

UNIVERSITI TEKNOLOGI MARA

**THE EFFECTS OF SUPPLY MANAGEMENT AND
SUPPLY NETWORK & SUPPLIER FLEXIBILITY
ON SUPPLIER PERFORMANCE IN
SUPERMARKETS IN KLANG VALLEY**

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January 2013


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TUN ABDUL RAZAK
UITM SHAH ALAM

No. Percetakan	
Control Number	485350
Tarikh	26/mar/2013
No Akses	THE0932824
Lokasi	PTAR1

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Date : 11 January 2013

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ABSTRACT

Supply chain is required to be able to produce various different products and deliver to market in an acceptable speed and cost in order to be competitive in the marketplace. As the basis of competition expands to the supply chain and time also becomes increasingly important, flexibility of the supply chain has become a critical issue (Duclos, Vokurka, and Lummus, 2003). Thus, the purposes of this study are to determine the mediating effect of supply network and supplier flexibility on the relationship between supply management and supplier performance.

This research is based on a quantitative approach using a self-administered questionnaire which was conducted at 79 participating supermarkets. Additionally, a causal research is undertaken to identify the relationship between supply management and supplier performance and the effect of supply network and supplier flexibility on this relationship. This study focused on the supermarkets in Klang Valleys' supply chain setting and the data gathered were then analyzed using statistical tests such as reliability test and multiple regression analysis.

The assumption that supply network and supplier flexibility mediates the relationship between supply management and supplier performance was proven by mediating analysis using Baron and Kenny approach. The findings also revealed that supply management predicts supplier performance. On the other hand, supply management which consists of supplier selection ($p = .136$), supplier development ($p = .222$) and strategic supplier alliances ($p = .816$) did not predict supply network and supplier flexibility. Therefore, this study perhaps can assist the management of supermarkets in Malaysia to gain awareness about the importance of practicing good supply management to ensure that they can help their suppliers to have more integrity and flexibility in supplying food products which later on can increase the performance of these suppliers.

ACKNOWLEDGEMENT

In the name of Allah, the Most Gracious and the Most Merciful.

First and foremost, all praises to Allah S.W.T for giving me the blessings, courage and inner strength to complete this research. Next I would also like to express my gratitude to a number of people who offered me valuable assistance in completing this study. I would like to express my sincere appreciation and gratitude to my supervisor, Associate Professor Dr Artinah Zainal for her guidance and constructive comments throughout the completion of this study successfully. Besides that, I would also like to extend my gratitude to Pn. Hafizah Hassan, my co-supervisor who has also provides valuable assistance in accomplishing this thesis.

I also would like to honour the information and shared experience given to me by Pn. Azatul Husni Ab Wahab from GCH Retail (Malaysia) Sdn. Bhd. Nevertheless, a heartfelt of thanks to my beloved family for their continuous support, understanding, motivation and prayers. My gratitude also goes to my entire friend for their support and for cheering me on.

Siti Anis Adilah bt Tarmazi

January 2013