

ABSTRACT

In the recent years the intense global competition among manufacturing industries to co-ordinate and respond quickly, the industry value chain from suppliers to customers has made supplier management an important tool in new business design. Very few manufacturers now own all of the activities along the chain but integrate the supply network from various suppliers to the final customer. (Choy, Lee & Lo, 2002). In the past two decades marketers have shifted their thinking about transactions and relationships and research has indicated a shift from a transaction to a relationship viewpoint (Dash et al., 2009).

In this study the researcher has tried to develop a model combining outsourcing and supplier management and its combined effect on the firm's performance. The study has been done on the Indian manufacturing industries.

OBJECTIVE OF STUDY

1. To identify the key antecedent variables affecting buyer supplier relationship, outsourcing and supplier selection processes and its impact on the performance of a firm.
2. To test the proposed research hypothesis through structural equation modeling.
3. To establish the mediating effects of buyer seller relationship variables like trust on the proposed model.

SAMPLING AND MEASUREMENT

The unit of analysis is a firm. A sample of purchasing or sourcing managers at the business unit level of manufacturing firms was selected as the respondents. After elimination of questionnaires which had lot of missing data two hundred and thirteen questionnaires were collected from one hundred and six firms.

ANALYSIS

In order to provide an assessment of the reliability, convergent and discriminant validity of the measurement model, confirmatory factor analysis (CFA) was conducted by using AMOS 4. The mediating effect of the predictor variables was also tested. The proposed model was compared with a rival model.