external relationships central to understanding contemporary organizational practices and performance.

The formation of beneficial relationships within the supply chain is an indicator for business success. They are formed because there are so many changes in the market patterns, economic environment and customer requirements. They thus are seen as cushions to the changes in the business world. These relationships are not formed for the sake of it but exist because companies see the gains that come out of it. These relationships are commonly referred to as partnerships, strategic alliances and are ways in which a buying firm forms a network with its suppliers so as to compete more effectively with other firms. Those firms which are looking out to specific suppliers have been noted to get inventory on time, have a better understanding of the market requirements and will use the least cost possible when obtaining their merchandise.

In a B2B business environment, firms with close relationships with suppliers can achieve a competitive advantage by receiving merchandise in short supply, information on new and best-selling products and competitive activities, best acceptable prices, and advertising and marketing and markdown allowances (Claro et al., 2006). Maintaining good relations with a supplier should be as important to a contract business partner as getting the best price. A good buyer-seller relationship is a win-win situation over the long run for both parties. A supplier who is treated with courtesy, honesty, and fairness will deliver a quality product with the feasible price, will provide proper service, and will be responsive to emergency conditions and special requests.

The purpose of the study is to investigate the role of effective buyer supplier relationship on procurement performance of electrical panel manufacturing firms in Yangon. Even though there are several previous studies for this same area of study, strategically approach to specific market for building solid relationship with market key players may slightly differed depending on diversities of sociocultural and economic pattern of the markets. In order that, this study shall be a support platform to approach local manufacturing firms not only for electrical panel engineering manufacturing local firms but for other industry trading businesses which are incorporating or tend to incorporate in Myanmar. Moreover, the study aims to explore how trust level has been constructed between international electrical accessories manufactures and local panel manufactures during these years of economic reform and examine how those established trusted level contributed to procurement performance.

1.2 Objectives of the Study

The two major objectives of the study are as follows:

1. To examine the effect of buyer-supplier relationship on trust of electrical panel manufacturing firms in Yangon
2. To analyze the effect of trust on procurement performance of electrical panel manufacturing firms in Yangon.

1.3 Scope and Method of the Study

This study explores Buyer-Supplier relationship and procurement performance of electrical panel manufacturing firms in Yangon. The trust between buyer and supplier is applied as the intermedia variable of the framework of the study. Analytical method is applied in this study. For collecting primary data, the study is made on the 62 panel manufacturers in Yangon. Primary data are collected through structured questionnaire to responsible person from electrical panel manufacturing firms which are based in Yangon region. Data collection period is from May 2019 to August 2019. Secondary data are collected from companies, relevant text books, internet website, previous international papers and studies, and articles appears in industrial reports.

1.4 Organization of the Study

This study is organized into five chapters. Chapter 1 is the introduction of the study and it includes rationale of the study, objectives of the study, scope and method of the study and organization of the study. Chapter 2 discusses about the theoretical background of each variable of the study which are Buyer-Supplier Relationship, Trust and Procurement Performance. Chapter 3 represents background and a brief introduction to Myanmar Electricity sectors and business nature of electrical panel manufacturing. Chapter 4 discusses the analysis on the influence of Buyer-Supplier relationship on trust building between electrical component supplier and local panel manufactures. Finally, Chapter 5 is the conclusion that involves findings and discussions, suggestions and recommendations and the need for further study.

CHAPTER 2

THEORITICAL BACKGROUND

This chapter provides a theoretical organization of the studies, emphasizing on the vibrant and pertinent definitions, concepts and explanations. Some of the issues and concepts to be discussed in this chapter included definitions, the whole concept of the buyer-supplier relationship, trust and the effect of the buyer-supplier relationship on procurement performance.

2.1 Buyer-Supplier Relationship

Present day extremely competitive market, the finest approach suitable for drawing and maintaining business is for buyers and suppliers to work as a unit (Sheard, 2010). A generally accepted principle is that enhanced associations that exists between the buyer and supplier are immensely required, as well as forward-thinking companies realize relationships is an operational way of elevating the efficiency level of the entire supply chain to develop and retain (Burnett, 2004).

Alliances can be considered as an intercrossed governance structure, planned together to achieve the benefits of independent ownership and advantages of vertical integration (Dyer, 1996). Supplier alliances support the buying firm such as higher coordination, better resource utilization and faster reaction to market changes and provide many benefits. Alliances with selective suppliers cause mutual advantages such as reducing overall cost, enhance customer satisfaction, flexibility to handle with changes, productivity improvement and long-term competitive advantages in the marketplace (Zsidisin and Ellram, 2001). “Relationships are the foundation on which an effective supply chain can be built” (Gentry, 1996). A stronger relationship allows the members to achieve quality improvements, revenue growth and reduce cost and support capability to deal with demand and supply uncertainties (Lee et al., 1997).

In a supply chain, relationships are not only used for connecting the firm with a partner, but also used to connect the firm throughout the supply chain (Hsu et al., 2008). Relationship with supplier is one of supply chain relationships (Lemke et al., 2002). Minimum two parties are involved in a relationship to achieve mutual benefits (Walter et al., 2001). Therefore, maintaining a strong relationship between buyer and supplier

becomes most important and result in mutual benefits. In order to win and maintain the business both buyer and supplier need to work together as a team. A successful relationship defines mutual sharing of risk and rewards, clear understanding of each other's roles and responsibilities, high level of commitment and trust, maintaining long-term relationships, mutual information sharing, a sincere desire to success and responsiveness towards each other's and end customer's needs (Lemke et al., 2002).

Buyer-supplier collaboration is a departure from the anchor point of discreteness that underlies business transactions to a relational exchange as the roles of buyer and supplier are no longer narrowly defined in phrases of the simple transfer of ownership of products (MacNeil, 1981). By focusing on relational exchange, collaboration entails the activities that are undertaken jointly rather than unilaterally (Heide, 1990); Z. Simatupang and Sridharan (2002) suggest that the requirements for effective collaboration are mutual objectives, integrated policies, joint decision making, information sharing, sharing of benefits and losses.

At the strategic level, the benefits are bought in the form of enhanced competitiveness, innovation and increased market share (Kannan and Tan, 2005). Academics recognize the importance of supplier management. "The effects of many buyer, supplier and market characteristics, as well as product characteristics have yet to be analyzed" (Terpend et al., 2008) and many studies have showed the advantages that can be achieved by the supplier alliances (Spina and Zotteri, 2000). Sheu et al. (2006) identify that the understanding of nature of relationships in a supply chain is limited and need to be improved.

The strategic approach to buyer-supplier relationship management has always been key to successful businesses regardless of industry. The Buyer-Supplier Relationships Management can be termed as a connection formulated so as to attain enhanced communication between the buyer and the supplier. There are several management style of buyer supplier relationships management strategies applied by manufacturing firms. Buyer-Supplier Partnership Strategy, Communication Strategy, and Commitment to suppliers Strategy are specified and applied in this study.

Buyer-supplier partnership is a strategy aimed to ensure that the contact between the buyer and the supplier occurs in a well-coordinated manner (Dyer and Ouchi 1993). It is a strategy for corporation of long-term association and joint understanding of efforts

between buyers and supplier. Particularly, the regular contact created by the Buyer-supplier partnership ensures not only dependability and reliability. This thus enables easy management of the transactions. This particular partnership may be attained by both parties committing themselves, building trust and making adaptations which suit both the supplier and the buyer.

Communication strategy specifies to policy-making, sharing information and guidance for consistent information activity within an organization and between organizations. Maintaining of proper and efficient communication is a vital component of enhancing the buyer-supplier relationships. It ensures that information is conveyed appropriately and timely. The procurement officials use a variety of media to get in touch with suppliers, including internet, face-to-face, fax, mail, e-mail, phone, and electronic data interchange (EDI) thus enhancing how the companies perform procurement wise (Rodrigo, 2001). In order that, the management ought to choose the communication method that is prone to bring the most benefits and trust.

Commitment is termed as the willingness of each party to give it their all in ensuring that the transaction takes place as planned (Kwon, 2004). Maintaining commitment in the buyer supplier relationship has been established to accrue various benefits such as: increased willingness in conducting operations, increased positivity, increased investment, reduced selflessness and increased personal effectiveness hence resulting in improved performance in procurements (Gounaris, 2005). This builds trust as the supplies are conducted with the individuals having internal motivation.

2.2 Trust between Buyer and Supplier

Trust is the extent to which Buyer-Supplier perceive each other as credible and benevolent (Doney and Cannon, 1997). Credibility reflects the extent that a firm believes their relationship partner has the understanding to perform effectively while benevolence occurs when a firm believes their relationship partner has goals and motives that will benefit the buyer-supplier relationship (Ganesan, 1994). According to Moorman (1993), trust is defined as “a willingness to rely on an exchange partner in whom one has confidence”. Ganesan (1994) stated that the repute of the fairness of suppliers has an important consequence on its reliability in the trade; also, gradually pleasing reliability produces trust at a greater level. Trust is a situation in which the individuals involved, trusts

themselves, in such a situation, the individuals can always find ways of resolving disputes that may arise in the course of their business defined by Sullivan and Peterson (1982). According to Ganesan (1994), the issue of trust basically leads purchasers and sellers to primarily concentrate on long-standing privileges of the relationship and in due course boosts the performance results in buyer-supplier relationships.

Swan and Trawick (1987), operationalizes trust in five dimensions of; reliable, honest, competent, partner orientation, and likeable. According to Sako (1992), there are three dimensions of trust; contractual trust, based on the belief that the other party will fulfill its promises and act as agreed; competence trust, based on the belief that the other party will be capable of doing as promises; and trust in goodwill, based on the shared belief of both parties that the other is deeply compromised to promoting a good development of the relationship and trust between buyer and supplier. On the other hand, Göran .S (2005) operationalizes trust by looking at it in terms of mutual and interactive trust. Interactive trust is a kind of non-stop trust in business dyads to describe a continuous process of trust while mutual trust is a kind of on-the-spot-account trust in business and a discontinuous process is a condition of trust.

Furthermore, Muhwezi (2009) argues that trust is a precondition and outcome of collaboration. It also gives the confidence that the other party can be relied upon. Trust is conveyed through belief, faith, reliance, or confidence in the collaborating partner and is viewed as a willingness to forego opportunistic behavior.

2.3 Procurement Performance

Kiage (2013) studied to determine what undermines how the procurements perform. The study was conducted as a case study of public procurement practices of the Ministry of Energy of Kenya. Specifically, the study intends to determine the impact procurement planning on procurement performance; and to establish how various factors affect the procurement performance. The study establishes that interactions between the supplier and the buyer highly determines how the procurement performs.

Procurement performance is an important and multi-faced issue in supply chain management. It is defined as the information regarding the products and processes results that allow the comparison and the evaluation in relation to goals, patterns, past results and with other processes and products (Petrovic-Lazarevic and Sohal, 2002). The objectives of

performance measurement are to improve the efficiency and effectiveness of a supply chain (Beamon, 1999), and also consider the overall supply chain goals and the metrics to be applied (Gunasekaran *et al.*, 2001).

According to Gunasekaran classification; there are two measurements as financial performance and non-financial performance (operational performance) in procurement performance. Financial measures; Sales growth rate, interests and profitability, which are frequently used as predictors of financial performance (Bourne, 1999). Profitability refers to the average retail benefits that the retailer can make from the sportswear. The study of Dollinger and Kolchin (1986) identify that there is a strong positive correlation between purchasing activity and firm profitability. The non-financial performance or operational performance measures characterize the essence of flexibility and customer service in procurement process.

2.4 Relationship between Buyer-Supplier Trust and Procurement Performance

Trust is developed through consistent and predictable acts of an exchange partner over an extended period (So and Sculli, 2002). According to Milliman and Fugate (1988), and Stewart and Malaga (2009), trust can be built through a transference process meaning that trust can be transferred from one trusted to another person despite having had any experience or previous relations. Trust allows stakeholders involved in procurement arrangements to focus on other issues knowing that those with whom they are involved to protect their interests and not engage in activities that are destructive to their business (Bachmann & Inkpen, 2011). Therefore, trust is a belief by one part and the other party will fulfill its obligation in a relationship (Dagger & O'Brien, 2010). This advises that trust is being perceived across procurement practices theoretical paradigms as a critical construct upon which buyer and seller interactions are premised.

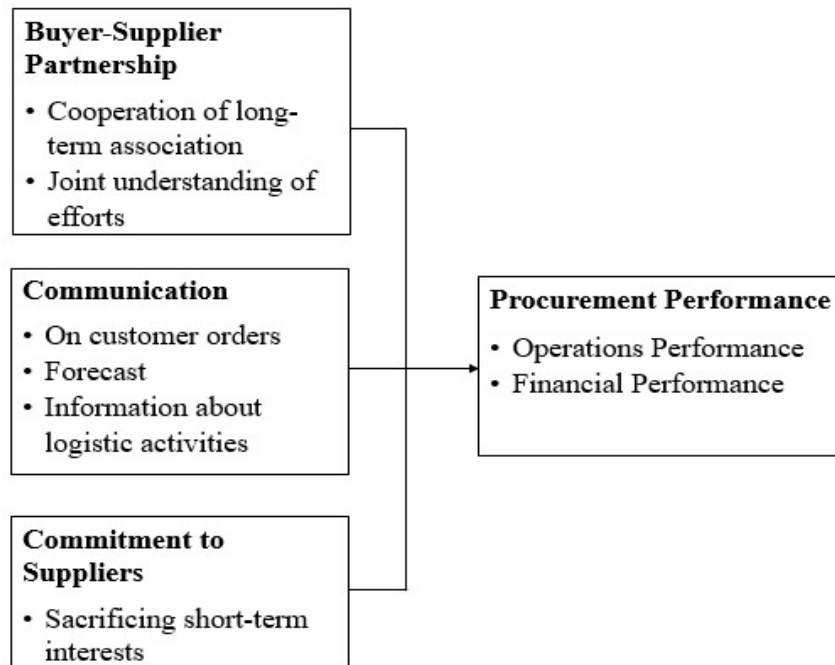
Furthermore, relational exchange parties should appreciate that parties involved in any form of business interactions calculate the cost and or benefits of another party cheating or staying in a relationship (Dasgupta, 1998). So that, one relations exchange partner would be considered trusting if it believes that it would be in the best interest of the other party not to cheat, as the benefits of the contrary are more and exchange parties would therefore trust each other. When relational exchange partners trust each other, they are more willing to share relevant ideas, sensitive information, clarify goals and problems and communicate

efficiently. It also increases satisfaction with the relationship, enhances continuity expectations and improves cooperation, coordination, collaboration and communication (Aurier & N'Goala, 2010).

2.5 Previous Studies

To develop the conceptual framework for this study, some relating papers are reviewed. The first paper reviewed is “Buyer-Supplier Relationships Management Strategies and Procurement Performance of Large-Scale Manufacturing Firm in Kenya” by Alvin B. Dolo (2015). The objectives that included; to establish the buyer - supplier relationships management strategies commonly used by large scale manufacturing firm and to determine the relationship between buyer-supplier relationships management and procurement performance of large-scale manufacturing firm. The following figure shows the conceptual framework of the first reviewed paper.

Figure (2.1) Conceptual Framework Developed by Alvin B. Dolo



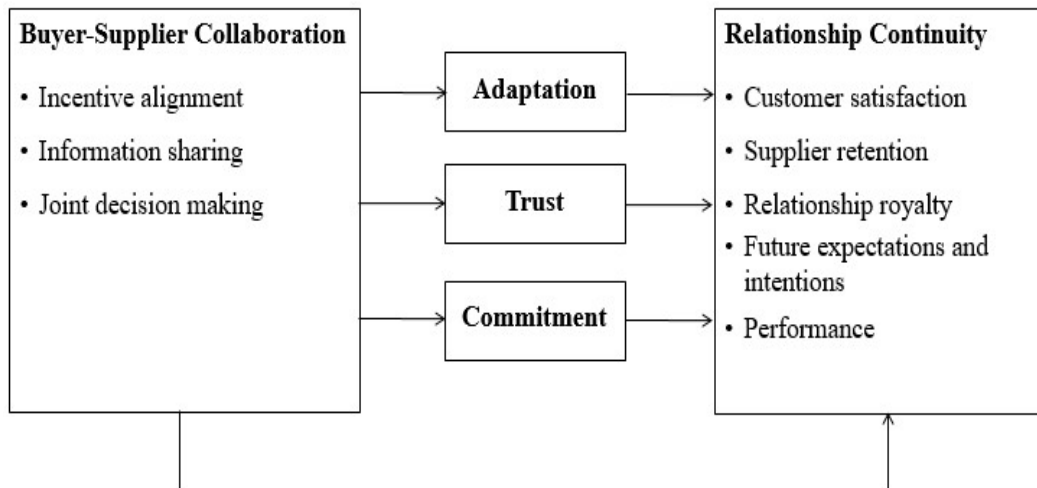
Source: Alvin B.Dolo (2015)

The findings of this study indicated that communication among the supply chain partner is related to the degree of critical and proprietary information shared among each

other. Information sharing involved information related to logistics, customer orders, customer needs and wants, forecasts, schedules, market and so on.

The second review paper is by Jude Thaddeo Mugarura (2008) that entitled “Buyer-Supplier Collaboration, Adaption, Trust, Commitment and Relationship Continuity of Selected Private Manufacture Firm in Kampala”. The main purpose of this study was to examine the relationship between buyer-supplier collaboration and then relationship continuity of private manufacturing firms in Kampala. The conceptual model of the second reviewed paper is as follows:

Figure (2.2) Conceptual Framework Developed by Jude Thaddeo Mugarura



Source: Jude Thaddeo Mugarura (2008)

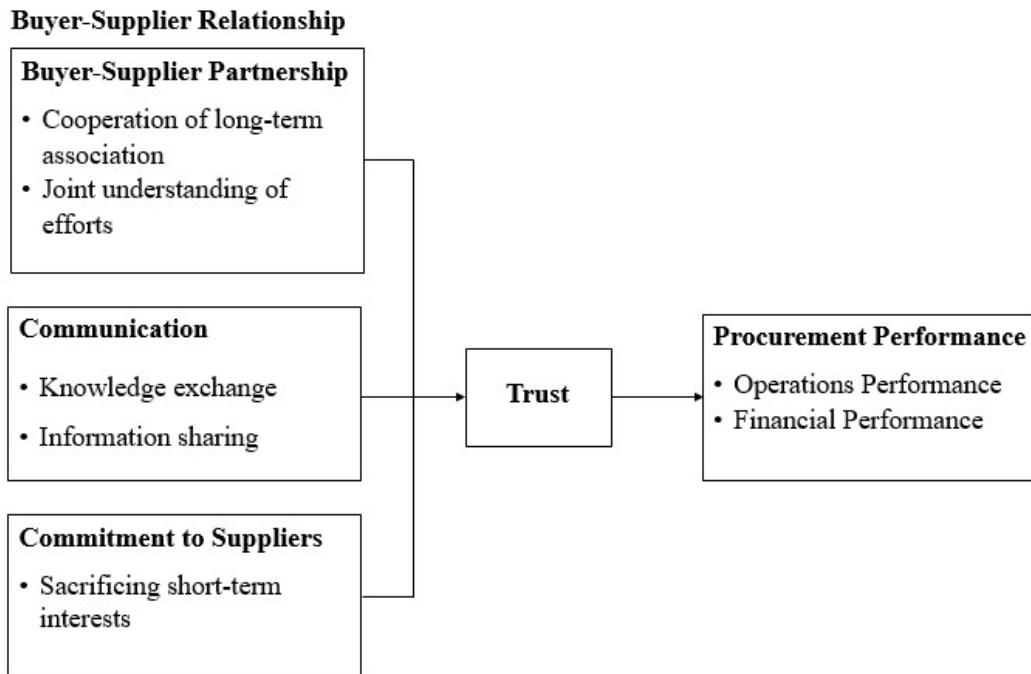
The results showed a significant positive relationship between buyer-supplier collaboration and relationship continuity. It also showed that adaptation, trust and commitment are significant predictors of relationship continuity and collaboration also positively predicts adaptation, trust and commitment.

2.6 Conceptual Framework of the Study

From the previous first paper, the three types of buyer-supplier relationship strategies (partnership, communication and commitment to suppliers) and procurement performance are taken because those variables are relevant with manufacturing. From the second reviewed paper, Trust moderating variable are taken because it is important for manufacturing firms’ operation and financial performance. The conceptual framework

(Figure 2.3) of the study is own complication which is adopted from several studies of buyer-supplier relationship in different sectors. The model is constructed to study how buyer-supplier relationship shaped on procurement performance of electrical panel manufacturing firms in Yangon.

Figure (2.3) Conceptual Framework of the Study



Source: Own Compilation (2019)

Buyer-Supplier Partnership, Communication and Commitment to Supplier are selected as the components of Buyer-Supplier Relationship constructing between electrical equipment supplier and local panel manufactures. The model specifies establishing of trust between buyer and supplier as a mediator that buyer-supplier relation effects on procurement performance.

CHAPTER 3

PROFILE AND BUYER-SUPPLIER RELATIONSHIP OF ELECTRICAL PANEL MANUFACTURING FIRMS

This chapter is divided to two portions. The first part of the chapter presents the brief introduction to Myanmar power sector and the business nature of electrical panel manufacturing. The next portion of the chapter describes the demographic profile of the respondents and identifying of Buyer-Supplier relationship of electrical panel manufacturing firms in Yangon.

3.1 Overview of Myanmar Power Sector

In 2014, Myanmar start standing up to the beginning stage of its market economy. A privatization landscape was in place and the Myanmar Government has been actively appealing foreign investment in all sectors of the economy. Whilst Myanmar's state-owned Enterprises continue to play a dominant role in the economy. This significant growth in Economic will require resources – capital, labor and energy supply. Along with the growth of economic in country, energy demand is also growing. Myanmar's energy intensity can be expected to increase as economic reform takes place and traditional labor-based activities are tended to be replaced with technologies.

Myanmar Power and Energy sector is still under control of Ministry of Electricity and Energy and its state-owned enterprises. In early of post-independence time, Electricity Supply Board (ESB) was organized under the Ministry of Industry on 1st October 1951 complied with the Electricity Act of 1948. In March 1972, it was named as Electric Power Corporation (EPC). In April 1975, the Ministry of Industry was divided into the Ministry of Industry (1) and the Ministry of Industry (2) and then the Electric Power Corporation (EPC) was composed under the Ministry of Industry (2). In April 1985, the Ministry of Industry (2) was enlarged with the Ministry of Energy and the EPC was composed under the Ministry of Energy. On 1st April 1989, the EPC was changed into the Myanmar Electric Power Enterprise (MEPE). In November 1997, the Ministry of Electrical Power was organized, and there were three departments under it: Department of Electrical Power, Myanmar Electric Power Enterprise and Department of Hydropower.

In May 2006, the ministry was divided into two as No 1 and No 2, and on 5th September 2012, they were composed again into one Ministry as the Ministry of Electrical Power (MOEP) that there were three departments, two enterprises and two corporations. In April 2016, the MOEP was composed with the Ministry of Energy to form the Ministry of Electricity and Energy (MOEE) that there were four departments, five enterprises and two corporations (Ministry of Electricity and Energy Official Website, 2019)

According to the latest statistics of MOEE, the total generation of Myanmar in 2018 is 21,615GWh with the annual average growth rate of 12.0% and the maximum load is 3,586MW with the average annual growth rate of 15.0% within the past three years. Currently, country has a total installed electricity generation capacity is 5,097MW in which 3,221MW is hydropower, 1,756MW is thermal and 120MW is coal-fired. The country's electricity generation is mainly relied on hydropower and followed by natural gas.

At present, a uniform national power grid has not been taken shape yet and the power grid in Myanmar is made up of national interconnected power grids (national grid). There are also several off-grids in the remote areas. The national transmission line mileage is 11,367 km in 2017 with the main voltage levels of 230kV, 132kV and 66kV. Yangon and Mandalay are two major load-centers of the county's distribution network and transmission lines extends to surrounding cities.

According to the latest data released by MOEE, Myanmar's electricity power demand is forecasted 12.4% of average annual growth rate in high-level forecasting and 8.4% of the average annual growth rate in low-level forecasting. The power load in Myanmar is expected to increase from 3,189MW in 2017 to 9,100MW in 2030 as low-level forecasting. According to the results of power balance prepared by industrial experts, there will be a certain power shortage in Myanmar by 2030 under the condition of low-level load forecast. It is estimated that the power shortage would be 1,293MW in 2021 and 5,420MW in 2030. This means that Myanmar power sector has several rooms left to be growth and it is becoming one of the most attractive sectors in country for international firms to invest.

3.2 Electrical Panel Manufacturing Industry in Myanmar

The electrical panel is the system that distributes electric current to different circuits in buildings or power distribution station. Electrical control panel are essential items in industrial electrification. It transfers current between circuits while ensuring that the transfer is safe and it also breaks up electrical power into sub-circuits. Electrical panels fitted with necessary relays and accessories are also used to protect electrical equipment from being damaged due to short circuit and overloading. Electrical panels are enclosures fabricated out of sheet metal. There is open type, semi-enclosed and totally enclosed type of electrical control panels. In addition, they indicate the parameters like voltage, current and frequency on the face of the panel.

There are different types of Electrical Control Panels for industrial utilization and electric power distribution network. These panels are applied for holding the meters, switches, relay, cables, circuit breakers and other such electrical equipment for controlling the beginning and ending procedures of a process or a piece of equipment. These electric control panels are used widely in different kinds of industries and come in different sizes and shapes. The usage varies according to the purpose of utilization area. For the industrial purpose, high tension, low tension and instrument control panels are most extensively used. Some of widely utilized electric control panels are high tension control panels, low tension control panels, motor control panels, instrument control panels, generator control panels, lighting control panels, main low-tension panels, power control center panels, power distribution panels and others so many types of panels which are different on their purpose of application.

The electrical panel manufacturing sector in Myanmar forms one of major economic boosters in Myanmar. Large firms have invested much capital in terms of resources which include both material and non-material resources. Both the relations and improvements in the procurement performance are very important aspects. In the electrical panel manufacturing industry in Myanmar, searching for a supplier is important and support the company's objectives in terms of cost, quality, deadlines as well as performance. To set up their panel, buyers must actively monitor the market, collect data, and identify the industrial suppliers and distributors best suited to different of the various functions within the firm. Finding reliable information is difficult. To ensure the information comes from a trusted source, buyers check out specialized websites, speak with experts or turn to their

colleagues. Buyers study the displayed price, legal conditions, delivery conditions and return policy.

Most of these electric panel are customized products accordance with client's requirements and purpose of applying. Only households used panels are available in the market readily and the market size is relatively small for those small-scale households used panels compare with industrial use panel market. In generally, electrical panel manufacturing business are mainly focused on B2G and B2B markets. They deliver customized solutions to their end-users jointly with suppliers. Electrical component suppliers are involved since the designing state of panels especially for large-scale electrical panels projects. According to the nature of business, each other dependency between panel manufacturer and suppliers significantly high and jointly deliver customized solution to end-users.

3.3 Demographic Profile of the Respondents

There are only around 75 of electrical control panel manufacturing firms in Yangon (Thanlin township, Tharkayta township, South Dagon township, North Dagon township, East Dagon township, Dagon Sate Kan township, Shwe Pyi Thar township, Shwe Pauk Kan township, North Okkalapa township, Mingalardon township and Hlaing Tharyar township) and total of 62 respondents are included in this survey to explore the effect of buyer-supplier relationship on procurement performance with the moderating effect of trust. Each characteristic has been analyzed in terms of absolute value and percentage, and the summary of the demographic characteristics of respondents at electrical panel manufacturers which are included. All participants were informed that all the surveyed data will be kept confidential and used only for academic paper.

This section describes the demographic characteristics of the respondents such as gender, age group, education, job function, designation and tenure. Table (3.1) shows the result of the analysis on the respondents' demographic profile as follows.

Table (3.1) Respondents Profile of the Study

Demographic Profiles		No. of Respondents	Percentage (%)
Total		62	100.0
Gender	Male	29	46.8
	Female	33	53.2
Age Group	26 - 36 Years	36	58.0
	37 - 47 Years	26	42.0
Education Level	Bachelor Degree	59	95.2
	Mater Degree	2	3.2
	Doctorate	1	1.6
Main Job Function	Procurement	20	32.3
	Logistic/ Supply Chain	14	22.6
	Liaison/ Public Relationship	7	11.3
	Technical/ Design	12	19.4
	Finance	9	14.4
Designation	Operation Supervisor	18	29.0
	Middle Management	36	58.0
	Top Management	8	13.0
Tenure	< 1 Year	8	13.0
	1-5 Years	22	35.4
	>5 Years	32	51.6

Source: Survey Data (2019)

The gender analysis is the first analysis of the demographic characteristics of respondents. The gender of the respondents' employee is simply classified into males and females. As seen in Table (3.1), it shows the result of gender profile of respondents as male respondents are 29 and female respondents are 33 among total 62 respondents of electrical panel manufacturers in Yangon. In term of percent, female respondents share with 53% and male respondents share only 47% in this study. According to this result, female and male ratio is not much difference and both genders were well represented to carry the study out.

One of the most common demographic questions ask age in surveys. How old a person often determine his/her knowledge and experience with the focus of the survey. In term of percent, the most participants are found in age group 26 to 36 years old with 58% and group 37 to 47 years share 42% with the second most participants. Result findings shows that all participants' age are less than 36 because most participants are at the middle management level.

Asking a respondent what their highest level of education completed is often found on surveys in terms of degree holder or above in management level. In the result of the analysis on the education level of respondents, the most participants found in bachelor degree and 95% holds. It can be assumed that they are able to work within local and global competition, performing companies business with high creative and innovative. Questionnaire are dispatched to the different job function holders who would have direct interconnection with suppliers. According to the findings, female respondents mainly carry out in outsourcing and logistic related job functions to deal with suppliers

Table (3.1) reports that respondents who have working experience in this industry above 5 years is 52% as the largest ratio and one to five years is 36%. From the analysis, it can be assumed that to become senior management level, working experience should be more than 5 years since they need to make decisions for their department and company. Therefore, it can be seen that most of the total respondents have known well their relationships with suppliers and their opinions are necessary for the buyer- supplier relationship.

3.4 Buyer – Supplier Relationship

There are three sub-variables; Buy-Supplier Partnership, Communication and Commitment. The analytical analysis is conducted to investigate respondents' perception on these three variables related with relations between buyer (Panel manufacturer) and Supplier and effect on trust and procurement performance.

3.4.1 Buyer-Supplier Partnership

The respondent perception on Byer-Supplier Partnership is shown in Table (3.2). There are seven different question for this variable and respondent scored that the overall mean value of 3.74 with less varied standard deviation.

Table (3.2) Buyer-Supplier Partnership

No.	Buyer-Supplier Partnership	Mean	Standard Deviation
1	Well establishing of partnership with suppliers	4.11	.447
2	Forming mutual support between company and supplier	3.66	.477
3	Clear understanding of roles and responsibilities of each side	3.92	.581
4	Maintaining long-term relationships	4.35	.482
5	Lack of co-operation between buyer and supplier leads to failure of buyer-supplier relationships	2.81	.755
6	Joint understanding effort on identifying and resolving problems	3.71	.492
7	Well defined procedure, policy and/ or SOP for establishing long term partnership with supplier	3.71	.556
Overall Mean		3.74	

Source: Survey Data (2019)

The results indicated that with cooperation of long term association, the respondent agreed to do maintaining long term association with suppliers and well establishing partnership with suppliers because they scored highest mean value of 4.11. In addition, the respondents disagree that being lack of co-operation between buyer and supplier may not lead to failure of buyer-supplier relationships (2.81) but they agree that they have well defined procedure, policy and/or SOP for long term partnership with suppliers and forming mutual supports between firm and supplier.

With joint understanding of efforts, the respondents also agreed to a great extend understanding of each other's roles and responsibilities and identifying and resolving problems between buyer and supplier. The electrical panel manufacturing firms should emphasize the effectiveness of cooperation with suppliers to improve buyer-supplier relationships.

3.4.2 Communication

Respondents' perception on communication between buyer and supplier is presented in Table 3.3. There are also seven different questions in this secession and overall mean value is greater than 3 with less value of standard deviation for each question.

Respondents scored mean value for each question is greater than 3. Respondents expressed that they have well established good communication channel with their suppliers because they scored highest mean value of 4.02. The respondent rated the least mean score for the statement of exploring the existing of strong engagement of supplier for mutually beneficial value exchanges with the mean value of 3.27. But its mean value is larger than 3 and somehow extended to be agreed to the statement.

Table (3.3) Communication

No.	Communication	Mean	Standard Deviation
1	Good communication between company and supplier	4.02	.338
2	Responsiveness towards each other's needs	3.84	.486
3	Mutual information sharing and knowledge exchange	3.81	.538
4	Utilizing a variety advance technology to communicate	3.53	.620
5	Strong engagement of supplier for mutually beneficial value exchanges	3.27	.632
6	Transparency achieved through effective communication	3.76	.564
7	Well defined procedure, policy and/ or SOP for establishing effective communication with supplier	3.66	.599
Overall Mean		3.69	

Source: Survey Data (2019)

The respondent revealed that there are mutual information sharing and knowledge exchange with their supplier and responsiveness towards each other's needs. The majority of the respondent also agreed to a certain extend regarding with well defining procedure, policy and standard operation procedure for establishing and maintain effective communication with their suppliers.

3.4.3 Commitment

Respondent attitude on commitment between supplier and buyer is presented in Table (3.4). The seven different questions are asked and respondents scored an overall mean value which is greater than 3. The standard deviation for each question is less varied.

Table (3.4) Commitment

No.	Commitment	Mean	Standard Deviation
1	Lack of commitment causes failure of buyer- supplier relationship	2.65	.590
2	Having commitment to a lasting relationship with our supplier	3.31	.465
3	Willingness to make short-term sacrifices for maintaining the relationship	3.45	.502
4	Commitment to supplier boost confidence in the stability in the relationship	3.90	.298
5	Commitment to a partner has a direct impact on performance	3.95	.381
6	Emphasize on long-term relationship	4.95	.556
7	Commitment make achieving favorable results for both companies	3.85	.355
Overall Mean		3.71	

Source: Survey Data (2019)

According the survey result, respondents disagreed that lack of commitment between buyer and supplier relationship would be cause failure of buyer-supplier relationship because they marked a mean value mean of value of 2.65 which is less than 3. In other words, the respondents have perception of being lack of commitment to their supplier will not be affected on relationship with their supplier. But they responded that commitment to supplier boost confident in the stability in the relationship. They also revealed that their organization emphasize on long-term interest with their suppliers scored with the largest mean value of 4.95 among seven different statements. The electrical panel manufacturing firms should emphasize the effectiveness of commitment with suppliers to improve buyer-supplier relationships.

CHAPTER 4

ANALYSIS ON BUYER-SUPPLIER RELATIONSHIP AND PROCUREMENT PERFORMANCE OF ELECTRICAL PANEL MANUFACTURING FIRMS

This chapter presents analytical analysis and discussion of the study. The first part is discussion on analytical analysis of Buyer-Supplier relationship on trust between electrical panel manufactures and suppliers. The second part is the regression analyzing of the relationship between Buyer-Supplier Relationship and Trust, and the relationship between Trust and Procurement Performance.

4.1 Analysis on the Effect of Buyer – Supplier Relationship on Trust

Successful buyer-supplier relationship requires trust if the relationship is to be sustained. When the level of trust is high, partners want to continue with a willingness to share risk. Trust is necessary and the most important issue for managing long-term relationships and cooperation. To find out the buyer-supplier relationship on trust, this study measure with buyer-supplier partnership, communication and commitment to analyze on the effect of buyer-supplier relationship on Trust.

4.1.1 Trust between Buyers and Suppliers

The analytical analysis of Trust between electrical panel manufactures and suppliers is described in Table (4.1). According the survey result, there are certain level of trust between buyers and suppliers because respondents scored an overall mean value which is greater than 3 with the less varied of standard deviation value for each of ten different statements.

Table (4.1) Trust between Buyers and Suppliers

No.	Customer Satisfaction	Mean	Standard Deviation
1	High level of trust between company and supplier	3.95	.282
2	Enhanced open communication	3.77	.459
3	Treated supplier as allies and close friend	3.79	.410
4	Established higher creditability	3.61	.523
5	Shared our corporate strategy and sensitive information with supplier	3.39	.583
6	Making important corporate strategic planning of organization with supplier	3.21	.484
7	Having a strong personal and social bond with supplier	3.56	.500
8	Shared business opportunities with supplier	3.79	.484
9	Just following procedure and not critical matters between firm and supplier	3.56	.532
10	Feeling secure as a team with our supplier	3.45	.502
Overall Mean		3.60	

Source: Survey Data (2019)

Mean value of each statement is scored higher than 3 with less value of standard deviation. Statement for exploring level of trust between supplier and panel manufacture rated the highest mean value among ten different statements and it can be translated there would be higher trust level between two parties. Respondents rated the least mean value for the statement which is for inquiring whether panel manufactures invite their suppliers to be involved for setting important corporate strategic planning process of their organization.

4.1.2 The Effect of Buyer – Supplier Relationship on Trust

Firstly, to explore the effect of Buyer -Supplier relationship on trust, a linear regression model was applied for analyzing 62 of respondents to investigate the relationship on trust between buyer and supplier. The result of the analysis is shown in Table 4.2.

Table (4.2) The Effect of Buyer – Supplier Relationship on Trust

Variable	Unstandardized		Standardized	t	Sig.	VIF
	B	Std.	Beta			
(Constant)	1.489	.414		3.600	.001	
Buyer-Supplier Partnership	.161	.086	.208	1.883	.065	1.404
Communication	.408***	.075	.582	5.477	.000	1.294
Commitment	.002	.119	.001	.013	.989	1.238
R Square	.494					
Adjusted R Square	.467					
F Value	18.839***					

Source: Survey Data (2019)

*** Significant at 1% level, **Significant at 5% level, *Significant at 10% level

According to analysis result, the specified model could explain 49 percent about the variation of trust between supplier and electrical panel manufacture, since the value of R^2 is about 49.4 percent. The model can explain 46.7 percent about the variance of the independent variable (Buyer-Supplier Relationship) and dependent variable (Trust) because Adjusted R square is 0.467. The value of F test, the overall significance of the model, is highly significant at 1 percent level.

The results indicate that communication variable has significant relationship on trust between buyer and supplier. But the rest variables have no significant relationship on trust. Communication variable has the expected positive sign and highly significant coefficient value at 1 percent level. The positive relationship indicates that the increase in communication lead to the effect on trust between electrical panel manufacture and their supplier. The increase in communication value by 1 unit will also raise the effect on trust between supplier and buyer by .408 units.

The standard coefficient (Beta) of communication value has the largest value (.582) among three explanatory variables indicating that communication has the greatest contribution to the effect on trust between electrical panel manufacture and their supplier.

It is concluded that efficient communication is a critical component of buyer-supplier relationships. There is transparency achieved through effective communication and trust between buyers and suppliers. In addition, they should believe that maintaining long term association, joint understanding and cooperation will enhance trust level that each party gets from the other and subsequently result in to having a happy and trouble free relationship. Finally, if there is commitment through achieving favorable results for both parties may improve trust level since the two parties will be proud to tell others of their associations.

4.2 Analysis on the Effect of Trust on Procurement Performance

Trust leads buyers and suppliers to the focus on long-term benefits of the relationship and eventually enhance the procurement performance outcomes in buyer-supplier relationships, including firm competitiveness and transaction costs reduction. To find out the relationship between trust and procurement performance in this study, trust analyze on operational performance and financial performance of electrical panel manufacturing firms in Yangon.

4.2.1 Procurement Performance of Electrical Panel Manufacture

Procurement Performance is divided and measured in term of operational performance and financial performance. There are six statement for each performance parameter. Operational performance is to measure how impact on operational achievement by mean of procurement process by maintaining a good buyer – supplier relation might be. Financial performance is to explore how a good and strong relationship between electrical panel manufacture and their supplier effect on their procurement performance in term of financial gain.

The overall mean value of operational performance is greater than 3 with less variation of standard deviation. The respondents ranked mean values which are greater than 3 for each statement of operational performance. The respondents from the electrical panel

manufacture revealed that the performance and quality of their finished products have been improved by maintaining a strong relationship with their supplier. The measuring results of Procurement Performance of Electrical Panel Manufacture is presented in Table (4.3).

Table (4.3) Procurement Performance of Electrical Panel Manufacture

No.	Operational Performance	Mean	Standard Deviation
1	Flexibility in reordering process and avoiding unnecessary extra negotiation processes	3.52	.695
2	Reduced delivery lead time to customer	3.71	.534
3	Enhanced continuous production	3.77	.525
4	Improved the performance and quality of finished	3.84	.451
5	Improved responsiveness to customer demand and needs	3.76	.502
6	Improved after sales service jointly with suppliers	3.69	.561
Overall Mean		3.72	
No.	Financial Performance	Mean	Standard Deviation
7	Reduced inventory cost	3.50	.565
8	Reduced resource wastages	3.42	.529
9	Generated better profit margin and gain larger market share	3.65	.482
10	Flexibility in payment term	3.42	.691
11	Minimized operational cost, reordering cost and sourcing cost	3.55	.563
12	Prevented shortages and stock out costs	3.24	.534
Overall Mean		3.46	

Source: Survey Data (2019)

The overall mean value of financial performance is greater than 3 and it can be interpreted that there would be certain level of financial performance achievement by mean of their procurement process. Mean value of six statement are rated greater than 3. There is less variation of responds because respondents scored the less value of standard deviation for each statement. Respondent marked the highest mean value for the statement which is

to examine how respondent agree a strong relationship with supplier would be minimized operational cost, reordering cost and sourcing cost of their owned.

4.2.2 The Effect of Trust on Procurement Performance

To examine the influence of trust on procurement performance of electrical panel manufacture, a regression analysis is undertaken in terms of the effect of trust on operational performance and the effect of trust on financial performance. Firstly, to explore the effect of trust on operational performance, the result is shown in Table 4.4.

Table (4.4) The Effect of Trust on Operational Performance

Variable	Unstandardized		Standardized	t	Sig.	VIF
	B	Std.	Beta			
(Constant)	1.133	.648		1.750	.085	
Trust	.715***	.179	.458	3.995	.000	1.00
R Square	.210					
Adjusted R Square	.197					
F Value	15.961***					

Source: Survey Data (2019)

*** Significant at 1% level, **Significant at 5% level, *Significant at 10% level

The result show that the specified model could explain about the variation of operational performance between since the value of R^2 is about 21 percent. The model can explain 19.7 percent about the variance of the independent variable (Trust) and dependent variable (Operational Performance) because Adjusted R square is 0.197. The value of F test, the overall significance of the model, is highly significant at 1 percent level. This specified model can be said valid.

The standardized coefficient (Beta) of trust has the value (.458) indicating that trust has the contribution to increase operational performance of the electrical panel manufacture. The increases of trust between buyer and supplier have the positive effects on operational performance of electrical panel manufactures. The higher level of trust between supplier and buyers could significantly raise the operational performance of procurement process of the electrical panel manufactures.

It is concluded that if there is trust between the buyers and the suppliers in their transaction relationship, it should foster confidence and honest in each other. Buyers will reliably trust suppliers to keep their promises through delivering products in a timely manner and to the agreed specifications.

Finally, a regression analysis is undertaken to examine the influence of trust on financial performance of electrical panel manufacture and the result is shown in Table 4.5.

Table (4.5) The Effect of Trust between Buyer and Supplier on Financial Performance

Variable	Unstandardized		Standardized	t	Sig.	VIF
	B	Std.	Beta			
(Constant)	-.566	.566		-.999	.322	
Trust	1.116***	.157	.677	7.128	.000	1.00
R Square	.459					
Adjusted R Square	.449					
F Value	50.805***					

Source: Survey Data (2019)

*** Significant at 1% level, **Significant at 5% level, *Significant at 10% level

The specified model could explain very well about the variation of financial performance of electrical panel manufacture since the value of R^2 is about 45.9 percent. The model can explain 44.9 percent about the variance of the independent variable (Trust) and dependent variable (Financial Performance) because Adjusted R square is 0.449. The value of F test, the overall significance of the model, is highly significant at 1 percent level. This specified model can be said valid.

The standardized coefficient (Beta) of trust has the value (.677) indicating that trust has the contribution to increase financial performance of the electrical panel manufacture. The increases of trust between buyer and supplier has the positive effects on financial performance of electrical panel manufactures. The higher level of trust between supplier and buyers could significantly raise the financial performance of the electrical panel manufactures. It is concluded that trust through relationship will enhance the firms' procurement performance at the financial perspective which includes a progressive increase in reduced cost and generated better profit margin and gain larger market share.

CHAPTER 5

CONCLUSION

This chapter presents the findings, discussions, recommendations, limitations and need for further study. This paper focuses on Buyer-Supplier Relationship and procurement performance of electrical panel manufacturing firms in Yangon. There are two portions in this chapter. The first part of the chapter includes the findings and discussion the study and the second part include recommendation and describing of need for further study.

5.1 Findings and Discussions

This study aims to explore how buyer-supplier relationship has being influenced on procurement performance among electrical panel manufacturing firms in Yangon, Myanmar. It is to investigate the role of effective buyer supplier relationship on procurement performance of electrical panel manufacturing firms. Burnett (2004) stated that it is a generally accepted principle is that enhanced associations that exists between the buyer and supplier are immensely required, as well as forward-thinking companies are coming to the realization that developing and retaining such relationships is an operational way of elevating the efficiency level of the entire supply chain. In the nature of business translation, the supplier to buyer relationship has become one of the core economic activities and critical point in attainment of the set goals and targets.

Studying based on two main objectives and the first main objective is to explore the effect of buyer-supplier relationship on trust of electrical panel manufacturing firms in Yangon. A linear regression model is applied to examine this main objective of the study. The results indicate communication has significant relationship on trust between buyer (Electrical Panel Manufacture) and supplier. The rest variables of Buyer-Supplier Relationship and Commitment have no significant relationship on trust between buyer and supplier. Only Communication variable has the expected positive sign and highly significant coefficient and the positive relationship which indicates that the increase in communication lead to increase trust level between electrical panel manufacture and supplier.

The second main objective of the study is analyzing the relationship between trust and procurement performance of electrical panel manufacturing firms in Yangon. There are two different sub-variables under procurement performance. In order that, two different linear regression is carried out to investigate the effect of trust on procurement performance of the electrical panel manufacture. A significant level of trust between buyer and supplier is significantly related to both of operational performance and financial performance of electrical panel manufactures in Yangon. The higher level of trust between two parties, the higher positive contribution on operational and financial performance of the electrical panel manufactures.

Analytical analyses are also conducted to investigate the perception of respondents on each variable. The respondents revealed that they rarely invited their supplier to be involved for setting important corporate strategic planning process of their organization. Respondents expressed that they have well established good communication channel with their suppliers and having a significant level of relationship and commitment. Respondent disagreed that the commitment between buyer and supplier relationship would be critically important. They also revealed that their organization emphasize on long-term interest with their suppliers. Respondents rated that there is somehow improved their organization's operational and financial performance by means of maintaining a good relationship and trust level with their equipment supplier.

5.2 Suggestion and Recommendation

According to the finding of the study, communication is largely influence on building trust between the supplier and electrical panel manufactures. Communication strategy refers to policy-making and guidance for consistent information activity between organizations. It is recommended that to maintain the proper and efficient communication for enhancing the supplier-buyer relationships. Management of the both of electrical panel manufactures and their suppliers need to build up an efficient and effective communication channel not only interconnection with the outside of their organizations but also within their own organization.

In procurement and outsourcing process, communication is much more vital because of communicating within cross organizations with different in utilization of a variety of media and methods of communications, organizational cultures, and languages

and so on. Organization also need to adopt new advancement of information technology for the purpose of establishing effective and convenience communication with their clients.

The trust between supplier and buyer contribute on procurement performance of the electrical panel manufactures in term of operational and financial achievement. The trust leads purchasers and sellers to primarily concentrate on long-standing privileges of the relationship and in due course boosts the performance results in buyer-supplier relationships. In order that, it is suggested that the two parties of supplier and electrical panel manufactures should emphasize to find out and set up better strategy for building the higher level of trust.

It is recommended that the organization should carry out more deeply studies regarding with building trust between supplier and buyers by applying different parameters rather than the communication. The further studies could be carried out form the both side of supplier and buyers and even within their own organization. There are also several possible parameters and factors which might be substitutable in this model of study and effect on trust and relationship between original equipment manufacturer and electrical panel manufactures.

This study will be useful to various parties and especially the following findings. Understanding of buyer supplier relationships on trust and procurement performance of electrical panel manufacturing firms in Yangon. The existing management in the electrical panel manufacturing firms, in pursuit of their organizational goals and objectives will also benefit by the knowledge of how they can harness their autonomy into their relationship styles, improved creativity and innovativeness and improved performance. Finally, policy makers will improve the policy making capacity and apply innovation in policy implementation in areas of outsourcing managing, setting communication channels, and buyer-supplier relationship managing and so on.

5.3 Needs for Further Research

The study could not made for converging all the electrical panel manufacture in county because of there are some constrains for wider range of conducting survey and a short timeframe of studying time. It is recommended to conduct similar studies for the wider coverage of respondents not only for Yangon region but also for the other major cities. Moreover, it is suite for the other specific business relation for the better

understanding of influencing factors on buyer-supplier relationship and building trust and exploring the relationship between formal contracts and relational Governance in companies. This study is limited to the prescribed variables according to the nature of the business and many on to replace in this model of study depending on the nature of dissimilar study area of interest. This study might be a good base for those who are eager to expand the topic, and do similar.

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APPENDIX I
Questionnaire

**A Study on Buyer-Supplier Relationship and Procurement Performance of
Electrical Panel Manufacturing Firms in Yangon**

Dear Participant,

I'm a student of Yangon University of Economic, Department of Management Studies and conducting this survey as one of the fulfillments for completing my study of Master of Business Administration (EMBA). This is completely voluntary, and all your responses would be anonymous. It will take an average of 10-15 minutes to fill it out. Thank you so much for your time and kind support.

This study is to explore **Buyer-Supplier Relationship between electrical panel manufacturing firms in Yangon and Suppliers** of electrical components. Moreover, this study aims to examine how these certain levels of established relationships contribute on procurement performance of those firms. Thank you!

Sincerely,

Nyo Mi Khaing
EMBAIL - 16

(Questions on Both Side of Papers)

EMBA 16th Batch

Section-A Demographic

1. What is your gender?
 Male Female

2. What is your age group?
 Under 25 Years 26-36 Years 37- 47Years Over 48
Years

3. Your highest educational level?
 Bachelor Degree Master Degree Doctorate
Degree

4. What would be your main job function at your company?
 Outsourcing/ Procurement Logistic Liaison/ PR

 Technical/ Design Supply chain Finance

5. What would be your level of position at your company?
 Operational Supervisor Middle Management Top
Management

6. How long have you been working with your current organization?
 <1 Year 1-3 Years 3 -5 Years > 5 Years

Section-B Buyer-Supplier Relationship

This section is to examine Buyer-Supplier relationship of your firm and your equipment suppliers. Please judge how far you agree with following statements and tick to appropriate rating scale for all questions in the section. Use the following scale to select the number.

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

No.	Buyer-Supplier Relationship	Scale
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		1	2	3	4	5
Buyer-Supplier Partnership						
1	There is a well establish partnership with our suppliers in our firm					
2	There exist mutual goals between our company and our supplier					
3	There exists clear understanding of each other's roles and responsibilities between our company and suppliers					
4	We maintain long-term relationships between our company and our supplier					
5	Lack of co-operation between buyer and supplier leads to failure of buyer-supplier relationship					
6	Between our company and supplier has a good practice of joint understanding of effort on identifying and resolving problems					
7	Our company has well defined procedure, policy and/ or SOP for establishing long term partnership with our supplier					
Communication						
1	There is good communication between our company and that of our supplier					
2	There is responsiveness towards each other's and needs between our company and our supplier					
3	There is mutual information sharing and knowledge exchange between our company and our supplier					
4	Our company utilize a variety advance technology to communicate with supplier for sharing information about logistic activities					
5	There is engagement of supplier and other partners in mutually beneficial value exchanges					
6	There is transparency achieved through effective communication					
7	Our company has well defined procedure, policy and/ or SOP for establishing effective communication with our supplier					
Commitment to Supplier						
1	Lack of commitment causes failure of buyer- supplier relationship					
2	There is commitment to a lasting relationship with our supplier					
3	Our company has a willingness to make short-term sacrifices to maintain the relationship					

4	Commitment to supplier boost confidence in the stability of the relationship and investments in the relationship					
5	Commitment to a partner in relation to play is key to achieving favorable results for both companies, and has a direct impact on performance					
6	Our company mostly emphasized on long-term relationship					
7	Commitment to a partner in relation to play is key to achieving favorable results for both companies, and has a direct impact on performance					

Section – C Trust

Please judge how far you agree with following statements which are regarding with your opinion to and tick to appropriate rating scale for all questions in the section. Use the following scale to select the number.

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

No.	Established Trust Level between Buyer and Supplier	Scale				
		1	2	3	4	5
1	There is a high level of trust between our company and that of our supplier					
2	The firm enhances open communication between buyers and supplier					
3	The firm treats supplier as allies and close friend					
4	Established higher creditability between our company and Supplier					
5	We can share our corporate strategy and sensitive information with our supplier					
6	We invite to our main supplier to be involved in making important corporate strategic planning process of our organization					
7	Apart from having business relationship with our supplier, we also have a strong personal and social bond with our supplier					
8	We never hesitate to share business opportunities with our supplier					

9	Making legal bonds are just following procedure and not so critical matters between our firms and Supplier					
10	We feel secure as a team with our supplier rather than feel like they are from other business entities.					

Section – D Procurement Performance

Please tick to appropriate rating scale that comes the closet to reflecting your opinions regarding with **your firm’s performance in terms of operational and financial strength recently**. Please respond to all questions in the section and use the following scale to select the number.

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

No.	Procurement Performance	Scale				
		1	2	3	4	5
Operational Performance						
1	Flexibility in reordering process and avoid unnecessary extra negotiation processes					
2	Reduced delivery lead time to customer					
3	Enhance continuous production and avoid delay due to the stock shortage					
4	Improve the performance and quality of finished products					
5	Improve responsiveness to customer demand and needs					
6	Improve after sales service by giving jointly with Supplier					
Financial Performance						
7	Reduce inventory cost due to the seamless and timely support from existing Supplier					
8	Reduced resource wastages due to better operational trainings support from supplier					
9	Generate better profit margin and gain larger market share					
10	Flexibility in payment term					

11	Minimize operational cost, reordering cost and sourcing cost					
12	Prevents shortages and stock out costs					

End of Questionnaires

“I do appreciate for your kind support!”

Contact for Inquiry Regarding with this Survey Form

Nyo Mi Khaing

Ph:

Email:

APPENDIX II

Model 1: Regression Analysis of Effect Buyer-Supplier Relationship on Trust Between Buyer and Supplier

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
1	.703 ^a	.494	.467	.17814	1.746

a. Predictors: (Constant), Buyer-Supplier Partnership, Communication, Commitment

b. Dependent Variable: Trust

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1.794	3	.598	18.839	.000 ^b
Residual	1.841	58	.032		
Total	3.634	61			

a. Dependent Variable: Trust

b. Predictors: (Constant), Buyer-Supplier Partnership, Communication, Commitment

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.489	.414		3.600	.001		
Buyer-Supplier Relationship	.161	.086	.208	1.883	.065	.474	1.404
Communication	.408	.075	.582	5.477	.000	.677	1.294
Commitment	.002	.119	.001	.013	.989	.273	1.238

a. Dependent Variable: Trust

Model 2: Regression Analysis of Effect Trust on Operational Performance

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
2	.458 ^a	.210	.197	.34127	2.105

- a. Predictors: (Constant), Trust
- b. Dependent Variable: Operational Performance

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
2 Regression	1.859	1	1.859	15.961	.000 ^b
Residual	6.988	60	.116		
Total	8.847	61			

- a. Dependent Variable: Operational Performance
- b. Predictors: (Constant), Trust

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
2 (Constant)	1.133	.648		1.750	0.85		
Trust	.715	.179	.458	3.995	.000	1.000	1.000

- a. Dependent Variable: Operational Performance

Model 3: Regression Analysis of Effect of Trust on Financial Performance

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
3	.667 ^a	.459	.449	.29847	2.087

a. Predictors: (Constant), Trust

b. Dependent Variable: Financial Performance

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
3 Regression	4.526	1	4.526	50.805	.000 ^b
Residual	5.345	60	.089		
Total	9.871	61			

a. Dependent Variable: Financial Performance

b. Predictors: (Constant), Trust

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
3 (Constant)	-.566	.566		-.999	.322		
Trust	1.116	.157	.677	7.128	.000	1.000	1.000

a. Dependent Variable: Financial Performance