

## Impact Of Strategic Purchasing on Organizational Performance in Manufacturing Firms Of Developing Country: Mediating Role Of Supply Management

<sup>1</sup>Ikramuddin Junejo\*,

<sup>2</sup>Dr. Saba Shaikh,

<sup>3</sup>Muhammad Sufyan Ramish,

<sup>4</sup>Prof. Dr. Abdul Subhan Kazi

<sup>1</sup>Assistant Professor, Department of Management Sciences, SZABIST University  
Hyderabad Campus, Pakistan.

E-mail: [ikramuddin8022@yahoo.com](mailto:ikramuddin8022@yahoo.com) (Corresponding Author)

<sup>2</sup>Assistant Professor, Department of Management Sciences, SZABIST University  
Hyderabad Campus, Pakistan.

E-mail: [saba.shaikh@hyd.szabist.edu.pk](mailto:saba.shaikh@hyd.szabist.edu.pk)

<sup>3</sup>Associate Professor, Institute of Business and Health Management (IBHM), Ojha Campus,  
Dow University of Health Sciences, Karachi, Pakistan.

E-mail: [smsufyan@gmail.com](mailto:smsufyan@gmail.com)

<sup>4</sup>Professor, Department of Management Sciences, Isra University, Hyderabad, Pakistan.

E-mail: [subhan.kazi@gmail.com](mailto:subhan.kazi@gmail.com)

### Abstract

The purchasing function is becoming widely recognized as essential to strategic success, helping firms meet the challenges of an increasingly competitive and dynamic environment. The aim of this paper is to examine the impact of strategic purchasing on organizational performance and mediating the role of a limited number of suppliers and long-term orientation. Primary data was collected with the help of an adopted research instrument (questionnaire) with five Likert scale points. Manufacturing firms in Pakistan, a developing country, were targeted as the population of the study, and the sample size was 197 owners and employees. Confirmatory factor analysis and structural equation modeling (SEM) were applied in SmartPLS version 3. The present findings confirmed the impact of strategic purchasing on organizational performance, a limited number of suppliers, and long-term orientation. Our research suggests a direct effect of a limited number of suppliers and long-term orientation on organizational performance. Furthermore, we propose a partial mediation effect of these factors between strategic purchasing and organizational performance. These findings are not only valuable for the top management of firms and policy makers, but also have the potential to significantly influence future policies and strategies.

**Keywords:** *Strategic purchasing; limited number of suppliers; long-term orientation; organizational performance*

## Introduction

Many organizations' purchasing roles have changed significantly over time to meet this strategic objective. It has separated from a tactical, clerical support function to a strategic, coordinated process (Patrucco et al., 2023). Strategic purchasing enables the function to be more involved in corporate planning, limits a firm's vulnerability to opportunistic behavior, and ensures that it achieves more positive collaborative partnership outcomes. Organizational performance, therefore, refers to the current position and a reference point against which decisions on investment and future business development can be made in the future apart from demonstrating the organizational performance in the sector (Alshammari, 2020). It is how an establishment can meet the intended market and financial targets and objectives. They adopt their organization's financial and non-financial performance indicators. This social determinant indicates that processes, structure, and the external environment affect organizations' performance and effectiveness (Garcia et al., 2021).

Nevertheless, it is not easy to realize the gains from strategic purchasing, and it is mentioned in the literature that it is a capability. Extensive literature analysis is available in the specific area regarding how the organization's performance could be enhanced in supply chain management (Govindan et al., 2020) (Rad et al., 2022). With strategic purchasing functioning in the organization, the company has supported procuring the requisite resources to serve consumers (Z. Tarigan & Siagian, 2021). Strategic purchasing in an organization implies that the purchasing function is critical within the decision-making process of that organization. Therefore, Strategic purchasing effectively enhances the organization's performance and realizes better profitability with lower costs. Other research also pointed out that corporations today have come to appreciate the purchasing process of any material, including raw materials/parts required for the production process (Cimprich et al., 2023). Strategic purchasing is an activity that requires more than 70% of the company's revenue, for example, in the form of material or part cost (O'brien, 2024). The number of companies involved in any given industry is always on the rise, it consequently raises the level of activity, adds risk aimed at building a new competitive landscape, and calls for strategic purchasing (Horváth & Szabó, 2019).

This study looks at how strategic purchasing impacts external relations, namely inter-organizational relations with key suppliers. However, we have proposed that for a firm to establish a strategic purchasing orientation, they must also design conditions that enable the buyer and supplier to build up and nurture the relationship (Schmelzle & Tate, 2022). Although many studies have been conducted analyzing inter-firm relationship management, this paper expands knowledge by investigating how buyer performance can be improved through process and structural activities. Three supply management practices are identified that facilitate effective relationship performance with critical suppliers: socialization activities, process integration, and the dynamic supply base (Salimian et al., 2021). These variables support one another and facilitate the linkage between the foundations set by strategic purchasing and the returns received from a firm's supplier relationships. Our contribution to the literature lies in defining an encompassing set of variables that have not been previously theorized in this regard and demonstrating that, while strategic purchasing unlocks consistency with long-term business strategy, it must be implemented into operational workstreams in order to generate advantage. Therefore, following research questions guided for the present study:

Q1: To what extent strategic purchasing impact on organizational performance?

Q2: To what extent the long term mediates the relationship between strategic purchasing and organizational performance?

Q3: To what extent the limited number of suppliers mediates the relationship between strategic purchasing and organizational performance?

This study makes a few contributions to the field of existing knowledge. Firstly, the direct effect of strategic purchasing was verified in the context of organizational performance in the service sector. However, in this study, the manufacturing sector was targeted. Secondly, based on the limited knowledge of the authors, two mediators, including a limited number of suppliers and long-term orientations, were not studied together in a developing country such as Pakistan. This study explains the serial mediation effect between strategic purchasing and organizational performance.

## **Literature reviews and Hypothesis development**

### **Theoretical foundation**

The RBV is a classic strategic approach formulated to assert that supernormal earnings stem from resources owned by a single firm (Gueler & Schneider, 2021). Earlier, this focus was limited to business-to-business relationships. However, the growth of actual collaboration in many fields has broadened this perspective, and notices of scholars have started to pay attention to other resources that may be situated beyond the boundaries of a company (Beck et al., 2022). Resources complementary to those of the partner firms hold the potential for competitive advantage, mainly because the relational assets are usually unique, giving rivals a problem emulating them. Our study, therefore, aligns itself with the theme of collaborative advantage instead of what may be tagged as competitive advantage. Collaborative advantage is a resource that must be earned in the long run and can produce higher sums of gain than a zero-sum-based rivalry approach. In particular, the study uses the relational view, a development of the RBV that employs the tenets of social network theory (Xie et al., 2022). In this way, the partners can earn revenues that can only be obtained if they cooperate. In essence, the supply function's efficiency in creating and exploiting strategic relationships with suppliers is a critical determinant of the ability of the firm to accrue these social fees. The constructs of the for example, elucidate that Toyota's methods of generating and sustaining a high-performance KS production network create a significant amount of value for the firm and its suppliers. Subsequent works indicate that relational benefits pertain to the long term and are more sustainable than other models (Phonthanukitithaworn et al., 2023).

The natural resource-based theory of competitive advantage incorporates the firm's interaction with natural resources (Nayak et al., 2023). It comprises three interconnected strategies: pollution prevention, product stewardship, and sustainable development. Organization-based theories put forth by Porter meant that competitive advantage is about the relationship between the resource that is differentiating or unique to a company or industry and the opportunities and threats that arise from the external environment. However, it has only been in the past decade that a proper theory has appeared that can be regarded as an integrative one, namely the resource-based view of the firm and the backgrounds that could help explain the utilization and, respectively, the development of resources, capabilities, and competitive advantage (Kruesi & Bazelmans, 2023). The latest environmental events affecting the entire world emphasized human undertakings in the economic aspect, particularly manufacturing (Dwikat et al., 2023). Companies worldwide are pumping up their production in the manufacturing industries. Manufacturing industries may be producing more than what is required in the market, but this affects the ecological system. This

kind of production overburdened the earth's natural endowments to their breaking point. Hence, procurement practices applicable in manufacturing industries have to shift to green procurement to improve the manufacturing industry's performance and conserve the earth's basic natural systems.

### **Hypotheses development arguments**

#### **Strategic purchasing**

Strategic purchasing enables firms to readily cultivate multiple, cooperative, and value-adding forms of communication and supplier responsiveness. While other aspects, including the organizational structure and management, the institution of transactions, and transaction cost economizing (Adebayo, 2023), form the background to strategic purchasing and its relation to supply management, they are not part of this study. Strategic purchasing is essential in establishing and enabling a favorable relationship with many highly valued suppliers, hence optimal utilization of the firm's supply base (Patrucco et al., 2023). Survey findings on firms indicated that those that sought and cultivated positive working relations with their suppliers saw their revenues increase and costs reduced (Wang et al., 2023). Authors using transaction cost theory have postulated that lateral differentiation may increase the firm's transaction-related risk associated with supplier opportunism and concomitant loss of flexibility due to high-level investments in specific relationships. However, the relational competency perspective points out that intimate relationships with a few suppliers, on the one hand, and the accumulation of more and more investments in relationship-specific assets, on the other hand, help to build greater trust, dependability, and cooperation amongst members of the supply chain (Rungsithong & Meyer, 2024). Trust and trustworthiness are resources that attain strategic importance precisely when there is potential for the partner's opportunistic behavior. However, the partner fails to implement such a move as the move will be advantageous towards achieving mutual benefits (Aulia et al., 2023).

Other scholars have pointed out that the "relational" perspective of business is more likely to be conducive to creating and sustaining strategic partnerships than a "transactional" one (Hou et al., 2023). Therefore, in cases where alliance partners embrace a relationship orientation, they can concentrate more effort on knowledge development and knowledge exchange and thus enhance the accumulation of "relationship-specific assets" (Ngah et al., 2024). Since these assets are "socially constructed", stemming from the inter-organizational relationships that are built over a long time since they are relations-based assets and need recurrent investments and interaction between the partners, and because they cannot be bought and sold in strategic factor markets, they can certainly provide sustained economic (as well as social) rents to the alliance partners (Zhang et al., 2024). Therefore, strategic purchasing can facilitate relationship marketing and management because of its emphasis on long-term relationships between the focal firm and its suppliers. Academic scholars have provided real-world evidence of how commitment and trust facilitate and improve cooperation, decrease functional conflict, improve decision-making, especially in uncertain and ambiguous contexts, and decrease the tendency of partners to exit the exchange relationship. Since exchange parties with a strategic long-term perspective for relations depend on the "understandings and conventions involving fair play and good faith" (Siegfried, 2023), any governmental relations between them are also enforceable internally but not through arbitration or the courts (Alanzi, 2023). Therefore, one can conclude that when the purchaser acts in a way that makes the behavior between the firm and its supplier long-term oriented, strategic purchasing supports proper supply management (Alhammadi et al., 2023).

*H1: SP positively related to OP.*

*H2: SP positively related to LNS.*

*H3: SP positively related to LTO.*

#### **Mediation effect of limited number of suppliers**

Companies seek to cultivate sound cooperation relationships with a restricted and trusted band of suppliers instead of sustaining many arm's length relationships (Yeung, 2024). It is acknowledged that close working relationships enhance and strengthen trust and cooperation (Vieira et al., 2023), knowledge creation and transfer (Tinh, 2023), enable the exchange partners to identify and resolve operating problems at an early stage of the production process (O'Dwyer et al., 2023), and other related advantages. The above relationships can also help improve a firm's capacity to meet customers' needs in a competitive way. This means that nurturing a few suppliers, when appropriately and cautiously applied, has been positively associated with customer response and financial outcomes (Agarwal & Agarwal, 2024). It is now possible for many companies to reap significant benefits in this area as they learn to cut the number of their suppliers to the barest minimum before establishing long-term relationships with such remaining suppliers (Johnson et al., 2021).

*H4: LNS positively related to OP.*

*H6a: LNS mediates relation between SP and OP.*

#### **Mediation effect of long-term orientation**

One crucial aspect that firms are turning to their suppliers to provide them is achieving a better competitive position, which can only be attained by creating a sustainable competitive advantage that only long-term relationships with their suppliers can provide (Kahupi et al., 2021). Scholars have anticipated that these companies will benefit if they thrust a greater volume of business with few suppliers through long-term contracts (Woo & Suresh, 2022). This way, the supplier will become an asset to a sound managed chain and therefore bring the long-term aspect of influencing the competitiveness of the whole supply chain. Empirical and theoretical findings marked by and respectively suggest that buyers' and suppliers' relationships may be positively affected by the length of the relationship between buyers and suppliers regarding the degree of buyer-supplier communication (Kim & Choi, 2021). Also, it is stated that long-term relationships with the purchasing organization or buyer and supplier firms lead to increased communication between the two firms once a certain level of trust is attained (Blome et al., 2023). From the above-controlled variables, long-term cooperative relationships enhance a firm's competitiveness, especially when the level of uncertainty is relatively high (Sun et al., 2023). On the second brace, supply-chain integration and supplier capability management (Schmelzle & Mukandwal, 2023), with the noticeable characteristics of long-term orientation in relations, were determined to impact customer responsiveness positively. Moreover, current studies indicate that more trust and cooperation, characteristic of long-term partnerships, result in better responsiveness to customers and other firm performance indicators (Alshurideh et al., 2022), (Andalib Ardakani et al., 2023).

*H5: LTO positively related to OP.*

*H6b: LTO mediates relation between SP and OP.*

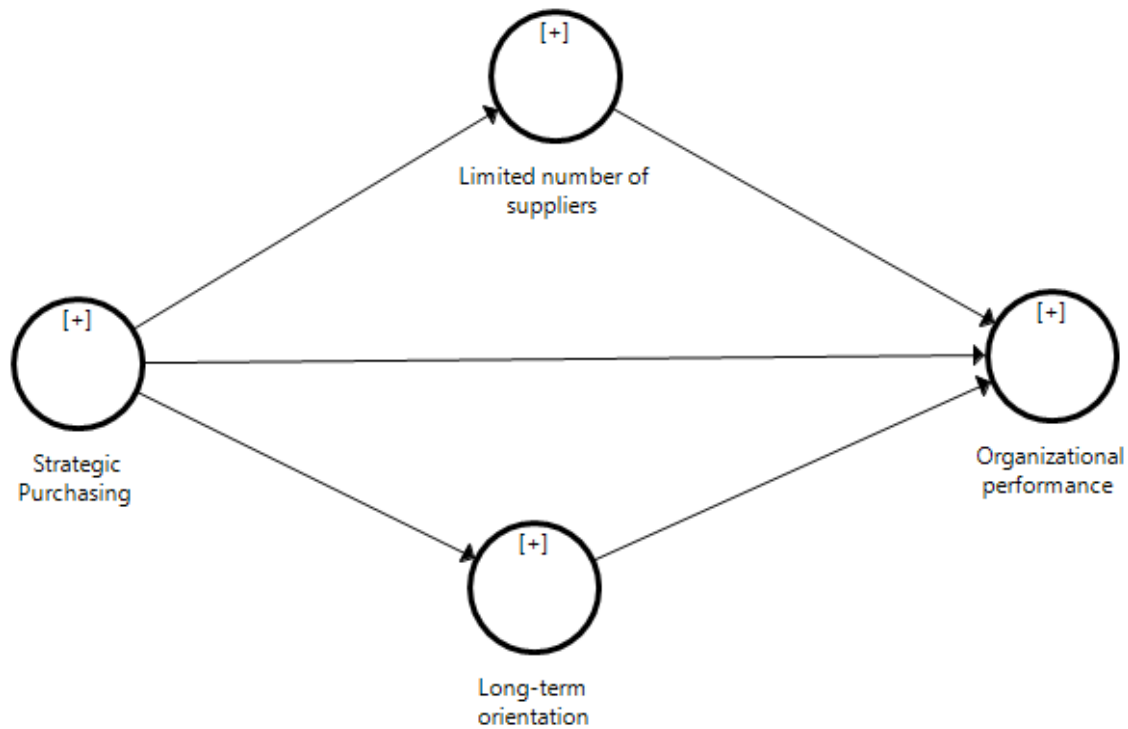


Figure 1. Conceptual Framework

## Methodology

### Data collection procedure

The research epistemology embraced in this study was positivism. It was fixed in nature as it tested and developed theoretical concepts, and the study aimed to generalize the findings (Kabak et al., 2024). Multi-method and mixed-method studies aligned with this study philosophy aim to evaluate a hypothesis developed from the literature (Amadi, 2023). The study used the descriptive research method to determine the extent of strategic purchasing and the mediating variables, namely, limited number of suppliers and long-term orientation on organizational performance.

Mail questionnaires were used, and they were delivered through first-class mail. Each mail contained a cover letter to the respondent and a postpaid envelope for the return of the survey. Postcards were resent two weeks later to remind all potential respondents who had yet to respond to the initial mailing. For those who did not return the questionnaires, the second wave of the surveys, cover letters, and postage-paid return envelopes were sent after 28 days of the first mailing. From 350 distributed questionnaires, 49 could not be delivered due to problems with the address; out of the responses, 205 were received, but 8 of them were excluded from the study because the information in them was incomplete; thus, the effective response rate was 58%. Prior researchers have noted that the analysis of response rates using electronic surveys is low (Krieger et al., 2023), (Goodrich et al., 2023).

### Scale development

In every organization, the respondent has to be a manager or director of the purchasing department since they are usually aware of the top management's decisions. Had the respondents been willing to express themselves more quantitatively, all the indicators requested in the questionnaires would have been answered using a five-point Likert scale whose horns ranged from

1: strongly disagree to 5: strongly agree. The questionnaires were physically handed over to the respondent and emailed to the respondent.

### **Strategic purchasing**

A concept of strategic purchasing is understood as a plan, evaluation, implementation, and control over the sourcing decision (Goodrich et al., 2023). Strategic purchasing is the matter related to how organizations can source materials or parts to meet their customer's needs. Strategic purchasing seven items were adopted from the study of (Chen et al., 2004).

### **Limited number of suppliers**

Few suppliers mean that only some companies or persons offer a specific good or service to the market. The limited number of supplier five research items were taken from (Chen et al., 2004).

### **Long term orientation**

Exchange parties organized from a long-term strategic perspective imply understanding the conventions relating to codes of practice, such as fair and rightful behavior. The long-term orientation six items were taken from study of (Chen et al., 2004).

### **Organizational performance**

Organizational performance is the realization of an organization's goals and objectives to a certain level. This is a way of determining the efficiency of an organization's management and the amount of success it has delivered to significant stakeholders; this includes the customers, employees, shareholders, and the society. five research items were taken from the research of (Mebrate & Shumet, 2024).

### **Data analysis software**

Hence, using the survey data, we employed SEM to test the hypotheses developed below. Lastly, version 3 of SEM was used to analyze the gathered data. Of course, the relationships under discussion can only be studied with the help of particular research methods, structural equation modeling (SEM) being one of the most efficient techniques for studying highly complicated connections between multiple variables (Hair et al., 2021). SEM combines confirmatory factor analysis and exploratory factor analysis to organize test hypotheses concerning the correlation of certain variables. Then, it uses path analysis. Thus, SEM is carried out so that the researcher first formulates a set of latent and observed variables and then contrasts this model with how the data behaves in the real world.

## **Results and Discussion**

### **Reliability and validity**

The measurement (outer) model seeks to establish the relationship between indicators and the respective latent variables (Hanafiah, 2020). The assessment of the outer model involved utilizing the four-step procedure that comprised indicators loading, internal reliability, convergent validity, and discriminant validity (Sarstedt et al., 2021). The item loadings were examined, and a recommended value .70 was used. The internal consistency of the constructs was evaluated using two measures, namely Cronbach's alpha ( $\alpha$ ) and composite reliability (C. R) (Tentama & Anindita, 2020). A value of  $\alpha$  and C. R above 0.70 indicates that change is beneficial and it is managers' responsibility to bring about change (Hair et al., 2021). All values are greater than recommended values. (See Table 1 and Figure 2)

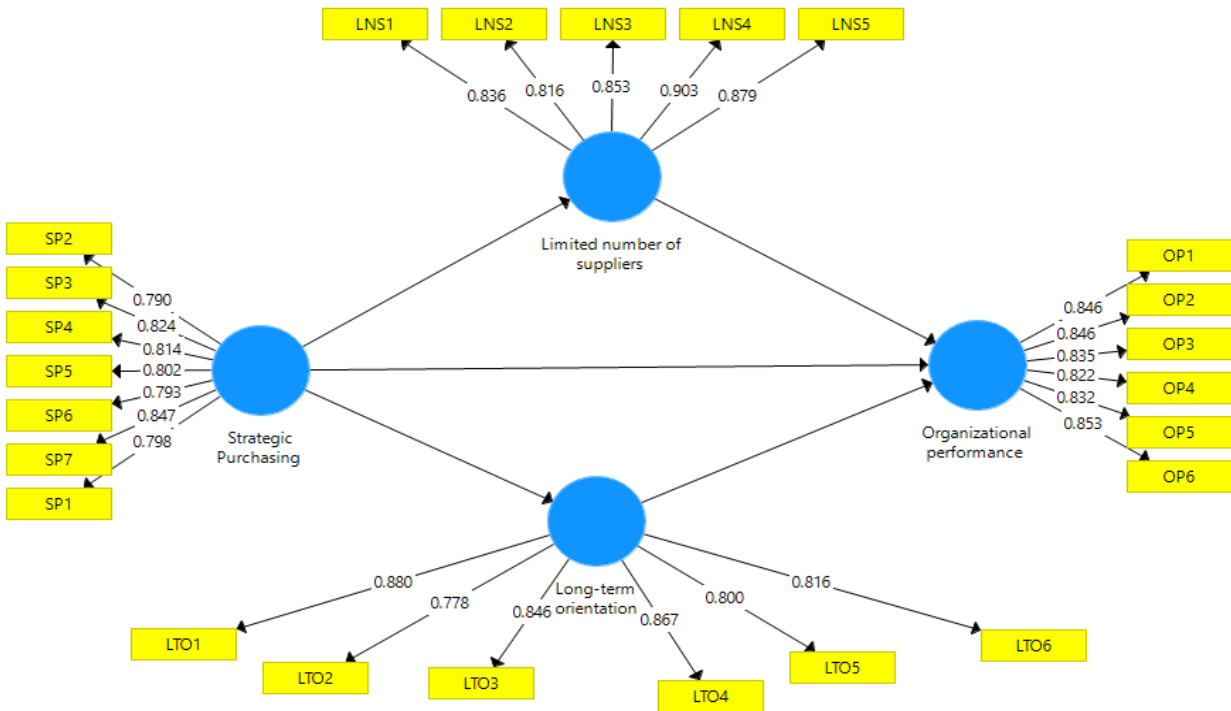
Last, we check and estimate the convergent validity with the help of the average variance extracted, which is equal to 0.50 and above, signifies construct validity, which is adequate to

proceed with the study (Hanafiah, 2020). As for most indicators, the loadings values were satisfactory and equaled 0.7 marks, and the rest of the loadings complied with the criterion of being higher than 0.5 thresholds. Moreover, the items of four study constructs were more than 0.5, represented in Table 1 by calculating AVE values.

Table 1. Reliability and validity

Variable	Item coding	Item loading	Cronbach alpha value	Composite reliability	Average variance extraction
Strategic Purchasing	SP1	0.798	0.913	0.930	0.656
	SP2	0.790			
	SP3	0.824			
	SP4	0.814			
	SP5	0.802			
	SP6	0.793			
	SP7	0.847			
Limited number of suppliers	LNS1	0.836	0.910	0.933	0.736
	LNS2	0.816			
	LNS3	0.853			
	LNS4	0.903			
	LNS5	0.879			
Long-term orientation	LTO1	0.880	0.911	0.931	0.692
	LTO2	0.778			
	LTO3	0.846			
	LTO4	0.867			
	LTO5	0.800			
	LTO6	0.816			
Organizational performance	OP1	0.846	0.916	0.935	0.704
	OP2	0.846			
	OP3	0.835			
	OP4	0.822			
	OP5	0.832			
	OP6	0.853			





**Figure 2. Measurement Model**

### Direct effects

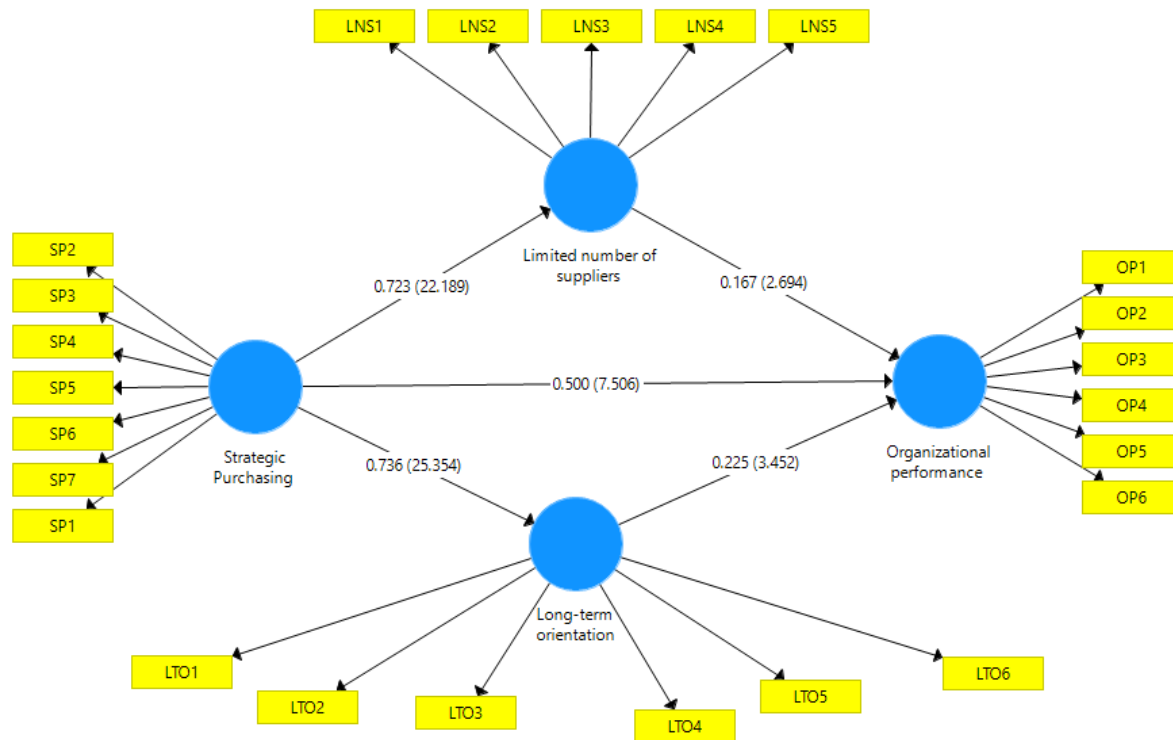
First, the direct relationship between strategic purchasing and organizational performance is strong ( $\beta = 0.500$ ,  $t = 7.506$ ). This means that encouraging and positive strategic purchasing has a direct positive effect on organizational performance. Second, the direct relationship between strategic purchasing and a limited number of suppliers is strong ( $\beta = 0.723$ ,  $t = 22.189$ ). This means that encouraging and positive strategic purchasing directly affects a limited number of suppliers. Third, the direct relationship between strategic purchasing and long-term orientation is strong ( $\beta = 0.736$ ,  $t = 25.354$ ). This means that encouraging and positive strategic purchasing has a direct positive effect on long-term orientation. Fourth, the direct relationship between the limited number of suppliers and organizational performance is strong ( $\beta = 0.167$ ,  $t = 2.694$ ). This means that an encouraging and positive limited number of suppliers directly affects organizational performance. Fifth, the direct relationship between long-term orientation and organizational performance is strong ( $\beta = 0.225$ ,  $t = 3.452$ ). This means that an encouraging and positive long-term orientation has a direct positive effect on organizational performance. (See Table 2 and Figure 3)

### Indirect effects

Sixth, a mediating effect of limited number of suppliers between strategic purchasing and organizational ( $\beta = 0.120$ ,  $t = 2.687$ ) and lastly, a mediating effect of long-term orientation between strategic purchasing and organizational ( $\beta = 0.166$ ,  $t = 3.403$ ). Therefore, in both cases partial mediation effect is confirmed. (See Table 2 and Figure 3)

**Table 2.** Path Directions

Path Direction (Direct effects)	Beta value	T-value	Remarks
Strategic Purchasing -> Organizational performance	0.500	7.506	Supported
Strategic Purchasing -> Limited number of suppliers	0.723	22.189	Supported
Strategic Purchasing -> Long-term orientation	0.736	25.354	Supported
Limited number of suppliers -> Organizational performance	0.167	2.694	Supported
Long-term orientation -> Organizational performance	0.225	3.452	Supported
Path Direction (Indirect effects)	Beta value	T-value	Remarks
Strategic Purchasing -> Limited number of suppliers -> Organizational performance	0.120	2.687	Partially mediation effect
Strategic Purchasing -> Long-term orientation -> Organizational performance	0.166	3.403	Partially mediation effect



## Discussion on results

**Figure 3.** Structural model

Concerning this study's research questions, therefore the study shows that strategic purchasing can contribute to the following: The promotion of strategic and long-term relationships since there is best of times, close working relationship with a few selected suppliers, and finally, ease of flow of information in both ways between the focal firm and its supplier (Alghababsheh & Gallar, 2021). Also, in the last few years, operations management researchers have described and investigated the purchase and supply management activity and its consequences on business performance (Fu et al., 2022). Therefore, since strategic purchasing also promotes the formation of a distinctive combination of these practices and establishes multifaceted interactions concerning supply management capabilities, it can take on a more pivotal and profound part in creating and maintaining the kind of strategic advantage for the firm (Patrucco et al., 2023). This is done by creating a long-term perspective, keeping regular contact with the firm's suppliers, and establishing solid partnerships with a limited number of suppliers (Tarigan et al., 2021). In the long run, the market's invisible hand rewards those managerial behavioral organizations that maintain trust and cooperation instead of competition and shelling out (Gartenberg & Zenger, 2023). Behavioral repertoires enable manufacturers and suppliers to address design work jointly, which would enhance the quality of parts and reduce the cost of assembly and relationship-specific investments to enhance the probabilities of future interactions to increase cost reduction and quality enhancement (Ma et al., 2021).

## **Conclusion and Implications**

The results revealed an essential perspective in influencing the performance of the manufacturing sector in Pakistan through strategic purchasing. The analysis of the research model allowed for the explanation of the dynamics of the direct and indirect relationships between the key variables and the identification of the nature of the effects. Specifically, the primary hypothesis affirming a positive causal link between strategic purchasing and organizational performance. This implies that purchasing management in manufacturing firms in Pakistan can be optimal by adopting deep strategic purchasing practices. In this respect, the indicated firms can reach better operational results, including the growth of efficiency, cost reduction, and increased competitiveness due to aligning their procurement strategies with their organizational goals. Furthermore, the study revealed that the relationship between strategic purchasing and organizational performance is mediated by two key factors can be the limited number of suppliers and the long-term orientation of the suppliers. The results also show that when strategic purchasing is integrated with a strategic focus on the number of suppliers and building long-term orientation in the buyer-supplier relationships, the benefits of the organization's performance increase.

This implies that enhancing long-term vision in supplier relations is another process that can be facilitated by strategic purchasing and used to bring better organizational results. The partial mediation that was established for both the number of suppliers and the strategic orientation on the association of strategic purchasing with organizational performance strengthens the role of these factors on the total link between strategic purchasing and organizational performance. These findings can be pretty beneficial for manufacturers in Pakistan insofar as they focus on the proper handling of supplier relationships as well as the development of long-term visions in their procurement management.

### **Managerial implications**

These results underline the significance of strategic purchasing activities as the critical factor influencing organizational goals and objectives. While configuring their overall business strategy, the owners and managers should consider strategic purchasing as one of the critical organizational priorities and guarantee that the purchasing strategies match the company's goals and objectives. Based on the theoretical framework, the study also reveals that the number of active and managed supplier relations can help to amplify the effect of strategic purchasing on the organization's performance. Here, owners and managers should concentrate on creating and sustaining close and cooperative partnerships with a few suitable suppliers. It may encompass supplier assessment, acquisition decisions, and supply management collaboration. As the findings of this study show, the perspective spanning more than two years of supplier relations is strategic to realizing the maximal gains in strategic purchasing. He argued that owners and managers must adopt a long-term perspective and pressure their procurement personnel to behave likewise when dealing with supplier relationships. Moreover, Suppliers need to gain explicit knowledge regarding manufacturing customers' strategic purchasing objectives and future outlook in Pakistan. Based on these priorities, suppliers' products and services are better placed to be considered strategic requirements necessary for qualification as potential stable sources of supply.

### **Limitations and future research directions**

Although the current research presents significant findings regarding the relationship between strategic purchasing and performance in Pakistan's manufacturing environment, it is vital to recognize the specific limitations of this study to identify research directions for further

investigation. Firstly, this research was conducted on a sample of 197 manufacturing firms only. While this number was sufficient for the analysis, it might only represent some of the manufacturing firms in Pakistan. However, Future studies could secure a more diverse and extensive population sample to increase the findings' external validity. Furthermore, a cross-sectional study design is another potential limitation regarding the ability to monitor the changes in the developing concepts of strategic purchasing, supplier relations, and organizational performance over time. It must be understood that other research designs, such as longitudinal research designs, could have offered a more comprehensive understanding of the causal relationship and the long-term causality of the studied variables. A limitation of the current study is a moderate response rate, which implies that the reported bias could affect the study results. Subsequent researchers could examine ways to increase the responses where the period assigned to the data gathering was too short, such as offering some reward or using more effective techniques to solicit the manufacturing firms. The study also did not include moderating variables, which could affect the relationships between the primary constructs examined in the study regarding limited supplier relationships and long-term orientation. Subsequent studies could examine contextual variables, including industry type, market conditions, or the organization's elements, as mediators and moderators that shed additional light on the nature of the strategic purchasing-performance relationship. Altogether, the current study was confined only to the manufacturing sector in Pakistan. Expanding the study to other fields or different cultures could be helpful for a better understanding of the generalization of the results and potentially different conditions influenced by the institutions and culture.

### References

- Adebayo, A. (2023). Assessing governance structures in state-owned enterprises using transaction cost economics' dimensionalisation. *Athens Journal of Business & Economics*, 9(3), 303–326.
- Agarwal, N., & Agarwal, S. (2024). Cost decisions of supplier firms: A study based on the customer-supplier link. *Management Accounting Research*, 62, 100856.
- Alanzi, A. A. (2023). Arbitration Legal Controls and their Impact on the Nature of Administrative Contracts in the Light of Governmental Tenders and Purchases Regulation Issued Under the Royal Decree No.(M/128) Dated 13/11/1440H. *International Journal of Criminal Justice Sciences*, 18(2), 401–432.
- Alghababsheh, M., & Gallear, D. (2021). Socially sustainable supply chain management and suppliers' social performance: The role of social capital. *Journal of Business Ethics*, 173(4), 855–875.
- Alhammadi, A., Soar, J., Yusaf, T., Ali, B. M., & Kadirgama, K. (2023). Redefining procurement paradigms: A critical review of buyer-supplier dynamics in the global petroleum and natural gas industry. *The Extractive Industries and Society*, 16, 101351.
- Alshammari, A. A. (2020). The impact of human resource management practices, organizational learning, organizational culture and knowledge management capabilities on organizational performance in Saudi organizations: a conceptual framework. *Revista Argentina de Clínica Psicológica*, 29(4), 714.
- Alshurideh, M., Kurdi, B., Alzoubi, H., Obeidat, B., Hamadneh, S., & Ahmad, A. (2022). The influence of supply chain partners' integrations on organizational performance: The moderating role of trust. *Uncertain Supply Chain Management*, 10(4), 1191–1202.

- Amadi, A. (2023). Integration in a mixed-method case study of construction phenomena: From data to theory. *Engineering, Construction and Architectural Management*, 30(1), 210–237.
- Andalib Ardakani, D., Soltanmohammadi, A., & Seuring, S. (2023). The impact of customer and supplier collaboration on green supply chain performance. *Benchmarking: An International Journal*, 30(7), 2248–2274.
- Aulia, M. R., Lubis, Z., & Effendi, I. (2023). Leveraging Quality Management and Partnership Programs for Technopreneurial Success: Exploring their Impact on MSME Performance. *Aptisi Transactions on Technopreneurship (ATT)*, 5(2), 157–168.
- Beck, S., Bergenholtz, C., Bogers, M., Brasseur, T.-M., Conradsen, M. L., Di Marco, D., Distel, A. P., Dobusch, L., Dörler, D., & Effert, A. (2022). The Open Innovation in Science research field: a collaborative conceptualisation approach. *Industry and Innovation*, 29(2), 136–185.
- Blome, C., Paulraj, A., Preuss, L., & Roehrich, J. K. (2023). Trust and opportunism as paradoxical tension: Implications for achieving sustainability in buyer-supplier relationships. *Industrial Marketing Management*, 108, 94–107.
- Chen, I. J., Paulraj, A., & Lado, A. A. (2004). Strategic purchasing, supply management, and firm performance. *Journal of Operations Management*, 22(5), 505–523.
- Cimprich, A., Young, S. B., Schrijvers, D., Ku, A. Y., Hagelüken, C., Christmann, P., Eggert, R., Habib, K., Hirohata, A., & Hurd, A. J. (2023). The role of industrial actors in the circular economy for critical raw materials: a framework with case studies across a range of industries. *Mineral Economics*, 36(2), 301–319.
- Dwikat, S. Y., Arshad, D., & Mohd Shariff, M. N. (2023). Effect of competent human capital, strategic flexibility and turbulent environment on sustainable performance of SMEs in manufacturing industries in palestine. *Sustainability*, 15(6), 4781.
- Fu, Q., Abdul Rahman, A. A., Jiang, H., Abbas, J., & Comite, U. (2022). Sustainable supply chain and business performance: The impact of strategy, network design, information systems, and organizational structure. *Sustainability*, 14(3), 1080.
- Garcia, E. A. da R., Carvalho, G. M. de, Boaventura, J. M. G., & Souza Filho, J. M. de. (2021). Determinants of corporate social performance disclosure: a literature review. *Social Responsibility Journal*, 17(4), 445–468.
- Gartenberg, C., & Zenger, T. (2023). The firm as a subsociety: Purpose, justice, and the theory of the firm. *Organization Science*, 34(5), 1965–1980.
- Goodrich, B., Fenton, M., Penn, J., Bovay, J., & Mountain, T. (2023). Battling bots: Experiences and strategies to mitigate fraudulent responses in online surveys. *Applied Economic Perspectives and Policy*, 45(2), 762–784.
- Govindan, K., Rajeev, A., Padhi, S. S., & Pati, R. K. (2020). Supply chain sustainability and performance of firms: A meta-analysis of the literature. *Transportation Research Part E: Logistics and Transportation Review*, 137, 101923.
- Gueler, M. S., & Schneider, S. (2021). The resource-based view in business ecosystems: A perspective on the determinants of a valuable resource and capability. *Journal of Business Research*, 133, 158–169.
- Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., Danks, N. P., & Ray, S. (2021). An {Introduction} to {Structural} {Equation} {Modeling}. In J. F. Hair Jr., G. T. M. Hult, C. M. Ringle, M. Sarstedt, N. P. Danks, & S. Ray (Eds.), *Partial {Least} {Squares} {Structural} {Equation} {Modeling} ({PLS}-{SEM}) {Using} {R}: {A} {Workbook}* (pp. 1–29). Springer

- International Publishing. [https://doi.org/10.1007/978-3-030-80519-7\\_1](https://doi.org/10.1007/978-3-030-80519-7_1)
- Hanafiah, M. H. (2020). Formative vs. reflective measurement model: Guidelines for structural equation modeling research. *International Journal of Analysis and Applications*, 18(5), 876–889.
- Horváth, D., & Szabó, R. Z. (2019). Driving forces and barriers of Industry 4.0: Do multinational and small and medium-sized companies have equal opportunities? *Technological Forecasting and Social Change*, 146, 119–132.
- Hou, W., Peng, X., & Wang, L. (2023). The Influence of Contractual and Relational Governance on the Sustainable Performance of Public-Private Partnership Projects: Findings from PLS-SEM and fsQCA. *Journal of the Knowledge Economy*, 1–27.
- Johnson, F., Leenders, M. R., & Flynn, A. E. (2021). *Purchasing and supply management*. McGraw-Hill Companies, Inc.
- Kabak, K. E., Hinckeldeyn, J., & Dekkers, R. (2024). A systematic literature review into simulation for building operations management theory: reaching beyond positivism? *Journal of Simulation*, 1–29.
- Kahupi, I., Hull, C. E., Okorie, O., & Millette, S. (2021). Building competitive advantage with sustainable products—A case study perspective of stakeholders. *Journal of Cleaner Production*, 289, 125699.
- Kim, Y., & Choi, T. Y. (2021). Supplier relationship strategies and outcome dualities: An empirical study of embeddedness perspective. *International Journal of Production Economics*, 232, 107930.
- Krieger, N., LeBlanc, M., Waterman, P. D., Reisner, S. L., Testa, C., & Chen, J. T. (2023). Decreasing survey response rates in the time of COVID-19: implications for analyses of population health and health inequities. *American Journal of Public Health*, 113(6), 667–670.
- Kruesi, M. A., & Bazelmans, L. (2023). Resources, capabilities and competencies: a review of empirical hospitality and tourism research founded on the resource-based view of the firm. *Journal of Hospitality and Tourism Insights*, 6(2), 549–574.
- Ma, S., Hofer, A. R., & Aloysius, J. (2021). Supplier dependence asymmetry and investment in innovation: The role of psychological uncertainty. *Journal of Purchasing and Supply Management*, 27(2), 100674.
- Mebrate, Y., & Shumet, K. (2024). Assessing the impact of procurement practice on organizational performance. *Cogent Business & Management*, 11(1), 2315687.
- Nayak, B., Bhattacharyya, S. S., & Krishnamoorthy, B. (2023). Integrating the dialectic perspectives of resource-based view and industrial organization theory for competitive advantage—a review and research agenda. *Journal of Business & Industrial Marketing*, 38(3), 656–679.
- Ngah, E., Tjemkes, B., & Dekker, H. (2024). Relational dynamics in information technology outsourcing: An integrative review and future research directions. *International Journal of Management Reviews*, 26(1), 54–81.
- O'Brien, J. (2024). *Category management in purchasing: a strategic approach to maximize business profitability*. Kogan Page Publishers.
- O'Dwyer, M., Filieri, R., & O'Malley, L. (2023). Establishing successful university–industry collaborations: barriers and enablers deconstructed. *The Journal of Technology Transfer*, 48(3), 900–931.

- Patrucco, A. S., Luzzini, D., Krause, D., & Moretto, A. M. (2023). What is the right purchasing strategy for your company? The fit between strategic intent, strategic purchasing and perceived environmental uncertainty. *International Journal of Physical Distribution & Logistics Management*, 53(9), 1043–1072.
- Phonthanukitithaworn, C., Srisathan, W. A., Ketkaew, C., & Naruetharadhol, P. (2023). Sustainable development towards openness SME innovation: taking advantage of intellectual capital, sustainable initiatives, and open innovation. *Sustainability*, 15(3), 2126.
- Rad, F. F., Oghazi, P., Palmié, M., Chirumalla, K., Pashkevich, N., Patel, P. C., & Sattari, S. (2022). Industry 4.0 and supply chain performance: A systematic literature review of the benefits, challenges, and critical success factors of 11 core technologies. *Industrial Marketing Management*, 105, 268–293.
- Rungsithong, R., & Meyer, K. E. (2024). Affect-based dimensions of trust: a study of buyer-supplier relationships in Thai manufacturing. *Journal of Business & Industrial Marketing*, 39(6), 1259–1281.
- Salimian, H., Rashidirad, M., & Soltani, E. (2021). Supplier quality management and performance: the effect of supply chain oriented culture. *Production Planning & Control*, 32(11), 942–958.
- Sarstedt, M., Ringle, C. M., & Hair, J. F. (2021). Partial least squares structural equation modeling. In *Handbook of market research* (pp. 587–632). Springer.
- Schmelzle, U., & Mukandwal, P. S. (2023). The impact of supply chain relationship configurations on supplier performance: investigating buyer–supplier relations in the aerospace industry. *The International Journal of Logistics Management*, 34(5), 1301–1321.
- Schmelzle, U., & Tate, W. L. (2022). Purchasing orchestration practices—Introducing a purchasing-innovation framework. *Journal of Purchasing and Supply Management*, 28(2), 100756.
- Siegfried, N. (2023). Relationship marketing: A strategy for acquiring long-term strategic sponsorships in the disability sport sector. *Sport Management Review*, 26(4), 540–560.
- Sun, J., Tekleab, A., Cheung, M., & Wu, W.-P. (2023). The contingent roles of market turbulence and organizational innovativeness on the relationships among interfirm trust, formal contracts, interfirm knowledge sharing and firm performance. *Journal of Knowledge Management*, 27(5), 1436–1457.
- Tarigan, Z. J. H., Siagian, H., & Jie, F. (2021). Impact of internal integration, supply chain partnership, supply chain agility, and supply chain resilience on sustainable advantage. *Sustainability*, 13(10), 5460.
- Tarigan, Z., & Siagian, H. (2021). The effects of strategic planning, purchasing strategy and strategic partnership on operational performance. *Uncertain Supply Chain Management*, 9(2), 363–372.
- Tentama, F., & Anindita, W. D. (2020). Employability scale: Construct validity and reliability. *International Journal of Scientific & Technology Research*, 9(4), 3166–3170.
- Tinh, N. H. (2023). Knowledge transfer and succession process in small family businesses. *International Journal of Entrepreneurship and Small Business*, 1(1).
- Vieira, V. A., Mayberry, R., Boles, J., Johnson-Busbin, J., & Pereira, R. C. (2023). The mediating role of cooperative norms in the formation of buyer commitment in the buyer–seller relationship. *Journal of Business & Industrial Marketing*, 38(7), 1409–1423.
- Wang, M., Zhao, D., & Gu, F. F. (2023). Forms of supplier relationship exploration and distributor performance. *European Journal of Marketing*, 57(4), 1161–1185.



- Woo, D., & Suresh, N. C. (2022). Voluntary agreements for sustainability, resource efficiency & firm performance under the supply chain cooperation policy in South Korea. *International Journal of Production Economics*, 252, 108563.
- Xie, X., Wu, Y., & Tejerob, C. B.-G. (2022). How responsible innovation builds business network resilience to achieve sustainable performance during global outbreaks: An extended resource-based view. *IEEE Transactions on Engineering Management*.
- Yeung, G. (2024). Competitive dynamics of lead firms and their systems suppliers in the automotive industry. *Environment and Planning A: Economy and Space*, 56(2), 454–475.
- Zhang, J., Zhang, W., & Schwab, A. (2024). Interorganizational triads for foreign-market entry: Partnerships among Western, bridge-economy, and local VCs in Mainland China. *Journal of Business Venturing*, 39(1), 106363.