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SUPPLIER RELATIONSHIP MANAGEMENT (SRM) STRATEGIES IN DEVELOPING LOCAL PARTNERS FOR A SUSTAINABLE SUPPLY

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ARTICLE INFO	ABSTRACT

This paper is about a study on the supplier relationship management (SRM) strategies developing local partners for a sustainable supply. The researcher chose a company based on manufacturing at Port Klang as the place area to carry out this study. The problem statement of this study is a new potential disruption of trade to supply based on the example of COVID-19 and Suez Canal. This major incident causing disruption to become a long way and shortage to the market, and it focus on company to developing a Supplier Relationship Management (SRM) with offshore supplier strategy. The objectives of this study are to investigate the challenges for the company to develop a local supplier. Next is to examine the decision criteria in developing local partner for a sustainable supply. Lastly, to put forward a Supplier Relationship Management (SRM) framework in developing local suppliers. This paper's framework and research methodology are adapted from previous research. In terms of data collecting, the researcher chooses quantitative methods that rely on two primary tools which are questionnaires and observations. In addition, varied data and information related to the research topic can be gathered through reading journals, articles, and other trusted sources.

1.0   Introduction

This research is conducted to study the Supplier relationship management (SRM) strategies in developing local partners for a sustainable supply. During the covid-19 pandemic, many companies faced difficulty in getting the supply on time due closure of the port operation, limited shipping service, and frequent logistic interruptions due to virus infection. This has to give lesson to organizations to revise their strategy by focusing the local partner which is less

vulnerable in the case of disruption. The focus in developing of local suppler post covid-19 pandemic has become a growing interest in the sourcing strategy field for the sustainable supply. Currently, more companies use local suppliers than overseas suppliers due to some problems they go through. Early data in April 2020 revealed widespread concern that the pandemic would reduce business revenue. Responses reveal a more complex picture across industries, ranging from order increases and decreases to concerns about workforce shortages and surplus. In this research, the problem statement that are related is a potential new disruption of trade to supply based on the COVID-19 and Suez Canals. However, both scenarios are fraught with danger. Reduced demand may force businesses to reduce staff numbers or available shifts, resulting in lower pay for employees. Overtime and excessive hours can result from increased demand, which is an indicator of modern slavery. Hence, the company's focus is to develop supplier relationship management with offshore supplier strategy. A sustainable supply chain strives to move goods as cheaply and quickly as possible to the upstream supply chain or end customers while minimizing or eliminating negative environmental and social impacts. Because longevity and sustainability are linked, a company with a sustainable supply chain should be able to provide a satisfying income to all of its stakeholders, including owners, investors, and employees. From this research, the researcher will be able to investigate the challenges for the company to developing a local supplier. Other than that, the researcher hopes that the organizations can give a good and new opinion and feedback based on the oversea supplier that impact to them. Based on that, the company can get more knowledge about the strategies for developing local suppliers.

2.0   Literature Review

This chapter gives an overview of the literature review of the research with the relevant study, which is books, journals, articles, and websites. The researcher explained the literature that was related to this research in the study. All the journals and articles in this research discuss suppliers, previous research on Supplier Relationship Management (SRM), a methodology that was used in this research and assessment by previous research. Moreover, all the journal also helps and guides the researcher on choosing the right tools to determine strategies in developing local partner for a sustainable supply. The researcher can learn and investigate more about the strategies in developing local partners for a sustainable supply. From this chapter, the researcher knows and understands the previous issues that occurred so that the researcher can improve the ability to finish the research.

2.1 Conceptual Framework

2.1.1 Technology Acceptance Model

According to the Technology Acceptance Model (Davis, 1989), or TAM, two factors determine whether a computer system is accepted by its potential users: (1) perceived usefulness and (2) perceived ease of use. The emphasis on the potential user's perceptions is a key feature of this model. That is, even if the creator of a given technology product believes the product is useful and user-friendly, it will not be accepted by its potential users unless those beliefs are shared by the users.

Figure 1.0 Theoretical Conceptual Framework
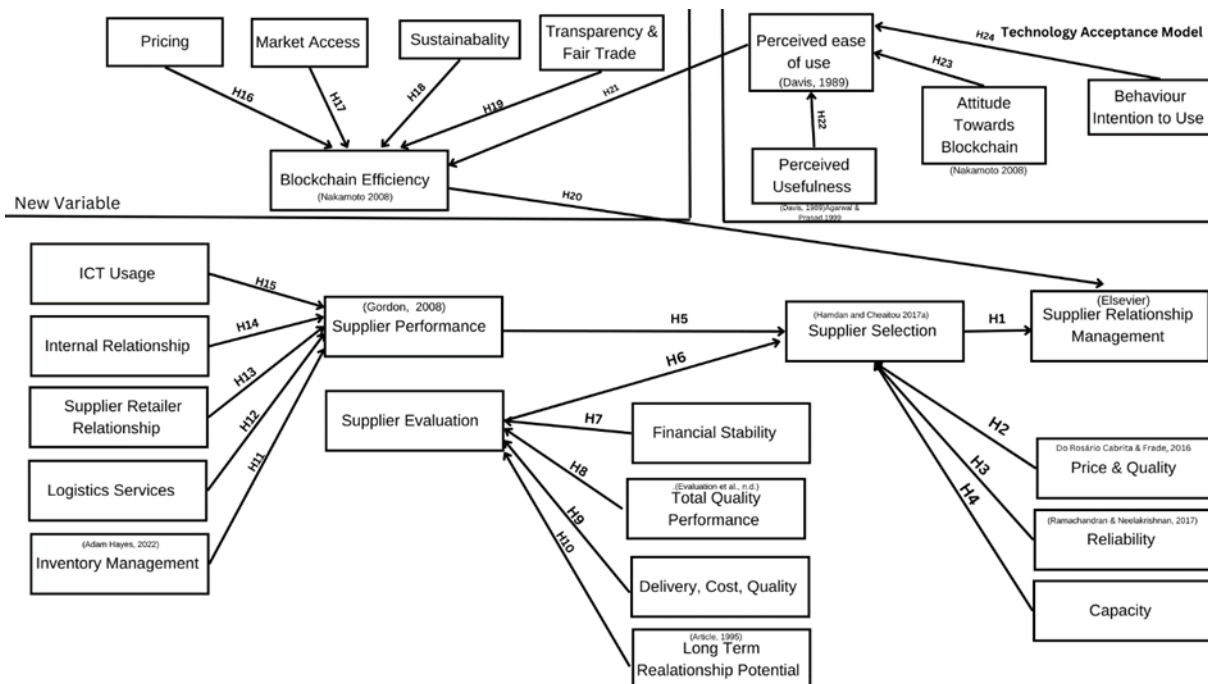
H1: Supplier selection has influenced the supplier relationship management.
H2: There are the relationship between price & quality with supplier selection.
H3: There are the relationship between reliability with supplier selection.
H4: There are the relationship between capacity with supplier selection.
H5: Supplier performance has significant impact on the supplier selection.
H6: Supplier evaluation has significant impact on the supplier selection.
H7: There is the relationship between financial stability and supplier evaluation.
H8: There is the relationship between total quality performance and supplier evaluation.
H9: There is the relationship between delivery, cost and quality and supplier evaluation.
H10: There is the relationship between long term relationship potential and supplier evaluation.
H11: There is the relationship between inventory management and supplier performance.
H12: There is the relationship between logistics services and supplier performance.
H13: There is the relationship between supplier retailer relationship and supplier performance.
H14: There is the relationship between internal relationship and supplier performance.
H15: There is the relationship between ict usage and supplier performance.
H16: There is the relationship between pricing and blockchain efficiency.
H17: There is the relationship between market access and blockchain efficiency.
H18: There is the relationship between sustainability and blockchain efficiency.
H19: There is the relationship between transparency & fair trade and blockchain efficiency.
H20: Blockchain efficiency has significant impact on the supplier relationship management.
H21: Perceived ease of use has significant impact on the blockchain efficiency.
H22: Perceived usefulness has significant impact on the perceived ease of use.
H23: Attitude towards blockchain has significant impact on the perceived ease of use.
H24: Behaviour intention to use has significant impact on the perceived ease of use.

3.0   Methodology

During the data collection process for this research, the researcher will find some responsiveness from the population as to obtain the data resources. Through giving out surveys to the younger generation, the sampling technique was used for this research. To collect data, the researcher will choose the range company number 1000 of companies. So, the respondent around 278. This is to investigate the challenges for the company to develop a local supplier. During the data collection process for this research, the researcher will find some responsiveness from the population as to obtain the data resources. Through giving out surveys to the manufacturing company, the sampling technique was used for this research. This is to examine the decision criteria in developing local partner for a sustainable supply. The online form was created to make it easier for respondents to answer the researcher's questions. The layout for obtaining and responding to the objective will be divided into three sections of question. Section A: in this section, it will contain demographic sections such as age, income, gender, living area and marital status. Section B: In this section, it will be focusing more on questions related to research objectives. Section C: In this section, it will involve a series of questions focus on suggestion and recommendation for improvement purpose.

4.0   Result and Discussion

In this chapter, the researcher will analyse the data gathered throughout this study in this chapter. Descriptive analysis and Partial Least Squares Structural Equation Modelling (PLS-SEM), which incorporates the assessment of Measurement and Modelling, will be used by the researcher. To interpret the results, use a structural model. The structural model determines the relevance of proposed connections. To assess the link between predictors and outcomes, various hypotheses were offered.

4.1 Respondent Demographic Profile

The researcher may decide to conduct a descriptive analysis and develop results based on the questionnaires sent out to respondents. But, first, the researcher will analyse sections A, B, and C, which respectively refer to the demographic profile, the objective, and the theoretical framework of Supplier Relationship Management (SRM). The researcher has used descriptive analysis to get findings of respondent demographics. In this demographic section, the overall question will mainly ask about the respondent's background information. All information and background of respondents, such as gender, race, age, qualification, experience, position, type of business, and how long business are running. This section provides an overview of the demographic information regarding the respondents. According to Krejcie and Morgan's (1970) estimation, the population of company at Klang area excess 1000 company, thus requiring a sample size of 278 respondents for this research. Ultimately, the survey successfully gathered responses from 85 respondents.

4.2 Research Objective 1

The aim of this research is to investigate the challenges for the company in developing a local supplier. The collected data will be analysed descriptively to provide an interpretation. The descriptive analysis serves the purpose of presenting a comprehensive overview that can be summarized into useful data. This analysis will include presenting the challenges for the company developing a local supplier through visual representations such as histograms, bar charts, or pie charts that represent the variables involved (Zikmund, 2003). Additionally, the analysis will involve calculating the mean, standard deviation, and variance of the collected

data to determine the central tendency and key characteristics. The data obtained from the analysis will be presented in a table format.

Table 1.0 Respondents challenges for the company.

ITEM	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE
Lack of infrastructures	2(2.35%)	5 (5.88%)	34 (40%)	34(40%)	10 (11.76%)
Culture	4 (4.70%)	6(7.05%)	32 (37.64%)	33 (38.82%)	10 (11.76%)
Cost	3 (3.5%)	3(3.5%)	27 (31.76%)	35(41.17%)	17 (20%)
Limited availability of skilled labor	3(3.5%)	2(2.35%)	29 (34.11%)	35 (41.17%)	16 (18.82%)
Regulatory hurdles	3(3.5%)	5 (5.88%)	24 (28.23%)	40 (47.05%)	13 (15.29%)
Quality control	2(2.35%)	3(3.5%)	26 (30.58%)	39 (45.88%)	15 (17.64%)
Limited supplier	3(3.5%)	3(3.5%)	22 (25.88%)	42 (49.41%)	15 (17.64%)
Managing risk	2(2.35%)	5 (5.88%)	18 (21.17%)	38 (44.70%)	22 (25.88%)
Demand & supply	3(3.5%)	2(2.35%)	21 (24.70%)	44 (51%)	16 (18.82%)
Lack of supplier	4 (4.70%)	5 (5.88%)	24 (28.23%)	40 (47.05%)	12 (14.11%)

4.3 Research Objective 2

To examine the decision criteria in developing local partner for a sustainable supply.

4.3.1 Hypothesis Verification

HYPOTHESIS	RELATIONSHIP	T statistics	P values	Decision
H23	Attitude Toward Blockchain -> Perceived Ease Of Use	3.445	0.001	Supported
H19	Blockchain Efficiency -> Supplier Relationship Management	2.196	0.028	Supported
H24	Behaviour Intention Use -> Perceived Ease Of Use	0.999	0.318	Not Supported
H4	Capacity-> Supplier Selection	0.688	0.492	Not Supported
H9	Delivery, Cost, Quality -> Supplier Evaluation	1.412	0.158	Not Supported

H7	Financial Stability -> Supplier Evaluation	2.454	0.014	Supported
H15	Ict Usage-> Supplier Performance	1.814	0.07	Supported
H14	Internal Relationship Potential -> Supplier Performance	1.016	0.31	Not Supported
H11	Inventory Management -> Supplier Performance	2.262	0.024	Supported
H12	Logistics Services -> Supplier Performance	0.831	0.406	Not Supported
H8	Long Term Potential Relationship -> Supplier Evaluation	2.29	0.022	Supported
H17	Market Access -> Blockchain Effiency	0.763	0.445	Not Supported
H16	Pricing -> Blockchain Effiency	2.168	0.03	Supported
H21	Perceived Ease Of Use -> Blockchain Effiency	5.627	0	Supported
H2	Product & Quality -> Supplier Selection	2.645	0.008	Supported
H22	Perceived Usefulness -> Perceived Ease Of Use	3.086	0.002	Supported
H3	Reliability -> Supplier Selection	0.423	0.673	Not Supported
H6	Supplier Evaluation -> Supplier Selection	0.414	0.679	Not Supported
H5	Supplier Performance -> Supplier Selection	3.177	0.001	Supported
H13	Supplier-Retailer Relationship -> Supplier Performance	0.327	0.744	Not Supported
H1	Supplier Selection -> Supplier Relationship Management	5.202	0	Supported
H18	Sustainability -> Blockchain	0.587	0.558	Not Supported
H10	Total Quality Performance -> Supplier Evaluation	2.521	0.012	Supported
H19	Trans -> Blockchain	1.267	0.205	Not Supported

Table 2 .0 Hypothesis Verification

4.4 Research Objective 3

To put forward a Supplier Relationship Management (SRM) framework in developing local suppliers.
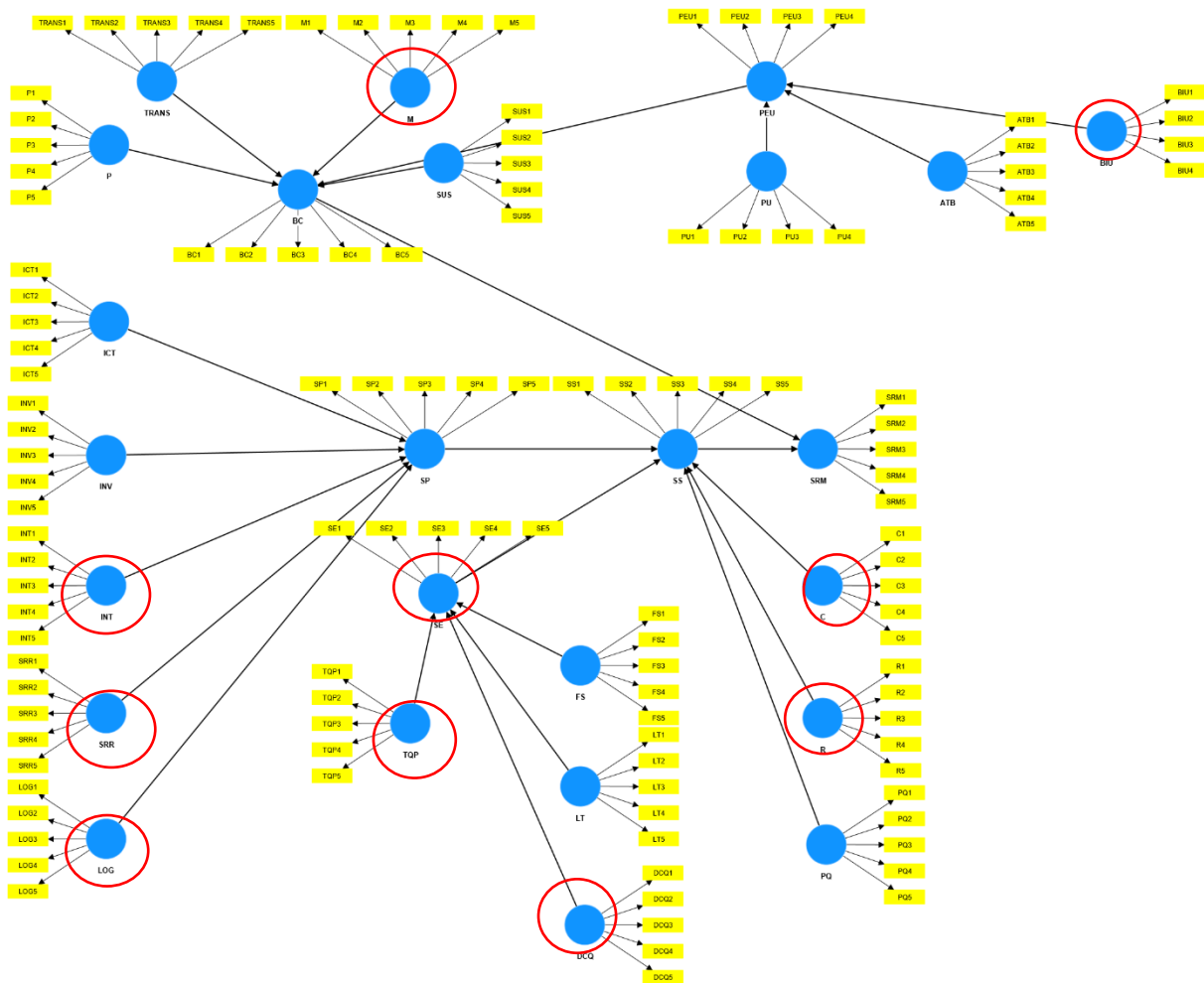
As previously said, a framework aids us in determining the best technique and methods to use in each situation based on what we're attempting to learn. It also aids in organising and planning our research operations, considering the breadth and extent of what the researcher is trying to understand. Based on the structural equation model of a framework, all variables show significant impact, which supported the statement based on hypothesis verification for T-statistic and P-value, in which all answer for T-value is more than 2 and the P value is between 0.000. Hence, there is no need for new adoption of the framework.

5.0   Conclusion and Recommendations

Numerous recommendations can help researchers better understand and collect better data during analysis based on the study's findings. The recommendation of this research study is to investigate the challenges for the company in developing a local supplier. This chapter suggests enhancements for future research to gain a better understanding of the company to develop local suppliers. Future research should use a combined method that includes both quantitative and qualitative data. As a result, it will have more information and a better understanding of

the decision criteria in developing local partners for long-term supply, as well as a better outcome in achieving the objectives. To summarize, the goal of this research is to look into the challenges that the company faces in developing a local supplier, as described throughout this study. According to the findings, not all IVs had a significant relationship with DV. Even though several constraints were encountered, the main outcome of the research remained unaffected. Finally, several comments and recommendations for the study's future success have been made.

6.0 Acknowledgement

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