

**BUYER-SUPPLIER COLLABORATION, ADAPTATION, TRUST, COMMITMENT
AND RELATIONSHIP CONTINUITY OF SELECTED PRIVATE
MANUFACTURING FIRMS IN KAMPALA**

By

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2008/HD10/14159U

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**A DISSERTATION SUBMITTED TO MAKERERE UNIVERSITY BUSINESS
SCHOOL IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE
AWARD OF MASTER OF SCIENCE OF PROCUREMENT AND SUPPLY CHAIN
MANAGEMENT OF MAKERERE UNIVERSITY
SEPTEMBER, 2010**

DECLARATION

I, Mugarura Jude Thaddeo declare that this is my original work and is a result of my independent research and investigation, and that it has never been presented to any institution for any award.

Where it is indebted to the work of others, due acknowledgement has been made.

Signature.....

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APPROVAL

This is to certify that this dissertation has been submitted in partial fulfillment of the requirements for the ward of a Master of Science in procurement and supply chain management degree with my approval as a University Supervisor.

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Signature.....

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Date

Signature.....

DEDICATION

I dedicate this work to my beloved father Mr.Matayo Mugarura and my mother Mrs.Sarome Mugarura, your efforts for what Iam shall always be remembered.

ACKNOWLEDGEMENT

I would like to extend my sincere gratitude and appreciation to all those who assisted me in making this research a success.

Special thanks go to my supervisors; Dr. Joseph Ntayi and Dr. Moses Muhwezi whose valuable commitment in guiding me through the research process made this research a success. I further thank my wife Tushabomwe Bonny for her moral contribution during the time of this study. I also thank my employer MUBS for the good staff development policies from which I have benefited.

Lastly, am exceptionally indebted to all my family members and friends for their support and encouragement during the undertaking of this study. Recognition of merit goes to my head of department Madam Eyaa Sarah for all the assistance she rendered me to see to it that I complete this programme on time and all my lecturers for having imparted on me knowledge.

May God reward you all.

LIST OF ACRONYMS

F/Y-

Financial Year

UG-

Uganda

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ABSTRACT

The main purpose of this study was to examine the relationship between buyer-supplier collaboration and relationship continuity of private manufacturing firms in Kampala.

A quantitative cross-sectional survey was conducted using a sample of 260 private manufacturing firms from a population of 877. Data collection was conducted using self administered questionnaires to get data from the respondents. Overall, 257 usable questionnaires representing 98.85% respondent rate was attained. Factor, Correlation and regression analyses were used in data analysis.

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

Finally, a number of recommendations are provided. It's highly recommended that special attention should be paid to examining the antecedents of instrumental, affective and normative commitment because trust, as one of the most important relationship factors in buyer-supplier collaboration, apparently does not play a major role in relationship continuity. Commitment has been found to create positive and strong effects on customers' intentions to continue the relationship. Therefore managers of private manufacturing supplier/buyer firms should keep this in mind when crafting their firms' approach to relationship continuity.

CHAPTER ONE

INTRODUCTION

1.0 Background to the study

Relationship continuity is the willingness of parties to prolong their agreement to cooperate during a period of time, indefinite or not, in the future (Aurus'kevic'iene & Palaima, 2007). Comparative studies show that supply chain 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, remain loyal, meet future expectations and intentions and retain suppliers will condition the desire to maintain the established relationship (Biong & Selnes, 1995; Crosby, 1990 & Hennig-Thurau, 2002). In this respect, buyer-supplier collaboration refers to "two or more chain members working together to create a competitive advantage (Sridharan & Togar, 2002). It is also a form of relational exchange that requires information sharing, incentive alignment and joint decision making (Corsten & Felde, 2005; Simatupang & Sridharan, 2005 a). This enhances trust, commitment and adaptation between firms with their suppliers subsequently resulting in relationship continuity (Heide & John, 1992; Morgan & Hunt, 1994).

Indeed, some Ugandan private manufacturing firms have attempted to collaborate with their suppliers to ensure relationship continuity with the major objectives of supplier retention, relationship loyalty, customer satisfaction and meeting future expectations and intentions (Union Consulting ltd, 2009). However, relationship continuity has not significantly improved since these firms still experience low levels of supplier retention, loss of relationship loyalty, customer dissatisfaction and failure to meet future expectations and intentions (Union Consulting ltd,

2009). This could be escalated by low levels of information sharing, lack of joint decision making and inability to align incentives resulting into low levels of adaptation, trust and commitment.

According to Basheka (2007), Ntayi and Eyaa (2010) buyer-supplier collaborations in Uganda are often characterized by late deliveries, lack of concern for end customer, partial supply of items, supply of substandard items, failure or refusal to supply, rejection of products and deferred payments. In addition, Muhwezi (2009) suggests that in Uganda, partners do not devote energy to sustaining the relationship, even when there are inconveniences and costs, relationships often break since every party in a relationship suspects the other of betrayal, dishonesty and trickery. These deviate from the buyer and supplier firms' future expectations and intentions, reduced supplier retention, promote relationship disloyalty and customer dissatisfaction which always lead to relationship discontinuity.

For instance, in 2007, Smartbuy entered into arrangements with Total Uganda to supply its clients with Premium through issuing monthly sales reports, ensuring prompt payment and selling premium to its clients at fixed prices. However, in 2008, Total Uganda failed to consistently issue monthly sales reports, delayed payments and also increased the price for a litre of premium from 1800 Ug shillings to 2500 Ug shillings. This resulted into Total Uganda being disloyal and 32 Smartbuy clients dissatisfied which led to their eventual withdrawal from the arrangement (Management Reports to Board of Directors, FY 2007-2008).

In a similar instance, in May 2009, Sameer Agricultural and Livestock Ltd lost 10% of its suppliers due to delays to honour payment for the months of February, March and April 2009.

Most of these suppliers had entered into supply arrangements of 2 years which were to be renewable upon successful performance. However, they left after 6 months. Due to this, processing of some dairy products came to a stand still which culminated into loss of 600 million Ugandan shillings since some of its customers had to look for alternative sources of supply (Annual sales report, 2009).

1.1 Problem statement

Although some private manufacturing firms in Uganda have endeavored to collaborate with their suppliers, they have failed to ensure relationship continuity. This has led to low levels of supplier retention, loss of relationship loyalty, customer dissatisfaction and failure to meet future expectations and intentions (Union Consulting ltd, 2009). This may have been escalated by low levels of information sharing, lack of joint decision making and inability to align incentives which eventually led to low levels of adaptation, trust and commitment.

1.2 Purpose of the study

This study sought to establish the relationship between buyer-supplier collaboration, adaptation, trust, commitment and relationship continuity of selected private manufacturing firms in Kampala

1.3 Research objectives

- i.** To examine the effect of buyer-supplier collaboration components on relationship continuity
- ii.** To examine the relationship between buyer-supplier collaboration and adaptation

- iii.** To establish the relationship between buyer-supplier collaboration and trust
- iv.** To establish the relationship between buyer-supplier collaboration and commitment
- v.** To establish the relationship between adaptation and relationship continuity
- vi.** To establish the relationship between trust and relationship continuity
- vii.** To establish the relationship between commitment and relationship continuity
- viii.** To establish the relationship between buyer-supplier collaboration, trust, commitment, adaptation and relationship continuity

1.4 Research questions

- i.** What is the effect of buyer-supplier collaboration components on relationship continuity?
- ii.** What is the relationship between buyer-supplier collaboration and adaptation?
- iii.** What is the relationship between buyer-supplier collaboration and trust?
- iv.** What is the relationship between buyer-supplier collaboration and commitment?
- v.** What is the relationship between adaptation and relationship continuity?
- vi.** What is the relationship between trust and relationship continuity?
- vii.** What is the relationship between commitment and relationship continuity?
- viii.** What is the relationship between buyer-supplier collaboration, trust, commitment, adaptation and relationship continuity?

1.5 Scope of the study

1.5.1 Conceptual scope

The study focused on supplier-buyer collaboration with emphasis on information sharing, joint decision making, incentive alignment (as the independent variable) and relationship continuity with emphasis on customer satisfaction, supplier retention, relationship loyalty, future expectations and intentions (as dependent variable). These variables were moderated by adaptation, trust and commitment.

1.5.2 Geographical scope

The study was carried out in selected private manufacturing firms in Kampala that have collaborated with their suppliers for more than a year. This was chosen because there is stiff competition among private manufacturing firms in Kampala due to their huge number compared to a few located upcountry. The study was also done on selected private manufacturing firms because there are few private manufacturing companies that encourage collaborations with their suppliers.

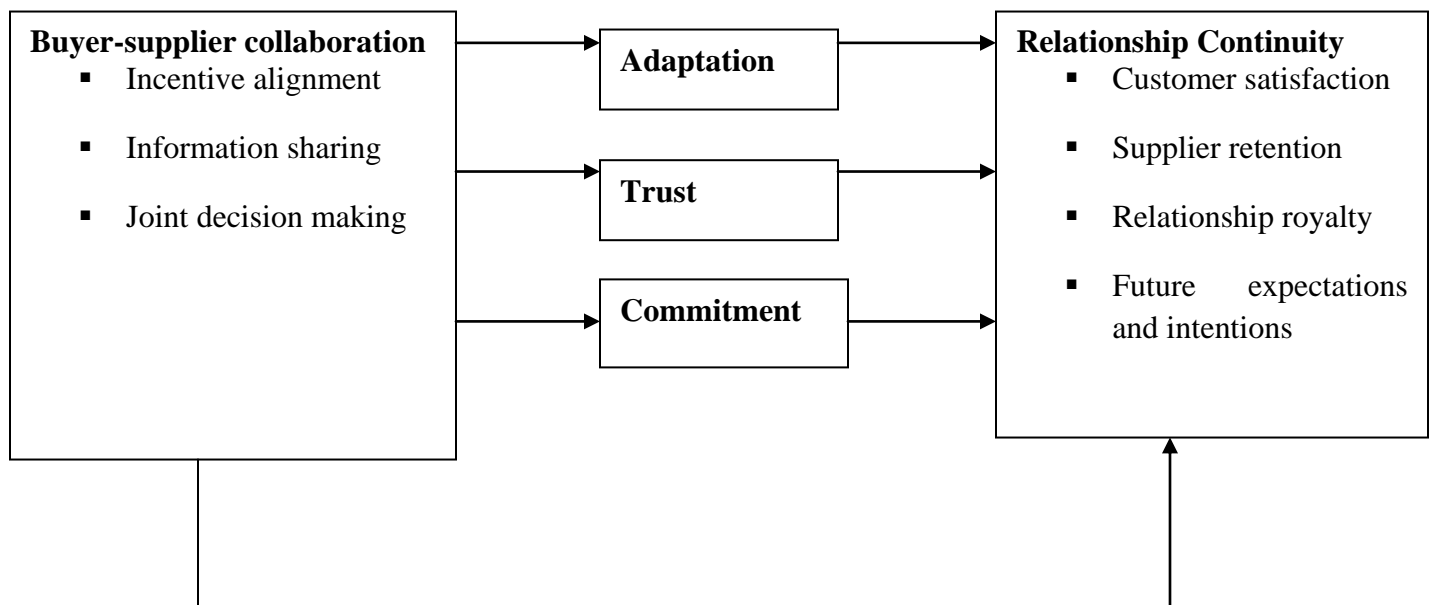
1.6 Significance of the study

i. The study will contribute to the available knowledge on supplier-buyer collaboration, adaptation, trust, commitment and relationship continuity and fill the gap on the relationship between these variables especially by providing literature from Uganda for future reference by other researchers.

- ii. The results of this study are expected to help managers of private firms to recognize the importance of supplier-buyer collaboration in enhancing relationship continuity.
- iii. The study will avail to managers of private firms in Uganda (Kampala) with the various approaches of adaptation, trust and commitment in supplier-buyer collaborations to enhance relationship continuity

1.7 Conceptual framework

Figure1: Conceptual framework



Source: Modified from the works of Simatupang & Sridharan (2005); Sousa, C.M.P. and Bradley (2008); Goran (2005); Gilliland & Bello (2002); Heide & John (1992); Ellram & Edis (1996); Ramsay (1996); Cousins (2002); Walter & Ritter (2003) and Kaynak (2003)

Explanation of the conceptual model

The above model examines the relationship between supplier-buyer collaboration, adaptation, trust, commitment and relationship continuity. As shown in the model, the relationship between supplier-buyer collaboration and relationship continuity is mediated by adaptation, trust and commitment (Morgan and Hunt (1994); Han and Wilson (1993); Heide and John (1992)).Most private firms collaborate with their suppliers to ensure relationship continuity through customer satisfaction, supplier retention, future expectations and intentions and relationship loyalty by sharing information, making decisions jointly and aligning incentives. The way buyer-supplier collaboration is formed whether formal or informal will prescribe the appropriate level of adaptation, trust and commitment to deploy which may enhance relationship continuity (Wilson, 1995).

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter deals with review of the related literature on the study variables of buyer-supplier collaboration and relationship continuity mediated by adaptation, trust and commitment. This review focuses on incentive alignment, joint decision making and information sharing as constructs for buyer-supplier collaboration. It also focuses on customer satisfaction, relationship loyalty, supplier retention, future expectations and intensions as constructs for relationship continuity.

2.1 The concept of buyer-supplier collaboration

collaboration has been defined as “two or more chain members working together to create a competitive advantage through sharing information, making joint decisions, and sharing benefits which result from greater profitability of satisfying end customer needs than acting alone” (Togar and Sridharan, 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 supplier and buyer are no longer narrowly defined in terms 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, 1994; Zaheer and Venkatraman, 1995). Simatupang and Sridharan (2003) suggest that the requirements for effective collaboration are mutual objectives, integrated policies, joint decision making, information sharing, sharing of benefits and losses.

2.2 Trust

Trust is the extent to which supply chain partners perceive each other as credible and benevolent (Doney and Cannon, 1997). Credibility reflects the extent to which a firm believes their relationship partner has the expertise to perform effectively while benevolence occurs when a firm believes their relationship partner has intentions and motives that will benefit the relationship (Ganesan, 1994). This is supported by Moorman (1993) who defines trust as “a willingness to rely on an exchange partner in whom one has confidence”.

Swan and Trawick (1987), operationalises trust in five dimensions of; dependable/reliable, honest/candid, competent, partner orientation, and likeable/friendly while Sako (1992) operationalises it in three dimensions of; 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 what it has promised; and trust in goodwill, based on the shared belief of both parties that the other is deeply committed to promoting a good development of the relationship and is willing to do more than could be expected according to the contractual terms without expecting anything in exchange. Göran .S (2005) also operationalises trust but differently from Swan (1987) and Sako (1992) by looking at it in terms of mutual and interactive trust. He argues that interactive trust is a kind of non-stop trust in business dyads describing a continuous process of trust while mutual trust is a kind of on-the-spot-account trust in business dyads describing a discontinuous process, that is, a condition of trust. He also appreciates that there is a close relationship between mutual and interactive trust in business dyads, since interactive trust reflects a process and mutual trust reflects a condition.

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

2.3 Commitment

Commitment is the belief that trading partners are willing to devote energy to sustaining the relationship (Dion et al., 1992). Whereas, according to Moorman, Zaltman and Deshpande (1992) Commitment is “an enduring desire to maintain a valued relationship”. Through commitment, partners dedicate resources to sustain and further the goals of the collaboration. There are three major dimensions of operationalising commitment; instrumental commitment, where an actor is constrained by the costs and inconveniences of leaving the current collaboration (Gilliland and Bello, 2002); normative commitment, which is based on the partners’ value in the collaboration (Brown et al., 1995); and affective commitment which relates to a partner’s identification and involvement with the others (Brown et al., 1995; Porter et al., 1974; Allen and Meyer, 1990).

2.4 Adaptation

Adaptation refers to the specific modification made by a firm to meet the requirement of exchange partner (Hallén, 1991; Mukherji & Francis, 2008). This is in agreement with Ford (1998) who describes adaptations as a way in which a company shows that it can be trusted to respond to a partner’s requirements. To Sousa and Bradley (2008) they operationised adaptation in terms of product, price, distribution and promotion and they argued that adaptation decisions

regarding product, price, promotion, and distribution differ from organizations to organizations since each collaborative group has unique needs. This was supported by Theodosiou, and Leonidou (2003) who conceptualized product, pricing, promotion and distribution adaptations as the degree to which the product (including positioning, design/style, quality, features/characteristics, brand/branding, packaging, labeling, services, warranty, and items/models in the product line) meets relationship requirements, the degree to which the pricing strategies (retail price, wholesale/trade price, profit margins to trade customers, profit margins to end-users, discounts, and sales/credit terms) meet collaborative initiatives, the adjustment of the promotional program (advertising, creative/execution style, message/theme, media allocation, sales promotion, sales force structure/management, sales force role, public relations, personal selling, and advertising/promotion budget) to match the needs of the other party and the adjustment of distribution (distribution channels, physical distribution, type and role of middlemen) to a relationship respectively.

Adaptation is important, because most collaborations are based on some kind of match between the operations of the two firms (Brennan & Turnbull, 1995). It occurs when suppliers adapt to the needs of specific important customers and that customers adapt to the capabilities of specific suppliers (Hallén *et al.*, 1991). Many of the adaptations that each partner makes to their normal operations are normally formally laid down in the contract between the buyers and suppliers, while others are informal adaptations that are agreed upon to cope with problems that arise or at the request of the other (Zineldin & Jonsson, 2000). The adaptation behavior usually varies over the life of the intra-firm relationship. In the early stages adaptation is a means to develop trust, and in the mature stage it is about expansion and solidification of the relationship. It tends to

bond the buyer and seller in a tighter relationship and create barriers for entry to a competing supplier (Han & Wilson, 1993).

2.5 Relationship continuity

Heide and John (1990) defined continuity as the perception of the bilateral expectation of future interaction. Today, in an environment of competitive supply chain conditions, there is a tendency among buyers to rush into alliances with suppliers without first laying the foundation necessary to sustain the relationship over a long period of time (Morgan & Hunt, 1994; Anderson & Narus, 1990). The degree in which relationship continuity is perceived by a trading partner conditions the trading partner's anticipation of prolonging of the relationship in the future (Heide and John, 1990). In the early days of the relationship both partners are willing to invest in the relationship in order to benefit from the advantages that are associated with close collaboration and relationship continuity (Ellram & Edis, 1996; Ramsay, 1996; Cousins, 2002).

2.6 The effect of buyer-supplier collaboration components on Relationship continuity

Heide and John (1990) and Krause (1999) propose that the expectation of relationship continuity, or in other words, a long-term relationship, is important for motivating collaboration in inter-organizational relationships. Simatupang and Sridharan (2005) noted that information sharing, joint decision making and incentive alignment are factors that facilitate collaborative actions. This is in line with Bowersox et al (2000) who asserted that information sharing is recognized as a key requirement for collaborative inter-organizational relationships and further suggested that successful buyer-supplier relationships are associated with high levels of information sharing. This was also supported by Mohr et al. (1996) recognized the importance of communication in

inter-organizational relationships, and increased levels of communication have been found to be associated with relationship continuity (Morgan and Hunt, 1994).

According to Benton and Prahinski (2004), inter-firm collaborative behavior increases cooperation, shared problem solving, commitment actions, loyalty and relationship continuity. The expectation of continuity is a significant antecedent for successful buyer-supplier collaboration (Krause, 1999). If there is no commitment for the longer term (as indicated by frequent turnover in customers and suppliers), then firms will tend to adopt a purely transactional approach and not value investment in collaboration. Parties will not invest in relationship-specific assets because there will be no foreseeable return (Williamson, 1993). Part of that investment is the time and effort to engage in joint planning in order to be flexible enough to accommodate the other partner. Hence beliefs about the continuation of the relationship should be reflected in the co-operative behaviors for both parties. Finally, the basis for maintaining a relationship is the keeping of promises (Gronroos, 1990), so that if a promise is not fulfilled the buyer will not repeat the purchase of a product or the consumption of a service, so collaboration will come to an end (Callarisa & Moliner, 1997).

2.7 Buyer-supplier collaboration and adaptation

Inter-firm relationships inevitably necessitate the adjustment by companies of resources or operations to ensure that some kind of match exists between two companies (Hallen et al 1991). This type of adjustment is important throughout the duration of a relationship and may be needed to improve its efficiency and to enable companies to respond to external market dynamics. Adaptation occurs when one party in a relationship alters its processes or the item exchanged to

accommodate the other party (Håkansson, 1982; Han and Wilson, 1993). Hallen et al. (1991) found that both the buyer and seller make adaptations to the other usually when they interact with one another for more than short periods. These can be seen most clearly by things such as a supplier's modification of a product to suit a customer, a buyer's modification of a production process to accommodate a supplier, delivering to meet a buyer's production schedules rather than the supplier's, or the joint establishment of a stock-holding facility (Ford, 1984). Such adaptations frequently occur by way of investing in transaction specific assets like product/process technology and human resources (Håkansson, 1982).

According to Exelsson and Easton (1992) adaptation is an important factor in collaborative relationship whose major object between buyer and supplier is to improve the efficiency and effectiveness of exchange activities by matching between the operations of two firms. Whereas Kinnie and Swart (2003) assert that adaptation means making changes to a firm's internal processes in order to accommodate the needs of supply partners, Hallén (1991) expect adaptation to occur more symbiotically in long-term supply relationships where buyer and supplier form significant parts of each other's business. One would expect that 'suppliers adapt to the needs of specific important customers as well as that customers adapt to the capabilities of specific suppliers'. While the initiative for the change is generally customer-led, adaptation may not be unilateral in that customers may also have to alter their existing systems.

2.8 Buyer-supplier collaboration and trust

Berry and Parasuraman (1991) stated that buyer-supplier collaboration requires trust if the relationship is to be sustained. Successful buyer-supplier collaboration is often referred to as a

relationship, characterized by a high level of trust along with a willingness to share risk (Maini & Sahay, 2002). When the level of trust is high, partners in the collaboration want to continue, and this progressively reduces opportunism. We also note that once there is trust, the partner values the relationship (Brown et al., 1995), wants to be identified with the collaboration (Brown et al., 1995; Porter et al., 1974; Allen and Meyer, 1990) and is constrained to leave (Gilliland and Bello, 2002).

Collaboration and trust are reciprocal processes; they depend upon and foster each other (Mettessich & Monsey, 1992). Greater collaboration holds the possibility of greater trust as partners have experience with one another over time and have the opportunities to witness the benevolence, reliability, competence, honesty and openness of their partner (Putnam, 1993). Trust is often emphasized as the most important issue for managing long-term relationships and cooperation, but it is also a result of long-term relationships between parties (Spekman et al., 1998; Min & Mentzer, 2000). Moorman (1993) asserts that trust is “a willingness to rely on an exchange partner in whom one has confidence” and Anderson and Narus (1990) focus on the perceived outcomes of trust where one firm believes that another company will perform actions that will result in positive outcomes for the firm as well as not take unexpected actions that will result in negative outcomes. It can generally be agreed that trust consequently exists when one party has confidence in a collaborative exchange partner’s reliability and integrity (Zineldin & Jonsson, 2000). This is in agreement with Luo and Park (2004) who suggest that collaborative arrangements among partners induce further collaboration over time and the emergence of trust and loyalty which generate increasing benefit.

Moreover, for supply-chain partnerships to become truly collaborative in nature, trust, is not only a desired characteristic, but a necessary characteristic (Spekman et al., 1998, p. 635). According to Mentzer et al (2000) strong relationships increase the likelihood that firms will exchange critical information as requirement to collaborate. In order for this sharing of critical information to occur, a high degree of trust must exist among the collaborating partners (Frankel et al., 2002). Morgan and Hunt (1994), propose that when exchange partners communicate and share similar values, trust is enhanced. In this respect, shared values reflect the degree to which partners share goals that can be accomplished via joint action and align incentives towards parity in buyer-supplier collaboration (Morgan and Hunt, 1994; Wilson, 1995; Chen and Barnes, 2007).

2.9 Buyer-supplier collaboration and commitment

Buyers collaborate with suppliers whom they perceive as having made idiosyncratic investments on their behalf. More generally, it is the willingness to collaborate that demonstrates the supplier's commitment to sustain the relationship (Lewicki & Bunker, 1995; Zineldin, 1998). It should be noted that the resource invested in performing some collaborations to support a given relationship cannot be readily transferred elsewhere (Williamson, 1985). Such an act can signal commitment to that relationship and result in a company being considered more trustworthy by an exchange partner. Morgan and Hunt (1994) stated that commitment is a central aspect for the supply relationship success. This implies that, when commitment is present, efficiency, productivity and effectiveness are promoted. Furthermore, Anderson and Weitz (1991) have asserted that the commitment of each supply chain link is based on its commitment perception regarding the other members. In this way, buyer's commitment influences positively supplier's commitment.

2.10 Adaptation and relationship continuity

Continuity expectations arise from the need to safeguard the assets involved and to manage the uncertainty stemming from the relationship (Heide and John, 1990). The longer the relationship lasts overtime, the greater the value of the investment in the assets adapted to the other party (Heide and Stump, 1995), whether they are tangible assets such as production systems or distribution channels (Sánchez, Vélez and Ramón, 2006) or whether they are intangible assets such as employee training (Heide and Stump, 1995). Furthermore, long-term collaborations normally require investments in specific assets and production systems for the relationship to work and continue over time (Gietzmann, 1996). Heide and John (1990) analyzed the collaborative relationship from the buyer's perspective and they noted that the increase in the continuity expectation entails increases in investment of specific assets, which leads to investment in a more efficient production process as expectations are thought to exist that cooperation will last and future transactions will take place.

2.11 Trust and relationship continuity

Trust is a central aspect for relationship continuity. This aspect is identified when a partner has certainty of trustworthiness and integrity of its partners (Morgan & Hunt, 1994). Benton and Prahinski (2004) advance that Companies hesitate to trust in suppliers without first testing them, but when this is done it becomes possible to build an effective relationship that seeks to achieve performance objectives. Geyskens and Steenkamp (1995) suggest that trust reduces uncertainty in a relationship; if an organization trusts another organization, it will attribute co-operative intentions to the trusted organization. From another perspective, Andaleeb (1995) suggests that trust provides reasonable assurances that desired goals and outcomes will be achieved and that

these should lead to a greater inclination to cooperate. Some other studies have found that inter-organizational trust leads to relationship continuity between organizations (Duarte & Davies, 2004; Razzaque & Boon, 2003). Trust is built up over time through repeated interactions and acts of good faith (Handfield and Nichols, 1998). Forrest and Martin (1990) note that failure and breakdown in a relationship occur where there is a lack of continuous and mutual trust. While Liu et al. (2007) stressed that a breakdown in trust and relational risks are the factors which imbalance the relationships between buyers and suppliers. They also found that the length of relationships could be maintained through goodwill and trust.

2.12 Commitment and relationship continuity

Commitment level has been found to be the strongest predictor of voluntary decisions to remain in a relationship (Rusbult, 1983). This perspective is consistent with Dwyer et al. (1987) who state that commitment refers to an implicit or explicit pledge of relationship continuity between exchange partners. Many empirical studies present a strong support for a positive relationship between commitment and relationship continuity (Achrol, 1991; Anderson & Weitz, 1989; Moorman et al., 1992; Morgan & Hunt, 1994). They indicate that as the relationship continues, commitment will grow between partners. Morgan and Hunt (1994) stated that commitment is a central aspect for the supply relationship success. They argue that some aspects are important to encourage relationship continuity and among them are; long term cooperation between the partners, waited benefits related to the link with the partners instead of short term alternatives, and possible high risk actions for believing that the partners will not act opportunistically. When commitment is present, they promote efficiency, productivity and effectiveness. In this way, buyer's commitment influences positively supplier's commitment, hence continuance of the

relationship. Whereas, Miller and Rauyruen (2007, p. 22) assert that relationship continuity is a “composite measure of relationship loyalty having behavioral and attitudinal aspects”, Morgan and Hunt (1994) suggest that commitment is expected to be different from continuity, and to affect continuity expectations positively.

2.13 Buyer-supplier Collaboration, Trust, Commitment, Adaptation and Relationship continuity

A successful buyer-supplier collaborative relationship is often characterized by a high level of trust, commitment, shared values, communication, adaptation, positive bases of power, cooperation, relationship bonds and dependence (Zineldin, 1998; Narasimhan and Nair, 2005; Petersen et al., 2005).

A strong commitment to collaboration is a means to ensure continuance of a relationship (Jeffries and Reed, 2000). Trust, commitment and adaptation alleviate the fear that one’s exchange partner will act opportunistically (Smeltzer, 1997). This is because the outcome of trust, commitment and adaptation is demonstrated by the firm’s belief that the other company will perform actions that will result in positive outcomes for the firm as well as not taking unexpected actions that result in negative outcomes (Anderson and Narus, 1990). It may be concluded that trust, commitment and adaptation reduce transaction costs (Macbeth and Ferguson, 1994) and, therefore, facilitates more effective and efficient relationships, with a direct influence on results and relationship continuity (Dahlstrom and Nygaard, 1995; Siguaw et al., 1998; Handfield and Betchel, 2002; Sila et al., 2006).

The collaborative efforts of channel members should result in greater trust, commitment, channel efficiency and the achievement of goals, thus leading to higher levels of satisfaction. However, situations may exist where the supplier or buyer is forced to collaborate with the other party, despite a lack of trust and/ or commitment. Gronhaug and Gilly (1991), for example, argue that dissatisfied buyers may remain loyal due to high switching costs. The switching costs could lead to dissatisfaction, but if the outcomes of the relationship are good, the parties may still be satisfied with the relationship.

Furthermore, Walter and Ritter (2003) believe that collaboration, adaptation, trust and commitment increase satisfaction for the purchaser, building loyalty, and improve supplier retention through repeated purchases. The decision by customers to re-purchase from the same service provider depends on their past experiences (Wathne et al., 2001); their perceptions of value from previous service encounters (Bolton et al., 2000); and expectations of the future business relationship and improvements in benefits will result in more satisfied customers with greater loyalty and an enhanced competitive position (Kaynak, 2003). Satisfaction with delivered products and services has been suggested and empirically documented as affecting the buyer's decision to continue a relationship (Anderson, 1994; Fornell, 1992; Hirschman, 1970), and conversely reduce the likelihood of exit from the relationship (Hirschman, 1970; Richins, 1983; Singh, 1988). When a customer is satisfied with a supplier this also means that they know that the supplier is able to deliver what is expected, and thus the perceived risk associated with choosing a familiar supplier (who fulfils expectations) is less than the perceived risk associated with choosing an unfamiliar supplier, or a familiar supplier who has not met expectations in previous experiences.

2.14 Conclusion

Several studies and theories have established the relationship between buyer-supplier collaboration, trust, commitment, adaptation and relationship continuity. It should be noted that most of the established relationships between these variables have been focused on developed countries. Therefore a study attempting to establish these relationships in less developed countries is necessary for logical and universal conclusions as well as their application.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter discusses how the study was designed and carried out. It covers the research design, the sampling procedure, data collection methods and instruments and how data was analyzed.

3.1 Research design

This study used a cross sectional survey design. Since the study was meant to test rather than generate theory, it adopted a quantitative approach which focused on describing and drawing inferences from the findings on the relationship between buyer-supplier collaboration, adaptation, trust, commitment and relationship continuity.

3.2 Sampling design

3.2.1 The study population

The study population consisted of 877 Private manufacturing firms in Kampala.

Table 1: Shows the number of private manufacturing firms in each selected industry

Industry	Number of firms
Processing of meat, fish and dairy products	23
Grain milling	190
Bakery and manufacturing of other food products	93
Manufacturing of Beverages and tobacco	51
Sawmilling, printing and publishing	275
Manufacture of furniture and other manufacturing	250
Total	877

Source; Uganda Bureau of Statistics (2006/2007)

3.2.2 Sample Size

A sample of 260 Private manufacturing firms that carry out buyer-supplier collaboration was arrived at by basing on Morgan and krejcie (1970) sample size determination.

Table 2: Shows the sample size from each selected industry in manufacturing sector

Industry	Number of firms	Sample size
Processing of meat, fish and dairy products	23	7
Grain milling	190	56
Bakery and manufacturing of other food products	93	27
Manufacturing of Beverages and tobacco	51	15
Sawmilling, printing and publishing	275	81
Manufacture of furniture and other manufacturing	250	74
Total	877	260

3.2.3 Sampling method

Stratified sampling was used to get the specific private manufacturing firms to study since they appear under several categories. This guaranteed the desired distribution among the selected subgroups of the population. After having the right strata, the firms were arranged in alphabetical order where simple random sampling was used to arrive at the final respondents. This helped reduce bias on the selection of the firms. All purchasing managers in the buying firms and all the sales managers in the supplying firms were the targeted personnel to represent their organizations since they have relevant knowledge in purchasing and sales respectively.

3.3 Data Collection

Primary data was collected from respondents using a self administered questionnaire, this created anonymity leading to more valid responses as well as allowing respondents to fill them at their convenience. The questionnaire was designed according to the objectives and study variables and

responses to the questions were anchored on a five (5) point Likert scale ranging from 5 = strongly agree to 1 = strongly disagree. Prior to the survey administration, the researcher distributed fifty questionnaires for pre-testing.

3.4 Measurement of Variables

(i) Buyer-supplier collaboration – Buyer-supplier collaboration was measured using works of Simatupang and Sridharan (2005) and dimensions such as information sharing, sharing of benefits and losses and joint decision making were captured.

(ii) Adaptation - Adaptation was measured based on the works of Sousa, C.M.P. and Bradley (2008) who focus on product adaptation, promotion adaptation, distribution adaptation and price adaptation

(iii) Trust - Trust was measured using Goran (2005) to capture dimensions such as mutual trust and interactive trust.

(iv) Commitment – Commitment was measured from its major dimensions of instrumental commitment, normative commitment and affective commitment based on the works of Gilliland & Bello (2002).

(v) Relationship continuity – Relationship continuity was measured from the works of Heide and John (1990), Ellram and Edis (1996), Ramsay (1996), Cousins (2002), Walter and Ritter

(2003) and Kaynak (2003) who focus on customer satisfaction, supplier retention, relationship loyalty and future expectations and intentions.

3.5 Data Reliability and Validity

Reliability analysis of scales in the research instrument was carried out by performing Cronbach's alpha coefficient test (Cronbach, 1951). Alpha coefficient of above 0.6 for individual test variables was accepted. Though alpha coefficient of above 0.70 is recommended as the accept standard, the 0.6 cut off was adequate, given that the instrument was tested in a new environment (Nunnally, 1967). Content validity checks was performed on the constructs to ensure that the scale items are meaningful to the sample and capture the issues that were measured.

Table 3: Reliability and Validity of variables

	Anchor	Cronbach Alpha Coefficient	Content Validity Index
Buyer-Supplier Collaboration	5 Point	0.831	0.737
Adaptation	5 Point	0.761	0.714
Trust	5 Point	0.835	0.600
Commitment	5 Point	0.715	0.833
Relationship Continuity	5 Point	0.837	0.842

The results indicated that the variable items were both reliable and valid. This was indicated by the Cronbach Alpha Coefficients and the Content Validity Index which was well above 0.7.

3.6 Data Processing, Analysis and Presentation

Data was compiled, sorted, classified and entered into the computer analysis using the Statistical Package for Social Scientists (SPSS). A cross tabulation and correlation analyses were carried

out to present the background information against the study variables and establish the strength of the relationship between variables respectively. Multiple regression analysis was also used to determine variance in the dependent variable that is explained by the independent variable.

3.7 Limitations of the Study

- i.** Lack of cooperation from respondents, especially those who considered the information confidential. The researcher assured the respondents of confidentiality of their information that it was to be used solely for academic purposes by presenting an introductory letter from Makerere University Business School.
- ii.** Measurements tools used were adopted from previous studies and therefore any limitations that are embedded in them equally affected this study.
- iii.** The study used a questionnaire for data collection and this had a weakness of limiting the amount of data collected. There was a likely hood that relevant data could not be captured because of use of close ended questionnaire.
- iv.** The study used a sample from only six private manufacturing industries in Kampala yet Uganda Business Register of 2006/2007 Report of Uganda Bureau of Statistics documented them as thirteen.
- v.** The study never looked at multinational companies yet they form a big percentage of private manufacturing firms in Kampala. Therefore responses from these firms were not captured hence affecting the results of this study.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF THE FINDINGS.

4.0 Introduction

This chapter deals with presentation, analysis and interpretation of the data collected from the respondents. The chapter covers the Demographic information about respondents and results, factor analysis, correlation and regression analysis. This presentation was guided by the following research objectives;

- i. To examine the effect of buyer-supplier collaboration components on relationship continuity
- ii. To examine the relationship between buyer-supplier collaboration and adaptation
- iii. To establish the relationship between buyer-supplier collaboration and trust
- iv. To establish the relationship between buyer-supplier collaboration and commitment
- v. To establish the relationship between adaptation and relationship continuity
- vi. To establish the relationship between trust and relationship continuity
- vii. To establish the relationship between commitment and relationship continuity
- viii. To establish the relationship between buyer-supplier collaboration, trust, commitment, adaptation and relationship continuity

4.1 Background characteristics of individual.

4.1.1 Gender and Respondent Distribution

The results in the table below show the gender of the respondents who participated in this study for both the supplier and buyer private manufacturing firms.

Table 4: Gender by Respondents Distribution

			Respondents Category		Total
			Buyers	Suppliers	
Gender	Male	Count	101	94	195
		Row %	51.8%	48.2%	100.0%
		Column %	78.9%	72.9%	75.9%
	Female	Count	27	35	61
		Row %	43.5%	56.5%	100.0%
		Column %	21.1%	27.1%	24.1%
Total		Count	128	129	257
		Row %	49.8%	50.2%	100.0%
		Column %	100.0%	100.0%	100.0%

Source: Primary Data

The results indicated that the majority of the respondents were males of whom 51.8% were from the buyer firms and 48.2% were from the Supplier firms. In addition, 43.5% of the females were from buyer firms and the greater proportion of the females (56.5%) was from Supplier firms.

4.1.2 Age of Respondent by Category Distribution

The results in the table below show the Age of the respondents who participated in this study for both the supplier and buyer private manufacturing firms.

Table 5: Age of the respondents by category distribution

			Respondents Category		Total
			Buyers	Suppliers	
Age	24years & below	Count	4	2	6
		Row %	66.7%	33.3%	100.0%
		Column %	3.1%	1.6%	2.3%
	25-34 years	Count	58	54	112
		Row %	51.8%	48.2%	100.0%
		Column %	45.3%	41.9%	43.6%
	35-44 years	Count	61	69	130
		Row %	46.9%	53.1%	100.0%
		Column %	47.7%	53.5%	50.6%
	45 years & above	Count	5	4	9
		Row %	55.6%	44.4%	100.0%
		Column %	3.9%	3.1%	3.5%
Total		Count	128	129	257
		Row %	49.8%	50.2%	100.0%
		Column %	100.0%	100.0%	100.0%

Source: Primary Data

The results indicated that the majority of the respondents were supplier firms (50.2%) and buyer firms comprised only 49.8% of the sample. Furthermore, the majority of the supplier firms (53.1%) were of 35-44 year age bracket while the majority of the buyer firms (46.9%) were also of 35-44 year age bracket. Overall, it was observed that the majority of the respondents were of 35-44 year age bracket (50.6%) while the least of the respondents were those of 24 and below year age bracket with 2.3%.

4.1.3 Highest Education Level of Respondent by Category Distribution

The results in the table below show the highest education level of the respondents who participated in this study for both the supplier and buyer private manufacturing firms.

Table 6: Highest Education Level of Respondent by Category Distribution

			Respondents Category		Total
			Buyers	Suppliers	
Highest Education	Secondary	Count	2	1	13
		Row %	66.7%	33.3%	100.0%
		Column %	1.6%	.8%	1.2%
	Diploma	Count	31	35	66
		Row %	47.0%	53.0%	100.0%
		Column %	24.2%	27.1%	25.7%
	Degree	Count	65	79	144
		Row %	45.1%	54.9%	100.0%
		Column %	50.8%	61.2%	56.0%
	Professional	Count	25	14	39
		Row %	64.1%	35.9%	100.0%
		Column %	19.5%	10.9%	15.2%
	Masters	Count	5		5
		Row %	100.0%		100.0%
		Column %	3.9%		1.9%
Total		Count	128	129	257
		Row %	49.8%	50.2%	100.0%
		Column %	100.0%	100.0%	100.0%

Source: Primary Data

The results indicated that the majority of the respondents were degree holders (56.0%) while only 1.2% had secondary education as their highest level of education. Those that had Diploma, professional course and masters comprised 25.7%, 15.2% and 1.9% of the sample respectively.

In addition, among the degree holders, buyer firms comprised 45.1% and supplier firms 54.9% while with secondary education buyer firms comprised 6.75% and supplier firms 33.3%.

4.2 Background Characteristics of firms

4.2.1 Organization Age by Respondent Category Distribution

The results in the table below show the age of the organization by the respondents who participated in this study for both the supplier and buyer private manufacturing firms.

Table 7: Organization Age by respondents Category distribution

			Respondents Category		Total
			Buyers	Suppliers	
Organization Age	1-5 years	Count	5	2	7
		Row %	71.4%	28.6%	100.0%
		Column %	3.9%	1.6%	2.7%
	6-10 years	Count	47	48	95
		Row %	49.5%	50.5%	100.0%
		Column %	36.7%	37.2%	37.0%
	11-16 years	Count	64	74	138
		Row %	46.4%	53.6%	100.0%
		Column %	50.0%	57.4%	53.7%
	Above 16 years	Count	12	5	17
		Row %	70.6%	29.4%	100.0%
		Column %	9.4%	3.9%	6.6%
Total		Count	128	129	257
		Row %	49.8%	50.2%	100.0%
		Column %	100.0%	100.0%	100.0%

Source: Primary Data

Majority of the firms (53.7%) have been in existence for 11-16 years, while firms that have been in existence for 1-5 years comprised of 2.7% compared to 37.0% and 6.6% of the firms that have been in existence for 6-10 years and above 16 years respectively.

Furthermore, firms that have been in existence for 1-5 comprised 71.4% and 28.6% for both buyer and supplier firms respectively while those that have been in existence for 6-10 years constitute 49.5% and 50.5% for both buyer and supplier firms respectively. For those firms that have existed for 11-16 years comprised 46.4% and 53.6% while for the firms have existed for more than 16 years comprised 70.6% and 29.4% for both buyer and supplier firms in each of the two distribution categories respectively.

4.2.2 Kind of Manufacturers we deal with by Respondent Category Distribution

The results in the table below show the kind of manufacturers we deal with by the respondents who participated in this study for both the supplier and buyer private manufacturing firms

Table 8: Kind of Manufacturers we deal with by Respondent Category Distribution

			Respondents Category		Total
			Buyers	Suppliers	
Kind of Manufacturers we deal with	Beverages	Count	7	6	3
		Row %	53.8%	46.2%	100.0%
		Column %	5.5%	4.7%	5.1%
	Meat	Count	2	1	3
		Row %	66.7%	33.3%	100.0%
		Column %	1.6%	.8%	1.2%
	Fish	Count	2	3	5
		Row %	40.0%	60.0%	100.0%
		Column %	1.6%	2.3%	1.9%
	Tobacco	Count	2	1	3
		Row %	66.7%	33.3%	100.0%
		Column %	1.6%	.8%	1.2%
	Bakery	Count	12	12	24
		Row %	50.0%	50.0%	100.0%
		Column %	9.4%	9.3%	9.3%
	Grain Milling	Count	28	28	56
		Row %	50.0%	50.0%	100.0%
		Column %	21.9%	21.7%	21.8%
	Furniture	Count	35	38	73
		Row %	47.9%	52.1%	100.0%
		Column %	27.3%	29.5%	28.4%
	Saw milling	Count	1		1
		Row %	100.0%		100.0%
		Column %	.8%		.4%
	Printing & Publishing	Count	39	40	79
		Row %	49.4%	50.6%	100.0%
		Column %	30.5%	31.0%	30.7%
Total		Count	128	129	257
		Row %	49.8%	50.2%	100.0%
		Column %	100.0%	100.0%	100.0%

Source: Primary Data

The results revealed that manufacturing firms that deal in printing and publishing have the largest percentage of suppliers and buyers (30.7%). Manufacture of furniture constituted 28.4% followed by grain milling firm with 21.8%, Bakery 9.3%, Beverages 5.1% and fish 1.9% for both supplier and buyer firms. Though Meat and Tobacco processing have the same low percentage of 1.2 %, the least is saw milling with 0.4% for both supplier and buyer firms.

Also, results indicated that manufacturing firms that deal in Tobacco constitute 66.7% for buyers and 33.3% for suppliers which implies that overall percentage (1.2%) is low because of the low response rate of suppliers while saw milling has no supplier responses and only 1 buyer response.

4.2.3 Number of Employees in the company by Respondent Category Distribution

The results in the table below show the number of employees in the company by the respondents who participated in this study for both the supplier and buyer private manufacturing firms.

Table 9: Number of Employees in the company by Respondent Category Distribution

			Respondents Category		Total
			Buyers	Suppliers	
Number of Employees in the Company	Less than 5	Count	16	13	29
		Row %	52.2%	44.8%	100.0%
		Column %	12.5%	10.1%	11.3%
	5-49	Count	99	80	179
		Row %	55.3%	44.7%	100.0%
		Column %	77.3%	62.0%	69.6%
	50-99	Count	13	35	48
		Row %	27.1%	72.9%	100.0%
		Column %	10.2%	27.1%	18.7%
	100 & Above	Count		1	1
		Row %		100.0%	100.0%
		Column %		.8%	.4%
Total		Count	128	129	257
		Row %	49.8%	50.2%	100.0%
		Column %	100.0%	100.0%	100.0%

Source: Primary Data

The results showed that the most manufacturing organizations employ between 5 to 49 staff which constituted 69.6% Of the respondents. This is followed by companies that employ between 50 to 99 with 18.7% while 11.3% is for companies that employ less than 5 staff and the least employing companies being those in the employment bracket of 100 and above with 0.4%. It was also revealed that manufacturing firms that employ between 50 to 99 constituted 27.1% for buyer firms and 72.9% were supplier firms while with manufacturing firms that employ

between 100 and above staff, suppliers constituted 100% meaning that there no buyer firms lying with this group.

4.2.4 Company's annual turnover by Respondent Category Distribution

The results in the table below show the company's annual turnover by the respondents who participated in this study for both the supplier and buyer private manufacturing firms.

Table 10: Company's annual turnover by Respondent Category Distribution

			Respondents Category		Total
			Buyers	Suppliers	
Company’s annual turnover	Below 1,000,000	Count	2		2
		Row %	100.0%		100.0%
		Column %	1.6%		.8%
	1,000,001-5,000,0000	Count	6	5	11
		Row %	54.5%	44.5%	100.0%
		Column %	4.7%	3.9%	4.3%
	5,000,001-10,000,000	Count	24	10	34
		Row %	70.6%	29.4%	100.0%
		Column %	18.8%	7.8%	13.2%
	10,000,001-20,000,000	Count	27	16	43
		Row %	62.8%	37.2%	100.0%
		Column %	21.1%	12.4%	16.7%
	20,000,001-50,000,000	Count	44	55	94
		Row %	46.8%	53.2	100.0%
		Column %	34.4%	38.8	36.6%
	Above 50,000,000	Count	25	48	73
		Row %	34.2%	65.8%	100.0%
		Column %	19.5%	37.2%	28.4%
Total		Count	128	129	257
		Row %	49.8%	50.2%	100.0%
		Column %	100.0%	100.0%	100.0%

Source: Primary Data

The results showed that most manufacturing companies' annual turnover is between 20,000,001 to 50,000,000 (36.6%) followed by those above 50,000,000 (28.4%), those between 10,000,001 to 20,000,000 (16.7%), those between 5,000,001 to 10,000,000 (13.2%). In addition, manufacturing firms with an annual turnover between 1,000,001 to 5,000,000 comprised 4.3% while those with least annual turnover (0.8%) are below 1,000,000.

Furthermore, manufacturing firms that have an annual turnover between 20,000,001 to 50,000,000 constitute 46.8 for buyer firms and 53.2% were supplier firms. Manufacturing companies with an annual turnover between 5,000,001 to 10,000,000 comprise 70.6% of the buyer firms and only 29.4% was for supplier firms while manufacturing firms with annual turnover below 1,000,000 constitute 100% for buyer firms implying that there are no supplier firms in this category.

4.2.5 Number of firms we deal with by Respondent Category Distribution

The results in the table below show the number of firms companies deal with by the respondents who participated in this study for both the supplier and buyer private manufacturing firms.

Table 11: Number of firms we deal with by Respondent Category Distribution

			Respondents Category		Total
			Buyers	Suppliers	
Number of firms we deal with	Less than 5	Count	20	33	53
		Row %	37.7%	62.3%	100.0%
		Column %	15.6%	25.6%	20.6%
	6-10	Count	69	64	133
		Row %	51.9%	48.1%	100.0%
		Column %	53.9%	49.6%	51.8%
	11-16	Count	36	30	66
		Row %	54.5%	45.5%	100.0%
		Column %	28.1%	23.3%	25.7%
	Above 16	Count	3	2	5
		Row %	60.0%	40.0%	100.0%
		Column %	2.3%	1.6%	1.9%
Total		Count	128	129	257
		Row %	49.8%	50.2%	100.0%
		Column %	100.0%	100.0%	100.0%

Source: Primary Data

The results revealed that manufacturing firms that deal with 6 to 10 companies have the biggest percentage (51.8%). Manufacturing firms that deal with 11 to 16 constitute 25.7% followed by those that deal with less than 5 companies (20.6%) and the least being those that deal with more than 16 companies (1.9%). On the other hand, 51.9% and 48.1% are for the buyer firms and

supplier firms that deal with 6 to10 suppliers and buyers respectively while 37.7% and 62.3% are for the buyer and supplier firms that deal with less than 5 suppliers and buyers respectively.

4.2.6 Period of dealing with firms by Respondent Category Distribution

The results in the table below show the number of years firms have dealt with other companies by the respondents who participated in this study for both the supplier and buyer private manufacturing firms.

Table 12: Period of dealing with firms by Respondent Category Distribution

			Respondents Category		Total
			Buyers	Suppliers	
Period of dealing with firms	1 year	Count	5	1	6
		Row %	83.3%	16.7%	100.0%
		Column %	3.9%	.8%	2.3%
	2 years	Count	52	35	87
		Row %	59.8%	40.2%	100.0%
		Column %	40.6%	27.1%	33.9%
	3 years	Count	52	70	122
		Row %	42.6%	57.4%	100.0%
		Column %	40.6%	54.3%	47.5%
	Above 3 years	Count	19	23	42
		Row %	45.2%	54.8%	100.0%
		Column %	14.8%	17.8%	16.3%
Total		Count	128	129	257
		Row %	49.8%	50.2%	100.0%
		Column %	100.0%	100.0%	100.0%

Source: Primary Data

The results revealed that the majority of the manufacturing firms have dealt with other companies for 3 years (47.5%).The manufacturing firms that have dealt6 with other companies

comprised 33.9% followed by those that deal with other companies for 2 years (16.3%) and the least being manufacturing firms that deal with other companies for 1 year (2.3%).

In a nut shell, buyer firms that have dealt with their suppliers for 3 years comprise 42.6% and supplier firms that have dealt with their buyers for the same period of time constitute 57.4% whereas, buyer firms that have dealt with their supplier for 1 year comprise 83.3% and supplier firms that have dealt with their buyers for 1 year constitute 16.7%.

4.3 Factor analysis results

4.3.1 Buyer Supplier collaboration

The results in the table below reveal the nature of buyer-supplier collaboration at play among the private manufacturing firms in the study.

Table 13: Buyer Supplier collaboration

Factor Analysis Results for Buyer Supplier Collaboration	<i>Information sharing</i>	<i>Joint decision making</i>	<i>Incentive alignment</i>
We share information on delivery schedules with our suppliers	.552		
We share information on supply disruption with our suppliers	.587		
We share information on inventory policy with our suppliers	.576		
Our suppliers always inform us in advance of changes in the supply market	.540		
We believe our suppliers freely share important information that is of interest to us	.615		
Our suppliers always consult us on pricing policy		.574	
We Jointly develop demand forecasts with our suppliers		.501	
Our company makes its procurement plans for the next seasons together with its suppliers		.520	
Our suppliers provide us with sales forecasts for the products our company buys from them		.563	
We frequently share benefits of this relationship with our suppliers			.607
We frequently share losses resulting from our relationship with our suppliers			.629
We usually have joint investments with our suppliers			.540
Eigen Value	3.2085	1.3965	1.191
Variance %	33.775	14.699	12.541
Cumulative%	33.775	48.474	61.015

Source: Primary Data

Results indicated that the buyer-supplier collaboration is mainly composed of information sharing; joint decision making and incentive alignment and these were noted to constitute variances of 33.775%, 14.699% and 12.541% respectively.

The results indicated that with information sharing, essential issues have to do with sharing information on delivery schedules with suppliers (.552) and sharing information on supply disruption (.587). In addition, it was noted that with this component, it is very important that a firm shares information on inventory policy with suppliers (.576) and also ensure that suppliers always inform them in advance of changes in the supply market (.540). Finally, the firms should have confidence that their suppliers freely share important information that is of interest to them (.615).

With joint decision making, the researcher noted that suppliers should always consult buyers on the pricing policy (.574) and that buyers should also interactively develop demand forecasts with their respective suppliers (.501). Furthermore, buyers should always make their procurement plans for the next seasons together with their suppliers (.520) and alternatively suppliers should always provide their buyers with sale forecasts for the products buyer companies buy from them (.563).

With incentive alignment, the researcher noted that buyers frequently share benefits (.607) and losses (.629) with suppliers in their collaborative relationships. Results also revealed that buyers usually engage in joint investments with their suppliers (.540)

4.3.2 Relationship continuity

The results in the table below reveal the level of relationship continuity at play among the private manufacturing firms in the study.

Table 14: Relationship continuity

Results of the Relationship Continuity	Relationship loyalty	Future expectations and intentions	Customer satisfaction	Supplier retention
Our suppliers frequently say positive things about us to other people	.605			
Our suppliers always recommend us to other firms which seek advice from them for business	.512			
We are dedicated to continuing to do business with our suppliers	.544			
Our suppliers rarely alter what has been agreed upon to obtain what their wishes	.529			
We hope our expectations and intentions of the establishment to be met at all times		.558		
We believe that our suppliers expect the relationship to continue over time		.509		
We wish to work with our current suppliers again in the future		.545		
We are satisfied with the level of collaboration we have with our suppliers			.666	
Our major suppliers have always been fair to us			.616	
In the foreseeable future we will consider our current suppliers as part of our selection set				.631
Eigen Value	3.309	1.475	1.103	1.061
Variance %	34.828	15.524	5.805	5.585
Cumulative%	34.828	50.352	56.157	61.742

Source: Primary Data

Results indicated that relationship continuity is mainly composed of relationship loyalty, future expectations and intentions, customer satisfaction, supplier retention and these were noted to constitute variances of 34.828%, 15.526%, 5.805% and 5.585% respectively.

The results indicated that with Relationship loyalty, essential issues have to do with suppliers frequently saying positive things about their buyers to other people (.605) and they also always recommend their buyers to other suppliers which seek advice from them for business (.512). In addition, it was noted that with this component, it is very important that buyers are dedicated to continuing to do business with their suppliers (.544) and also ensure that they rarely alter what has been agreed upon to obtain what they wish (.529).

With future expectations and intentions, the researcher noted that buyers hope that their expectations and intentions of the establishment would be met at all times (.558) and they also believe that their suppliers expect the relationship to continue over time (.509). Furthermore, buyers wish to work with their current suppliers again in the future (.545).

With customer satisfaction, the researcher noted that buyers are satisfied with the level of collaboration they have with their suppliers (.666) and their major suppliers have always been fair to them (.616).

Lastly, with supplier retention, the results showed that in the foreseeable future the buyers will consider their current suppliers as part of their selection set (.631).

4.4 Relationships between the variables

The results in the table below were presented with the aim of establishing the nature of the relationships at play among the study variables and the Pearson (r) correlation coefficient was employed to do this.

Table 15: Relationships between the variables

	1	2	3	4	5	6	7	8
Incentive alignment-1	1.000							
Information sharing-2	.617**	1.000						
Joint decision making-3	.359**	.634**	1.000					
Buyer-Supplier Collaboration-4	.804**	.901**	.788**	1.000				
Adaptation-5	.145	.271**	.396**	.321**	1.000			
Trust-6	.177*	.239**	.315**	.291**	.323**	1.000		
Commitment-7	.343**	.306**	.395**	.418**	.242**	.181*	1.000	
Relationship Continuity-8	.312**	.379**	.376**	.427**	.537**	.274**	.458**	1.000
** Correlation is significant at the 0.01 level (2-tailed).								
* Correlation is significant at the 0.05 level (2-tailed).								

Source: Primary Data

4.4.1 The relationship between buyer-supplier collaboration and relationship continuity

The results in the table revealed that buyer-supplier collaboration and relationship continuity were positively related ($r = .427^{**}$, $p < .01$). It was also noted that all the three components of buyer-supplier collaboration that is, incentive alignment, information sharing and joint decision making were also positively related to relationship continuity and the parameters were ($r = .312^{**}$, $p < .01$), ($r = .379^{**}$, $p < .01$) and ($r = .376^{**}$, $p < .01$) respectively. These results imply that if there is adequate sharing of information on order status, changes in the supply market, delivery schedules,

supply disruptions, inventory policy and changes in the purchasing and supply markets between the buyers and the suppliers, this is likely to enhance supplier retention through continuing purchasing arrangements with most of the suppliers and considering current suppliers as part of the buyers' selection set.

In addition, the results also imply that if there is joint decision making on pricing policy, demand forecasts, procurement plans and sales forecasts between buyers and suppliers will promote relationship loyalty through encouraging friends and relatives to do business with the other party, rarely altering what has been agreed upon to obtain what one wishes, frequently saying positive things about your partner to other people and always recommending your collaborative partner to other firms which may seek advice from you for business. Finally, if there is incentive alignment through sharing of benefits, losses and having joint agreements on order changes between buyers and suppliers will enhance future expectations and intentions through hoping to meet the expectations and intentions of the establishment at all times and expanding your business with your current suppliers/buyers in the future. These may result into buyers and suppliers being dedicated to continuing to do business with each other.

4.4.2 The relationship between buyer-supplier collaboration and adaptation

The results in the table revealed that buyer-supplier collaboration and adaptation were positively related ($r = .321^{**}$, $p < .01$). It was also noted that two of the components of buyer-supplier collaboration that is, information sharing and joint decision making were also positively related to adaptation and the parameters were ($r = .271^{**}$, $p < .01$) and ($r = .396^{**}$, $p < .01$) respectively. However, incentive alignment was insignificantly related to adaptation ($r = .145$, $p > .05$). These results imply that if there is adequate sharing of information on delivery schedules, supply

disruptions, inventory policy and changes in the purchasing and supply markets between the buyers and the suppliers, this is bound to result into flexibility in making adjustments in their sales budgets, sales force structure, sales credit terms and discount policy on the side of the supplier and advertising budget, purchasing force structure and discount policy on the side of the buyers .In addition, the results also imply that if there is joint decision making on pricing policy, demand forecasts, procurement plans and sales forecasts between buyers and suppliers this will enhance adaptation. Therefore information sharing and joint information sharing in buyer-supplier collaborations may assist each of the two parties meet their unique needs. On the contrary incentive alignment was found to have insignificant effects on adaptation.

4.4.3 The relationship between buyer-supplier collaboration and trust

The results in the table revealed that buyer-supplier collaboration and trust were positively related ($r = .291^{**}$, $p < .01$). It was also noted that all the three components of buyer-supplier collaboration that is, incentive alignment, information sharing and joint decision making were also positively related to trust and the parameters were ($r = .177^*$, $p < .05$), ($r = .239^{**}$, $p < .01$) and ($r = .315^{**}$, $p < .01$) respectively. These results imply that if there is adequate sharing of information on delivery schedules, supply disruptions, inventory policy and changes in the purchasing and supply markets between the buyers and the suppliers, this is likely to enhance trust through honest. In addition, the results also imply that if there is joint decision making on pricing policy, demand forecasts, procurement plans and sales forecasts between buyers and suppliers will promote trust through keeping promises and ensuring reliability. Finally, if there is incentive alignment through sharing of benefits, losses and having joint investments between buyers and suppliers will enhance trust

through politeness, competence and obliging. These may result into buyers and suppliers being concerned about the welfare of each other.

4.4.4 The relationship between buyer-supplier collaboration and commitment

The results in the table revealed that buyer-supplier collaboration and commitment were positively related ($r = .418^{**}$, $p < .01$). It was also noted that two of the components of buyer-supplier collaboration that is, information sharing and joint decision making were also positively related to commitment and the parameters were ($r = .343^{**}$, $p < .01$) , ($r = .306^{**}$, $p < .01$) and ($r = .395^{**}$, $p < .01$) respectively. These results imply that if there is adequate sharing of information on delivery schedules, supply disruptions, inventory policy and changes in the purchasing and supply markets between the buyers and the suppliers, this is bound to result into more committed partners in their relationship by having similar values and viewing each other as being important in their operations. Furthermore, the results also imply that if there is joint decision making on pricing policy, demand forecasts, procurement plans, sales forecasts and incentive alignment through sharing of benefits, losses and having joint investments between buyers and suppliers between buyers will enhance commitment as this will be too costly for either party to leave the relationship. Therefore information sharing, incentive alignment and joint information sharing in buyer-supplier collaborations may improve commitment since the two parties will be proud to tell others of their association with certain suppliers or buyers and a strong involvement in the other company's affairs will be adopted by either party.

4.4.5 The relationship between adaptation and relationship continuity

The results also revealed a significant and positive relationship between adaptation and relationship continuity ($r = .537^{**}$, $p < .01$). These results show that if there is adaptation between the suppliers and the buyers in their transaction relationship, it should foster changes in promotion, distribution, price and product strategies. This may enhance satisfaction from the products and services that each party gets from the other and subsequently result in to having a happy and trouble free relationship. For example, if suppliers are willing to customize products' features to their buyers' interests, the buyers will wish to work with these current suppliers again in the future.

4.4.6 The relationship between trust and relationship continuity

The results also revealed a significant and positive relationship between trust and relationship continuity ($r = .274^{**}$, $p < .01$). These results show that if there is trust between the suppliers and the buyers in their transaction relationship, it should foster confidence and honest in each other and each party will consequently anticipate its expectations to be met. For instance buyers will reliably trust suppliers to keep their promises through delivering products in a timely manner and to the agreed specifications.

4.4.7 The relationship between commitment and relationship continuity

The results also revealed a significant and positive relationship between commitment and relationship continuity ($r = .458^{**}$, $p < .01$). These results show that if there is commitment between the suppliers and the buyers in their transaction relationship, it should foster having similar aims and objectives, investing in supplier's or buyer's specific assets and looking at the current relationship as

a great opportunity to be connected to each other and thereby expecting each party being fair and dedicated to continuing the relationship with each other in future.

4.4.8 The relationship between buyer-supplier collaboration, adaptation, trust, commitment and relationship continuity

The results indicated a significant and positive between buyer-supplier collaboration, adaptation, trust, commitment and relationship continuity. The relationship between buyer-supplier collaboration and adaptation is shown by ($r = .321^{**}$, $p < .01$), buyer-supplier collaboration and trust ($r = .291^{**}$, $p < .01$), buyer-supplier collaboration and commitment ($r = .418^{**}$, $p < .01$), adaptation and relationship continuity ($r = .537^{**}$, $p < .01$), trust and relationship continuity ($r = .274^{**}$, $p < .01$), commitment and relationship continuity ($r = .458^{**}$, $p < .01$). This implies that the more buyers and suppliers of manufacturing firms decide to collaborate with each other in form of incentive alignment, information sharing and joint decision making either of the party will be more trusted, committed and adaptive. In respect to this, adaptation will bring changes in promotion, product, price and distribution strategies in order to match with the operations of each other and trust will ensure competence, honest, reliability, obliging, cooperativeness, keeping promises and politeness while commitment will foster attachment, investing in the other party's specific assets, having similar values, viewing each other as being important and having a strong involvement in the other company's affairs.

This will consequently translate into relationship continuity between buyers and suppliers through customer satisfaction, relationship loyalty, supplier retention and meeting future expectations and intentions. These will be realised where fairness and comfort in the relationship are attained, hope to meet expectations and intentions of the establishment and wish to work with current

suppliers/buyers again in the future are assured, when you always encourage your friends and relatives to do business with your buyers/suppliers and finally, when you frequently say positive things about your suppliers/buyers to other people.

4.5 Regression Analysis (1)

Results in the regression model were used to assess the degree to which buyer-supplier collaboration, adaptation, trust, and commitment can predict the relationship continuity in private manufacturing firms.

Table 16: Regression Analysis (1)

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
Model	B	Std. Error	Beta		
(Constant)	1.192	.341		3.491	.001
Buyer-Supplier Collaboration	.151	.071	.167	2.124	.036
Adaptation	.399	.074	.400	5.366	.000
Trust	.020	.033	.045	.616	.539
Commitment	.142	.038	.284	3.761	.000
Dependent Variable: Relationship Continuity					
R Square	0.428		F Statistic		23.234
Adjusted R Square	0.410		Sig.		0.000

Source: Primary Data

The result showed that the predictors can explain 41.0% of the variation in the relationship continuity variable. Among the predictors, adaptation (Beta = .400, sig. <.01) was noted to be a better predictor of relationship continuity than commitment (Beta = .284, sig. <.01), buyer-supplier collaboration (Beta = .167, sig. <.05) and trust (Beta = .045, sig. >.01). The regression model was valid and significant (sig. <.01) and the results therefore suggest that if buyer-supplier collaboration,

adaptation and commitment are well managed, they should significantly improve relationship continuity. However, trust was found to be an insignificant predictor of relationship continuity.

Finally, the other remaining percentage (59.0%) of the variance in relationship continuity is being affected by other variables other than those studied and literature states them as follows; dependence, reciprocity, competence and compatibility among others.

4.6 Regression analysis (2)

Regression model showing the effect of the components of buyer-supplier collaboration on relationship continuity

Table 17: Regression Analysis (2)

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model	B	Std. Error	Beta		
(Constant)	1.189	.346		3.437	.001
Incentive alignment	.046	.064	.063	.711	.478
Information sharing	.113	.080	.149	1.424	.157
Joint decision making	.031	.076	.039	.407	.685
Adaptation	.413	.076	.414	5.410	.000
Trust	.023	.033	.052	.708	.480
Commitment	.149	.039	.297	3.860	.000
Dependent Variable: Relationship Continuity					
R Square	0.434		F Statistic	15.614	
Adjusted R Square	0.407		Sig.	0.000	

Source: Primary Data

The results show that the components of buyer-supplier collaboration, adaptation, trust and commitment, can explain 40.7% of the variation in relationship continuity (Adjusted R Square = .407). The regression model was also significant (Sig. <.01). Among the constructs for buyer-

supplier collaboration, information sharing was found to a better predictor (Beta = (.149, sig. >.01) of relationship continuity than incentive alignment (Beta = (.063, sig. >.01) and joint decision making (Beta = (.039, sig. >.01). This implies that the components of buyer-supplier collaboration can not significantly influence relationship continuity single handedly but can produce significant results when the three components are combined. Overall adaptation (Beta = (.414, sig. <.01) was found to a better predictor of relationship continuity than commitment (Beta = (.297, sig. <.01) and trust (Beta = (.052, sig. >.01).

CHAPTER FIVE

DISCUSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the discussion, conclusion and recommendations drawn from the study findings of the previous chapter. This chapter is organized in three sections. The first section deals with discussions related to the research objectives and conclusions. The second section focuses on recommendations while the third section presents areas for further study.

5.1 Discussion of research findings

5.1.1 The effect of buyer-supplier collaboration components on relationship continuity

The findings revealed a positive and significant relationship between buyer-supplier collaboration and relation continuity (table 15). This implies that when buyer and supplier manufacturing private firms decide to collaborate with each other will promote relationship continuity. These findings are in line with Benton and Prahinski (2004) who asserted that inter-firm collaborative behavior increases cooperation, shared problem solving, loyalty and relationship continuity. For example, parties will not freely share information with each other if there is no foreseeable return. This is further supported by Gronroos (1990) who stated that the basis for maintaining a relationship is the keeping of promises and that if a promise is not fulfilled the buyer will not repeat the purchase of a product or the consumption of a service, so collaboration will come to an end. Conversely, Krause (1999) argued that the expectation of continuity is a significant antecedent and Precursor for successful buyer-supplier collaboration and that beliefs about the continuation of any relationship should be reflected in the co-operative behaviors for both parties.

In addition, the findings from regression model (2) table (17) revealed that none of the components of buyer-supplier collaboration can significantly influence relationship continuity single handedly, but according to regression model (1) table(16) results revealed that information sharing, incentive alignment and joint decision making can produce significant results when the three components are combined. The results also indicated that among the constructs for buyer- supplier collaboration, information sharing was found to a better predictor of relationship continuity than incentive alignment and joint decision making. This in line with Bowersox et al (2000) who asserted that information sharing is recognized as a key requirement for collaborative inter-organizational relationships and further suggested that successful buyer-supplier relationships are associated with high levels of information sharing. This was also supported by Morgan and Hunt (1994) who suggested that increased levels of communication have been found to be associated with relationship continuity

5.1.2 The relationship between buyer-supplier collaboration and adaptation

The findings revealed a positive and significant relationship between buyer-supplier collaboration and adaptation (table 15).This implies that the more buyer and supplier private manufacturing firms decide to collaborate with each other, the more their adaptive behavior will improve. These findings are in line with Hallen (1991) who argues that inter-firm collaborations inevitably necessitate the adjustment of companies' resources or operations to ensure that some kind of match exists between two companies and she also expects adaptation to occur more symbiotically in long-term supply relationships where buyer and supplier form significant parts of each other's business.

Also the findings confirm studies by Han and Wilson (1993) that adaptation occurs when one party in a collaboration alters its processes or the item exchanged to accommodate the other party and this was further supported by Ford (1984) who asserted that adaptation can be seen most clearly by things such as a supplier's modification of a product to suit a customer, a buyer's modification of a production process to accommodate a supplier and delivering to meet a buyer's production schedules.

5.1.3 The relationship between buyer-supplier collaboration and trust

Pearson's correlation test (table 15) established a significant correlation between buyer-supplier collaboration and trust were positively related. This implies that when buyers and suppliers in manufacturing firms decide to collaborate with each other in their transactions, trust will have to develop between them. The findings are consistent with Putnam (1993) who argues that greater collaboration holds the possibility of greater trust as partners have experience with one another overtime and have the opportunities to witness the benevolence, reliability, competence, honesty and openness of their partner. These findings are further supported by Zineldin (2000) and Park (2004) who suggest that trust exists when one party has confidence in a collaborative exchange partner's reliability and integrity and that collaborative arrangements among partners induce the emergence of trust which generates increasing benefits.

However, Mettessich (1992) and Mentzer (2000) argue that collaboration and trust are reciprocal processes that depend upon and foster each other. They justify this by asserting that trust is often emphasized as the most important issue for managing long-term collaborations and cooperation, but it is also a result of long-term collaborations between parties.

5.1.4 The relationship between buyer-supplier collaboration and commitment

The findings from the study showed a positive and significant relationship between buyer-supplier collaboration and commitment (table 15). This implies that when buyers and suppliers in manufacturing firms decide to collaborate with each other in their transactions, commitment will have to develop between them. This is in agreement with Lewicki (1995) and Zineldin (1998) who contended that it is the willingness to collaborate that demonstrates the supplier's commitment to sustain the relationship and that buyers always collaborate with suppliers whom they perceive as having made idiosyncratic investments on their behalf. This is further supported by Williamson (1985) who noted that the resource invested in performing some collaboration to support a given relationship cannot be readily transferred elsewhere and such an act signals commitment to that relationship.

On the contrary, Anderson and Weitz (1991) asserted that the commitment of each supply chain link is based on its commitment perception regarding the other members and in this way buyer's commitment influences positively supplier's commitment.

5.1.5 The relationship between adaptation and relationship continuity

The research findings revealed a significant and positive relationship between adaptation and relationship continuity (table 15). This implies that when buyers and suppliers in manufacturing firms decide to change their operations to meet specific needs of each other the continuance of the relationship is assured. This is in agreement with the observation made by Gietzmann (1996) that long-term collaborations normally require investments in specific assets and production systems for the relationship to work and continue over time. This is further supported by Heide

and John (1990) who asserted that increase in the investment of specific assets to meet the unique needs of other firms leads to more efficient production processes as expectations are thought to exist that cooperation will last and future transactions will take place.

5.1.6 The relationship between trust and relationship continuity

There was a significant and positive relationship between trust and relationship continuity in manufacturing firms (table 15). This implies that when buyers and suppliers in manufacturing firms decide to trust each other in their transactions, relationship continuity will improve. The findings are consistent with Morgan and Hunt (1994) noted that trust is a central aspect for relationship continuity and that the latter is achieved when a firm has certainty of trustworthiness and integrity of its partners. This is further supported by Forrest and Martin (1990) who argued that failure and breakdown in a relationship occur where there is a lack of continuous and mutual trust.

5.1.7 The relationship between commitment and relationship continuity

The results also revealed a significant and positive relationship between trust and relationship continuity (table 15). This implies that when buyers and suppliers in manufacturing firms decide to get commitment to each other in their transactions, relationship continuity will improve.

These findings can be linked to works of Rusbult (1983) who stated that commitment level has been found to be the strongest predictor of voluntary decisions to remain in a relationship. This perspective is also consistent with Dwyer (1987) who states that commitment is an implicit or

explicit pledge of relationship continuity between exchange partners and in a way buyer's commitment influences positively supplier's commitment, hence continuance of the relationship.

5.1.8 The relationship between buyer-supplier collaboration, adaptation, trust, commitment and relationship continuity

The findings indicated a significant and positive between buyer-supplier collaboration, adaptation, trust, commitment and relationship continuity in manufacturing firms (table 15). This implies that buyer-supplier collaboration is key in bringing about adaptation, trust and commitment between buyers and suppliers and this eventually leads to continuance of relationships. These findings are line with an argument by Smeltzer (1997) that trust, commitment and adaptation alleviate the fear that one's collaborative partner will act opportunistically. This is supported by Anderson and Narus (1990) who assert that the outcome of trust, commitment and adaptation is demonstrated by the firm's belief that the other company will perform actions that will result in positive outcomes for the firm as well as not taking unexpected actions that result in negative outcomes. These variables therefore, facilitate more effective and efficient relationships, with a direct influence on results and relationship continuity (Sila et al., 2006).

Furthermore, the findings are in agreement with the assertions of Wathne (2001) that collaborative efforts of channel members should result in greater trust, commitment, adaptation and the achievement of goals, thus leading to improvement in relationship continuity. For instance, the decision by customers to re-purchase from the same service provider depends on their past experiences, their perceptions of value from previous service

encounters (Bolton et al., 2000); and expectations of the future business relationship that will result in more satisfied customers with greater loyalty (Kaynak, 2003). However, Gronhaug and Gilly (1991) argue that some situations may exist where the supplier or buyer is forced to maintain the relationship with the other party, despite a lack of trust, commitment or adaptation. For example, dissatisfied buyers may remain loyal due to high switching costs.

5.2 Conclusions

Broadly, this study has examined the effect of buyer-supplier collaboration and relationship continuity in manufacturing firms in Kampala. Specifically, the study examined buyer-supplier collaboration dimensions of incentive alignment, joint decision making and information sharing in relation to adaptation, commitment, trust and relationship continuity most of which were found to have a positive and significant relationship. However, incentive alignment did not exhibit a significant relationship with adaptation. In addition among the components of buyer-supplier collaboration information sharing was found to be a better predictor of relationship continuity than incentive alignment and joint decision making.

Finally, the linkage between buyer-supplier collaboration and relationship continuity is clear in that when manufacturing firms align incentives, jointly make decisions and share information, relationship continuity will improve in regard to customer satisfaction, supplier retention, customer loyalty, future expectations and intentions between buyers and suppliers.

5.3 Recommendations

In light of the research findings, the following recommendations are made;

- i. The research findings suggest that buyers place a very high level of importance on normative, instrumental and affective commitment of the suppliers they work with. This implies that these can literally make or break a relationship. Private manufacturing supplier firms should therefore continue to provide reliable services through being sincere and fulfilling promises to their buyers. They should also convince buyers of their affection so that buyers would not feel they have to monitor the collaborative relationship so closely.
- ii. Special attention should also be paid to examining the antecedents of instrumental, affective and normative commitment because trust, as one of the most important relationship factors in buyer-supplier collaboration, apparently does not play a major role in relationship continuity. Commitment has been found to create positive and strong effects on customers' intentions to continue the relationship. Therefore managers of private manufacturing supplier firms should keep this in mind when crafting their firms' approach to relationship continuity.
- iii. Buyer-supplier collaboration involves a set of autonomous organizations that come together to reach goals that none of them can reach separately. Therefore developed collaborative norms like information sharing, incentive alignment and joint decision making do become an integral part of ensuring relationship continuity, which make the parties aim at similar goals. Although some studies have portrayed collaboration

negatively, managers of private manufacturing firms should generally appreciate to largely reduce the negative aspects, especially if social aspects of collaboration exist.

- iv. The results suggest that one way suppliers can improve relationship continuity is through forging closer linkages with customers. By developing commitment and adapting to each other's needs and improving communication and co-operation, a stronger relationship should emerge which ultimately will create a closer bonding between supplier and customer. This in itself could be self-perpetuating, because if stronger relationships ultimately improve customer satisfaction, it is also probable that the effect will be reciprocated. Therefore it is important for private manufacturing supplier- firms to act on the buyers' perceptions perhaps through improving customer satisfaction, buyer retention, customer loyalty, future intensions and expectations of their collaborative partners.

5.4 Areas for further study

- i. A concept of commitment on relational continuity in business service relationships
- ii. Effective collaborative relationships for Business Continuity Planning in Purchasing and Supply Management
- iii. Dyadic Buyer-Supplier Relationship Management and relationship continuity from the Buyer's Perspective
- iv. Trust in buyer-seller relationships and the challenge of environmental (green) adaptation.
- v. Exploring the relationship between formal contracts and relational Governance in multinational companies.
- vi. The roles of satisfaction, trust and commitment in value-creation in strategic networks

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APPENDICES
MAKERERE UNIVERSITY
MAKERERE UNIVERSITY BUSINESS SCHOOL

Questionnaire

To be filled by selected private manufacturing firms in Kampala

Dear respondent, I'm conducting a study on Buyer-supplier collaboration, Adaptation, Trust, Commitment and Relationship continuity in selected private manufacturing firms in Kampala as part of my study programme at Makerere University. This questionnaire is to be filled by buyers only. Your firm has been chosen as one of those that is able to avail me the information that I need to realize the objectives of this study. The information provided will only be used for academic purposes, and will be treated with utmost confidentiality.

CATEGORY B BUYER

SECTION A:

BACKGROUND INFORMATION (Please tick appropriately)

a) Gender

Male Female

b) Age

24 Years and below 25-34 years 35-44 years 45 and above

c) Highest education attained

Secondary Diploma Degree Professional Masters others (Specify.....)

d) How long has your organization existed?

1-5 years 6-10 years 11-16 years above 16 years

e) Which manufacturers does your company deal with?

Beverages Meat Fish Tobacco Bakery Grain milling Furniture
Saw milling Printing & Publishing Others specify.....

f) How many employees are in your company?

Less than 5 5-49 50-99 100 & above

g) What is your company's annual turnover

Below 1,000,000 1,000,001-5, 000,000 5,000,001-10,000,000
10,000,001-20,000,000 20,000,001-50,000,000 Above 50,000,000

h) How many suppliers does your company deal with?

Less than 5 6-10 11-16 Above 16

i) How long have you dealt with most of your suppliers?

1 year 2 Years 3 Years Above 3 year

The table below shows the alternative responses and the number assigned to each response. Please evaluate the statement by ticking in the box with the number that best suits your response.

Strongly disagree	Disagree	Not sure	Agree	Strongly agree
1	2	3	4	5

SECTION B: BUYER-SUPPLIER COLLABORATION

Incentive alignment		1	2	3	4	5
1	We frequently share benefits of this relationship with our suppliers					
2	We frequently share losses resulting from our relationship with our suppliers					
3	We usually have joint investments with our suppliers					
4	We usually have joint agreements on order changes with our suppliers					
Information sharing						
1	We share information on delivery schedules with our suppliers					
2	We share information on price changes with our suppliers					
3	Our suppliers share with us information about relevant third parties for our successful operations (e.g. technology companies, consultants etc)					
4	We share information on supply disruption with our suppliers					
5	We share information on inventory policy with our suppliers					
6	Our suppliers always inform us in advance of changes in the supply market					
7	We share information on order status with our suppliers					
8	We believe our suppliers freely share important information that is of interest to us					
Joint decision making						
1	Our suppliers always consult us on pricing policy					
2	We Jointly develop demand forecasts with our suppliers					
3	In most aspects of the relationship, the responsibility for getting things done is shared					
4	Our company makes its procurement plans for the next seasons together with its suppliers					
5	Our suppliers provide us with sale forecasts for the products our company buys from them					
6	We frequently have joint resolutions on order exceptions with our suppliers in this relationship					
7	We make Joint decisions on inventory requirements with our suppliers in all our transactions					

SECTION C: ADAPTATION

Product Adaptation		1	2	3	4	5
1	Our suppliers are willing to customize products' features for us					
2	Our suppliers are willing to adjust their packaging styles to meet our needs					
3	Our suppliers are willing to change product lines to meet our needs					
Promotion Adaptation						
1	Our suppliers are willing to change their advertising budget to meet our needs					
2	Our suppliers are willing to change their sales force structure for us					
3	Our suppliers have adapted to personnel selling to meet our unique needs					
Price Adaptation						
	Our suppliers are willing to offer sales credit terms any time we request for them					
	Our suppliers are willing to change their discount policy in our favour on our first call					
	Our suppliers pricing strategies depend a lot on company's purchasing strategies					
	Our suppliers are willing to change their profit margins to meet our end customer needs					
Distribution Adaptation						
1	Our suppliers are willing to adjust their delivery processes to suit us					
2	Our suppliers are willing to change channels of distribution to meet our specific distribution requirement					
3	Our suppliers are willing to adjust the roles of their middlemen for our seek					
4	Our suppliers are willing to change their transportation strategy to meet our transportation needs					

SECTION D: TRUST

Mutual Trust	1	2	3	4	5
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1	We have confidence in our suppliers we collaborate with					
2	The suppliers we collaborate with are always obliging					
3	The suppliers we collaborate with are very competent					
4	The suppliers we collaborate with are always cooperative					
5	We always receive a good response from the suppliers we collaborate with					
6	The suppliers we collaborate with always keep their promises					
7	The suppliers we collaborate with always provide information we require					
8	The suppliers we collaborate with are always polite					
9	The suppliers we collaborate with always inform us immediately if problems occur in their business operations that may have an impact on the collaboration					
Interactive Trust						
1	We perceive that our suppliers are honest towards us					
2	Our suppliers are friendly in dealing with our company					
3	We perceive that our suppliers are reliable in their collaborative arrangements with our company					
4	When unexpected situations arise, our suppliers always act in a manner that is favourable to us					
5	Our suppliers are oriented towards collaborative arrangements with us					
6	We perceive that when making important decisions, our suppliers are usually concerned about our welfare					
SECTION E: COMMITMENT						
Normative commitment		1	2	3	4	5
1	If the values for the suppliers we collaborate with were different, we would not be attached to them					
2	The objectives our suppliers stand for are important to us					
3	The reason we collaborate with our suppliers is because of the values they stand for					
4	Over time our values and those of our suppliers have become similar					
Instrumental commitment						
1	We need to keep collaborating with our major suppliers since it would be too costly for us to leave these relationship					
2	We are afraid of what might happen if we leave this relationship now, even if we want to					
3	We are willing to invest in suppliers' specific assets so as to keep the current relationship					
Affective commitment						
1	We take up our collaboration with our suppliers as a great relationship to be connected with					
2	Our suppliers identify themselves with our company's aim and objectives					
3	We are proud to tell others that we are associated with these suppliers					
4	We feel our suppliers view us as being an important buyer					
5	There is a strong involvement in our company's affairs by our suppliers					
SECTION F: RELATIONSHIP CONTINUITY						
Customer satisfaction		1	2	3	4	5
1	We are satisfied with the level of collaboration we have with our suppliers					
2	Our major suppliers have always been fair to us					
3	We are satisfied with the products and services we get from our suppliers					
4	Our firm is comfortable about its relationship with its suppliers					
5	Our collaboration with most of our suppliers reflects a happy and trouble-free situation					
Future expectations and intentions						
1	We hope our expectations and intentions of the establishment to be met at all times					
2	We expect to expand our business with our current suppliers in the future					
3	There is an expectation and intention of long term relationship with our suppliers					
4	We expect our suppliers to always fulfill their promises at all times					
5	We believe that our suppliers expect the relationship to continue over time					
6	We wish to work with our current suppliers again in the future					
Supplier retention						
1	It would be a long and difficult process to change our major suppliers, hence our continuous relationship with them					
2	In the foreseeable future we will consider our current suppliers as part of our selection set					

3	We intend to continue the purchasing arrangements with most of our suppliers					
Relationship loyalty						
1	Our suppliers frequently say positive things about us to other people					
2	Our suppliers always recommend us to other firms which seek advice from them for business					
3	Our suppliers always encourage their friends and relatives to do business with us					
4	We are dedicated to continuing to do business with our suppliers					
5	Our suppliers rarely alter what has been agreed upon to obtain what they wishes					

Thank you for cooperation

**MAKERERE UNIVERSITY
MAKERERE UNIVERSITY BUSINESS SCHOOL**

Questionnaire

To be filled by selected private manufacturing firms in Kampala

Dear respondent, I'm conducting a study on Buyer-supplier collaboration, Adaptation, Trust, Commitment and Relationship continuity in selected private manufacturing firms in Kampala as part of my study programme at Makerere University. This questionnaire is to be filled by suppliers only. Your firm has been chosen as one of those that is able to avail me the information that I need to realize the objectives of this study. The information provided will only be used for academic purposes, and will be treated with utmost confidentiality

CATEGORY SUPPLIER

SECTION A:

BACKGROUND INFORMATION (Please tick appropriately)

a) Gender

Male Female

b) Age

25 Years and below 25-34 years 35-44 years 45 and above

c) Highest education attained

Secondary Diploma Degree Professional Masters others (Specify.....)

d) How long has your organization existed?

1-5 years 6-10 years 11-16 years above 16 years

e) Which manufacturers does your company deal with?

Beverages Meat Fish Tobacco Bakery Grain milling Furniture
Saw milling Printing & Publishing Others specify.....

f) How many employees are in your company?

Less than 10 11-50 51-100 101-150 151-200 Above 200

g) What is your company's annual turnover

Below 1,000,000 1,000,001-5, 000,000 5,000,001-10,000,000

10,000,001-20,000,000 20,000,001-50,000,000 Above 50,000,000

h) How many buyers does your company deal with?

Less than 5 6-1 11-16 Above 16

i) How long have you dealt with most of your buyers?

1 year 2 Years 3 Years Above 3 year

The table below shows the alternative responses and the number assigned to each response. Please evaluate the statement by ticking in the box with the number that best suits your response.

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8	We believe our buyers freely share important information that is of interest to us					
Joint decision making						
1	Our buyers always consult us on pricing policy					
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3	In most aspects of the relationship, the responsibility for getting things done is shared					
4	Our company makes its supply plans for the next seasons together with its buyers					
5	Our buyers provide us with purchasing forecasts for the products our company sells to them					
6	We frequently have joint resolutions on order exceptions with our buyers in this relationship					
7	We make Joint decisions on inventory requirements with our buyers in all our transactions					

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3	Our buyers have adapted to personnel buying to meet our unique needs					
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	Our buyers are willing to change their discount policy in our favour on our first call					
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	Our buyers are willing to change their profit margins to meet our end customer needs					
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2	We are willing to change channels of distribution to meet specific distribution requirements of our buyers					
3	Our buyers are willing to adjust the roles of their middlemen for our seek					
4	Our buyers are willing to change their transportation strategy to meet our transportation needs					

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4	Over time our values and those of our buyers have become similar					
Instrumental commitment						
1	We need to keep collaborating with our major buyers since it would be too costly for us to leave these relationships					
2	We are afraid of what might happen if we leave this relationship now, even if we want to					
3	We are willing to invest in buyers' specific assets so as to keep the current relationship					
Affective commitment						
1	We take up our collaboration with our buyers as a great relationship to be connected with					
2	Our buyers identify themselves with our company's aim and objectives					
3	We are proud to tell others that we are associated with these buyers					
4	We feel our buyers view us as being an important supplier					
5	There is a strong involvement in our company's affairs by our buyers					
SECTION F: RELATIONSHIP CONTINUITY						
Customer satisfaction		1	2	3	4	5
1	We are satisfied with the level of collaboration we have with our buyers					
2	Our major buyers have always been fair to us					
3	We are satisfied with the prompt payments and other services we get from our buyers					
4	Our firm is comfortable about its relationship with its buyers					
5	Our collaboration with most of our buyers reflects a happy and trouble-free situation					
Future expectations and intentions						
1	We hope our expectations and intentions of the establishment to be met at all times					
2	We expect to expand our business with our current buyers in the future					
3	There is an expectation and intention of long term relationship with our buyers					
4	We expect our buyers to always fulfill their promises at all times					
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3	Our buyers always encourage their friends and relatives to do business with us					
4	We are dedicated to continuing to do business with our buyers					
5	Our buyers rarely alter what has been agreed upon to obtain what they wishes					

Thank you for cooperation