

**THE MEDIATING EFFECTS OF BUYER-SUPPLIER
RELATIONSHIP ON RELATIONSHIP OF TRUST AND
COMMITMENT, AND ORGANIZATION PERFORMANCE
OF AGRICULTURE BASED SMEs IN KELANTAN**

NOR ZAWANI BT MAMAT@IBRAHIM

**MASTER OF SCIENCE (MANAGEMENT)
UNIVERSITI UTARA MALAYSIA
June 2014**

**THE MEDIATING EFFECTS OF BUYER-SUPPLIER RELATIONSHIP ON
RELATIONSHIP OF TRUST AND COMMITMENT, AND ORGANIZATION
PERFORMANCE OF AGRICULTURE BASED SMEs IN KELANTAN**

By

NOR ZAWANI BT MAMAT@IBRAHIM

**Thesis Submitted to
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
in Partial Fulfillment of the Requirement for the Master of Science
(Management)**

PERMISSION TO USE

In presenting this thesis in fulfillment of the requirements for a Post Graduate degree from the Universiti Utara Malaysia (UUM), I agree that the Library of this university may make it freely available for inspection. I further agree that permission for copying this thesis in any manner, in whole or in part, for scholarly purposes may be granted by my supervisor(s) or in their absence, by the Dean of Othman Yeop Abdullah Graduate School of Business where I did my thesis. It is understood that any copying or publication or use of this thesis or parts of it for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to the UUM in any scholarly use which may be made of any material in my thesis.

Request for permission to copy or to make other use of materials in this thesis in whole or in part should be addressed to:

Dean of Othman Yeop Abdullah Graduate School of Business
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman

ABSTRACT

Previous studies had justified that buyer-supplier relationship has a positive relationship with organization performance of SMEs. Plus, the positive relationship between trust and buyer-supplier relationship of SMEs also has been indicated in a past studies. However, not many researches were done to study the commitment effect on buyer-supplier relationship, and the mediating effect of buyer-supplier relationship with trust, commitment, and organization performance of SMEs. In addition, there are few researches done in primary agriculture based SMEs that are focusing on micro enterprise is and this situation needs to be changed since this sector has contributed 7.3% to the Malaysia Gross Domestic Product (GDP). This study fills up the gap by identifying the relationship of trust, commitment, buyer-supplier relationship and organization performance of primary agriculture based SME's concentrating on micro enterprise. Plus, this study has presented the hypothesis regarding this relationship. This study concentrates on SMEs' primary agriculture of micro enterprise type located in Kelantan, whereby Kelantan is the third ranking state with the most number SMEs' involvement in Malaysia with a total about 37, 823 SMEs. The questionnaires were distributed to 120 respondents and 100 questionnaires were returned back. However, two questionnaires had to be rejected because there were not fully completed. So, the total number of samples in this study is 98. A list of the respondents was retrieved from Jabatan Pertanian Negeri Kelantan, complete with an email address and contact number. The finding shows that there is a positive relationship between trust and commitment on buyer-supplier relationship, and there is a positive relationship between buyer-supplier relationship and organization performance of primary agriculture based SMEs in micro enterprise type. However, buyer-supplier relationship is a partial mediator of the relationship between trust and commitment to organization performance. The recommendation of the organization and future research were also discussed.

Keywords: Buyer-supplier relationship, trust, commitment, organization performance, small-medium sized enterprise (SME)

ABSTRAK

Kajian lepas membuktikan hubungan pembeli-pembekal mempunyai hubungan positif terhadap prestasi organisasi Perusahaan Kecil Sederhana (PKS). Tambahan pula, hubungan positif antara kepercayaan dan hubungan pembeli-pembekal PKS juga telah ditunjukkan melalui kajian lepas. Di samping itu, penyelidikan yang melibatkan pertanian utama PKS yang memberi tumpuan terhadap perusahaan mikro masih kurang dan situasi ini perlu diubah kerana sektor ini memberi sumbangan sebanyak 7.3% kepada Keluaran Dalam Negara Kasar (KDNK) Malaysia. Kajian ini memenuhi jurang dengan mengenal pasti hubungan kepercayaan, komitmen, hubungan pembeli-pembekal, dan prestasi organisasi pertanian utama PKS yang menumpukan kepada perusahaan mikro. Tambahan pula, kajian ini juga membentangkan hipotesis berkenaan dengan hubungan tersebut. Kajian ini juga menumpukan kepada perusahaan mikro pertanian utama PKS di Kelantan, di mana Kelantan berada di tempat ketiga pada kedudukan PKS di Malaysia yang mempunyai jumlah kira-kira 37, 823 PKS. Soal selidik telah diedarkan kepada 120 responden dan 100 soal selidik telah dikembalikan. Walau bagaimanapun, dua soal selidik ditolak kerana tidak lengkap. Oleh yang demikian, jumlah sampel dalam kajian ini ialah 98. Senarai responden diperoleh daripada Jabatan Pertanian Negeri Kelantan, lengkap dengan alamat dan nombor telefon. Kajian mendapati bahawa terdapat hubungan yang positif antara kepercayaan dan komitmen dengan hubungan pembeli-pembekal, dan terdapat hubungan yang positif antara kepercayaan dan komitmen dengan hubungan pembeli-pembekal, dan juga hubungan antara hubungan pembeli-pembekal dengan prestasi organisasi pertanian utama PKS dalam perusahaan mikro. Walau bagaimanapun, hubungan pembeli-pembekal adalah pengantara separa antara kepercayaan dan komitmen terhadap prestasi organisasi. Cadangan kepada organisasi dan kajian akan datang juga telah dibincangkan.

Kata kunci: Hubungan pembeli-pembekal, kepercayaan, komitmen, prestasi organisasi, perusahaan kecil dan sederhana (PKS).

ACKNOWLEDGEMENTS

Firstly, I must give thanks to God for being the author and finisher of my faith. My belief and trust on Him enabled me to persevere during difficult times. I give Him all the glory, honor, and praise. He was and always will be my guiding light in showing me the correct path and protecting me as I travel along that way. Next, I would like to express my sincere gratitude to my parent (Mama and Papa) En. Mamat@Ibrahim bin Salleh and Pn. Nariman bt Mohd Said for always supporting me in everything comprising mental support, financial support, and physical support. Thanks to God for giving me a beautiful parent that I loved the most. The love, care, and generosity had shown me by my adorable parent that have nourished and sustained my existence. Thanks to all my siblings, especially for my younger brothers, Mohd Adham Iskandar and Mohd Aslam Iskandar who always there for me when I am in difficulties. Special thanks to my close friends and all my MSc. Management friends for always give me moral support to complete my dissertation. Lastly, thanks to my supervisor, Dr. Mohamad Ghozali Hassan for guiding me to complete my dissertation.

Table of Contents

PERMISSION TO USE	i
ABSTRACT	ii
ABSTRAK	iii
LIST OF TABLE	viii
LIST OF FIGURE	x
LIST OF ABBREVIATIONS	xi
LIST OF APPENDICES	xii
CHAPTER 1: INTRODUCTION	1
1.0 Introduction	1
1.1 Background of the study	1
1.1.1 SMEs in Malaysia: An overview.....	2
1.1.2 SMEs in Kelantan: An overview.....	4
1.2 Problem statement	5
1.3 Research objectives.....	8
1.4 Research Questions.....	8
1.5 Significance of the Study	9
1.6 Scope and Limitation of the Study	10
1.7 Organization of the Thesis	11
CHAPTER 2: LITERATURE REVIEW	13
2.0 Introduction	13
2.1 Trust	13
2.2 Commitment	15
2.3 Trust and commitment	17
2.4 Buyer-supplier relationship	20
2.4.1 Types of buyer-supplier relationship	21
2.4.2 Important of buyer-supplier relationship to the organizations	24
2.5 Primary agriculture SMEs in Malaysia.....	26
2.6 Organizations performance	29
2.7 Underpinning Theory.....	30

2.7.1	The Relational View Theory	31
2.7.2	The Resource-Based View Theory	36
CHAPTER 3: METHODOLOGY		38
3.0	Introduction	38
3.1	Research framework	38
3.2	Hypotheses/proposition development.....	40
3.3	Research design	40
3.4	Operational definition	41
3.4.1	Trust.....	42
3.4.2	Commitment.....	42
3.4.3	Buyer-supplier relationship.....	42
3.4.4	Organization performance.....	42
3.5	Instrumentation.....	43
3.5.1	Section A: General information	43
3.5.2	Section B: Trust and Commitment	44
3.5.3	Section C: Buyer-supplier relationship.....	46
3.5.4	Section D: Organization performance	47
3.5.5	Data reliability.....	48
3.6	Sampling	49
3.7	Data collection procedure	50
3.8	Technique of data analysis	51
3.9	Summary	52
CHAPTER 4: RESULTS AND DISCUSSION		53
4.0	Introduction	53
4.1	Frequency analysis of respondents.....	53
4.1.1	Organization information findings	54
4.1.2	Personal information findings	57
4.2	Descriptive analysis	60
4.3	Multiple linear regression analysis.....	62
4.3.1	Hypothesis 1	62
4.3.2	Hypothesis 2.....	64

4.4	Simple linear regression analysis	67
4.4.1	Hypothesis 3	67
4.5	Mediating variable	69
4.5.1	Hypothesis 4	70
4.5.2	Hypothesis 5	72
4.6	Types of buyer-supplier relationship in this study	74
4.7	Summary	75
CHAPTER 5: CONCLUSION AND RECOMMENDATION		76
5.0	Introduction	76
5.1	Discussion	76
5.1.1	Organization information and personal information findings.....	76
5.1.2	The effect of trust on buyer-supplier relationship	77
5.1.3	The effect of commitment on buyer-supplier relationship.....	78
5.1.4	The effect of buyer-supplier relationship on organization performance. ..	79
5.1.5	Buyer-supplier relationship as a mediator between trust and commitment with organization performance.....	79
5.1.6	Summary results for research objectives, research questions, and hypothesis.....	80
5.2	Implications	82
5.3	Conclusion.....	83
5.4	Recommendation	85
5.4.1	Recommendation for organization	85
5.4.2	Recommendation for future research.....	87
REFERENCE.....		88
APPENDIX		94

LIST OF TABLE

Table No.	Title of Table	Page
Table 1.1	A New Malaysia SMEs definition based on size	3
Table 2.1	The dimension of commitment definition in buyer-supplier relationship context	16
Table 2.2	Key Indicator of Agriculture for ASEAN	27
Table 2.3	Classification of agriculture product	28
Table 2.4	Theoretical foundation of trust and commitment in knowledge-sharing routines	35
Table 2.5	Theoretical foundation of buyer-supplier relationship with organization performance	37
Table 3.1	Part I: Organization Information Scale	44
Table 3.2	Part II: Personal Information	44
Table 3.3	Trust	45
Table 3.4	Commitment	46
Table 3.5	Buyer-supplier relationship	47
Table 3.6	Organization performance	48
Table 3.7	Cronbach's Alpha Values for Reliability of the Variables	48
Table 3.8	Division by district of overall primary agriculture based SMEs in Kelantan	49
Table 3.9	The analysis of each hypothesis	52
Table 4.1	Organization years in operation	54
Table 4.2	Number of employees	55
Table 4.3	District	56

Table 4.4	Type of product/service offer	56
Table 4.5	Annual sales turnover	57
Table 4.6	Races	58
Table 4.7	Gender	58
Table 4.8	Marital status	59
Table 4.9	Highest educational level	59
Table 4.10	Position	60
Table 4.11	Descriptive statistic for variables	62
Table 4.12	Multiple linear regression analysis between trust, commitment, and buyer-supplier relationship	64
Table 4.13	Multiple linear regression analysis between trust, commitment, and buyer-supplier relationship	66
Table 4.14	Relationship between organization performance with buyer-supplier relationship	68
Table 4.15	Regression result between trust, buyer-supplier relationship, and organization performance	70
Table 4.19	Regression result between commitment, buyer-supplier relationship, and organization performance	72
Table 5.1	Summary result for research objective, research question, and hypothesis	81

LIST OF FIGURE

Figure No.	Title of Figure	Page
Figure 1.1	Organization of the thesis	12
Figure 2.1	The KMV Model of Relationship Marketing	18
Figure 2.2	A theoretical framework of trust and commitment, and buyer-supplier relationship	19
Figure 2.3	A theoretical framework of success buyer-supplier relationship as a mediator between buyer-supplier engagement and supplier selection on firm performance	25
Figure 2.4	A theoretical framework of buyer-supplier relationship and organization performance	25
Figure 2.5	Internal Process Buyer-supplier Value Chain	31
Figure 2.6	Determinants of Interorganizational Competitive Advantage	33
Figure 3.1	Theoretical framework	39
Figure 4.1	Path Diagram for Mediator	69
Figure 4.2	Path Analysis for Mediation Effect Buyer-supplier Relationship on Trust and Organization Performance	71
Figure 4.3	Path Analysis for Mediation Effect Buyer-supplier Relationship on Commitment and Organization Performance	73

LIST OF ABBREVIATIONS

BSR	Buyer-supplier relationship
CBAs	Cost Benefit Analysis
COMM	Communication
DV	Dependent Variable
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IV	Independent Variable
KDNK	Keluaran Dalam Negara Kasar
KM ²	Kilometer square
KMV	Key Mediating Variable
MRS	Manufacturing Related Services
NPAT	Net Profit After Text
OP	Organization Performance
PKS	Perusahaan Kecil dan Sederhana
ROA	Return of Asset
SME/SMEs	Small medium-sized enterprise
SPSS	Statistical Package for the Social Science

LIST OF APPENDICES

Appendix No.	Page
Appendix I.....	95
Appendix II.....	96
Appendix III.....	105
Appendix IV.....	109
Appendix V.....	114
Appendix VI.....	115

CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter will describe the general information of buyer-supplier relationship of the small medium-sized enterprise (SMEs) in Malaysia and small medium-sized enterprise (SMEs) in Kelantan. This chapter also expresses the problem statement, objective, and scope of this study.

1.1 Background of the study

Nowadays, it is important for the organizations to distinguish which individuals and which relationships are the essential in order to ensure the success of their business activities. In a dynamic business environment, the organization can be a buyer, supplier, customer or end user (Benton, 2010). Most of the organizations are only focusing on one party which is the buyer and doing a lot of strategies to capture the buyers' interest in the product or service offered. As stated by Benton (2010), many firms are only concerned with the relationship between themselves and their customer rather than the relationship between themselves and their suppliers. Neglecting the relationship with the supplier is a factor why the organizations are faced with failures. Thus, in today's business environment, competitive advantage can only be achieved if organizations understand and also pay attention to the buyer-supplier relationships. Neglecting these relationships

The contents of
the thesis is for
internal user
only

REFERENCE

- Baily, P., Farmer, D., Jessop, D., & Jones, D. (2005). *Purchasing principles and management* (9th ed.). Pearson Education Limited.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
- Baxter, R. (2012). *How can business buyers attract sellers' resources? Empirical evidence for preferred customer treatment from suppliers*. New Zealand, Auckland University of Technology.
- Beamon, B. M. (1999). Measuring supply chain performance. *International Journal of Operations and Production Management*, 19(3), 275-292.
- Benton, Jr. W.C. (2007). *Purchasing and supply chain management*, Ohio: The Ohio State University.
- Benton, Jr. W.C. (2010). *Purchasing and supply chain management* (2nd ed.). Ohio: The Ohio State University.
- Brooks, G. (2003). Knowledge-based structure and organizational commitment. *Journal of computational*, 566-573.
- Burt, D., Petcavage, S., & Pinkerton, R. (2010). *Supply Management* (8th ed.). The McGraw Hill Companies.
- Carton, R. B. (2006). *Measuring organizational performance: metrics for entrepreneurship and strategic management research*. Edward Elgar Publishing.
- Denis, D. J. (2011). *Simple linear regression using SPSS*. University of Montana. Retrieved 23 March 2014 from http://psychweb.psy.umt.edu/denis/data/decision/front/stat_II_2011/psyx_521_simple_linear_regression_march_28.pdf.
- Department of Statistics Malaysia, (2014). Retrieved 14 February 2014 from http://www.statistics.gov.my/portal/index.php?option=com_content&id=526&language=en&negeri=Kelantan
- Gross Domestic Product (GDP), (2010). Retrieved 14 February 2014 from http://www.statistics.gov.my/portal/index.php?option=com_content&id=1300:gross-domestic-product-gdp
- Doran, D. Thomas, P. & Caldwell, N. (2005). Examining buyer-supplier relationships within a service sector context. *Supply Chain Management: An International Journal*, 10(4), 272-277.

- Drèze, J. & Stern, N. (1987). The theory of cost-benefit analysis. *Handbook of Public Economic*, 2.
- Dyer, J.F. & Chu, W. (1997). *The economic value of trust in supplier-buyer relations*. Massachusetts: Academy of Management Meetings in Boston.
- Feciková, I. (2004). An index method for measurement of customer satisfaction. *The TQM Magazine*, 16, 57-66.
- Gebert, K.G. K. (2012). *Performance control in buyer-supplier-relationships: the design and use of formal management control systems*. Switzerland: University of St. Gallen.
- Golin, A. (2004). *Trust or consequences: build trust today or lose your market tomorrow*. United States: American Management Association.
- Travel Portal to Exotic Malaysia. (2012). Retrieved 14 February 2014 from http://go2travelmalaysia.com/tour_malaysia/kltn_culture.htm
- Ha, B.C., Park, Y.K., & Cho, S. (2010). Suppliers' affective trust and trust in competency in buyers: Its effect on collaboration and logistics efficiency. *International Journal of Operations & Production Management*, 31(1), 56-77.
- Hashim, M. K. (2005). *Small and medium-sized enterprises in malaysia: Problems and prospects*. Kedah: Universiti Utara Malaysia.
- Hassan, M. G. (2013). *The impact of industrial supplier-manufacturer relationship and environmental dynamism on strategic outsourcing success*. Kedah: Universti Utara Malaysia.
- Hill, J.A., Eckerd, S., Willson, D., & Greer, B. (2009). The effect of unethical behavior on trust in a buyer-supplier relationship: The mediating role of psychological contract violation. *Journal of Operation Management*, 27, 281-293.
- Holste, J.S. (2003). *A study of the effects of affect-based trust and cognition-based trust on intra-organizational knowledge sharing and use*. United States: Regent University.
- Howell D.A. (2012). *A relational study of the knowledge sharing behaviour and organizational commitment of engineers*. Hunstville: University of Alabama.
- Hult, G.T., Ferrel, O.C., Hurley, R.F., & Guinipero, L. C. (2000). Leadership and relationship commitment: A focus on buyer-supplier-user linkage. *Industrial Marketing Management*, 29, 111-119.
- Isa, I. M. (2010). *Purchasing practice and the performance of small medium enterprise in services sector in Selangor*. Kedah: Universiti Utara Malaysia.

- Izquierdo, C.C. & Cillán, J.G. (2004). The interaction of dependence and trust in long-term industrial relationship. *European Journal of Marketing*, 38(8), 974-994.
- Jamal, A., & Naser, K. (2002). Customer satisfaction and retail banking: an assessment of some of the key antecedents of customer satisfaction in retail banking. *International Journal of Bank Marketing*, 20, 146-160.
- Jaussi, K. S. (2001). *The Relationship between Attitudinal Commitment and Organizational Performance: An Empirical Investigation*. California: University of Southern California.
- Jaguli, A. R. (2001). *Personality Type of Malaysian Managers: The MBTI Approach*. Kuala Lumpur, Universiti Putra Malaysia.
- Joseph, E.E. & Winston, B. E. (2004). A correlation of servant leadership, leader trust, and organizational trust. *Leadership & Organization Development Journal*, 26 (1), 6-22.
- Kerr, R.M. (2012). *Who are a company's internal customers?*. Oklahoma: Oklahoma State University.
- Kim, P.H., Dirks, K.T. & Cooper, Y.D. (2009). The repair of trust: a dynamic bilateral perspective and multilevel conceptualization. *Academy of Management Review*, 34(3), 401-22.
- Krejcie, R. & Morgan, D. (1970). Determining sample size for research activities. *Educational and Psychological Measurement*, 30, 607-610.
- Laequddin, M., Sahay, B. S., Sahay, V., & Waheed, K. A. (2010). Measuring trust in supply chain partners' relationships. *Measuring Business Excellence*, 14(3), 53-69.
- Lancastre, A., & Lages, L. F. (2006). The relationship between buyer and a B2B e-marketplace: Cooperation determinants in an electronic market context. *Industrial Marketing Management*, 35, 774 – 789.
- Li, S., Nathan, B.R., Nathan, T.S.R., & Rao, S. S. (2006). The impact of supply chain management practices on competitive advantage and organizational performance. *The International Journal of Management Science*, 34, 107-124.
- Lovblad, M. & Hyder, A.S. (2012). Affective commitment in industrial customer-supplier relations: a psychological contact approach, *Journal of Business & Industrial Marketing*, 27(4), 275-285.
- Majid, Z. (2012). *The Mediating Effects of Innovation on the Relationship of Market Orientation Dimensions and ICT Small and Medium Sized Enterprises Performance*. Kedah: Universiti Utara Malaysia.

- Media Conference Census Report on SMEs. (2011). *Jabatan Perangkaan Malaysia*. Kuala Lumpur: Author.
- Meyer, J.P. & Allen, N. J. (1991). A Three-Component Conceptualization of Organizational Commitment, *Human Resource Management Review*, 1(1), 61-89.
- Ministry of Finance Malaysia. (2011). *Economic Report 2012/2013*. Retrieved from http://www.treasury.gov.my/index.php?option=com_content&view=article&id=2588%3AAlaporan-ekonomi-20122013&catid=73%3AAsenarai-laporan-ekonomi
- Mishra, R. K. (2011). Buyer-supplier relationship in SMEs. *Journal of Supply Chain Management*, 8(3), 26-42.
- Morrissey, W. J. & Pittaway, L. (2006). Buyer-supplier relationships in small firms. *International Small Business Journal*, 23(3), 272-298.
- National SME Development Council. (2012). *SME Annual Report 2011/2012*. Kuala Lumpur: Author.
- National SME Development Council. (2013). *SME Annual Report 2012/2013*. Kuala Lumpur: Author.
- Economic Planning Unit, Prime Minister Department. (2013). New Economic Policy. Kuala Lumpur: Author. Retrieved from <http://www.google.com.my/url?sa=t&rc=t=j&q=&esrc=s&source=web&cd=1&ved=0CBsQFjAA&url=http%3A%2F%2Fwww.epu.gov.my%2Fen%2Fen-ekonomi-baru&e=wKhU8wceSBA3igYAH&usq=AFQjCNF8KMjHtgbgktubzw3coamXVjSRWw&bvm=bv>.
- Parker, T. G. (2010). *Online-reverse-auctions and buyer-supplier relationship: The effect if online-reverse-auction design on supplier commitment and supplier trust*. Illinois: Southern Illinois University Carbondale.
- Prahinski, C., Benton, W.C., & Fan, Y. (2012). The Influence of Supplier development on buyer-supplier relationships. *International Journal of Production and Economics*, 5811-5816.
- Ranaweera, C. & Prabhu, J. (2003). The influence of satisfaction, trust and switching barriers on customer retention in a continuous purchasing setting. *International Journal of Service Industry Management*, 14(4), 374-395.
- Richard, P.J., Devinney, T.M., Yip, G.S., & Johnson, G. (2008). *Measuring organizational performance as a dependent variable: Towards methodological best practice*. Sydney: Australian School of Business Sydney.
- Rungtusanatham, M., Salvador, F., Forza, C., & Choi, T.Y. (2003). Supply-chain linkages and operational performance: A resource based-view perspective. *International Journal of Operations and Production Management*, 23(9), 1084-1099.

- Rutherford, B. N. (2007). *The differing effect of satisfaction, trust and commitment on buyer's behavioral loyalty: A study into the buyer-sales person and buyer-selling firm relationship in a business-to-business context*. Georgia: Georgia State University.
- Ruyter, K.D., Moorman, L., & Lemmink, J. (2011). Antecedents of Commitment and Trust in Customer–Supplier Relationships in High Technology Markets. *Industrial Marketing Management*, 30, 271–286.
- Sahay, B. S. (2003). Understanding trust in supply chain relationships. *Industrial Management & Data Systems*, 553-563.
- Salkind, N. J. (1997). *Exploring Research*, (3rd ed.). New Jersey: University of Kansas.
- Sekaran, U. & Bougie, R. (2009). *Research Methods for Business, a skill building approach*, (5th ed.). Willey and Sons, Ltd, Publication.
- Singh, J. & Sirdeshmukh, D. (2000). Agency and Trust Mechanisms in Consumer Satisfaction and Loyalty Judgments, *Journal of the Academy of Marketing and Science*, 28(1), 150-167.
- Singh, R. (2013). Cabinet agrees to impact studies on Bumi, SME business but TPP talks continue. *The Malaysian Insider*. Retrieved 18 February 2014 from <http://www.themalaysianinsider.com/malaysia/article/cabinet-agrees-to-impact-studies-on-bumi-sme-businesses-but-tpp-talks-conti>.
- Smeltzer, L. R. (1997). The meaning and origin of trust in buyer-supplier relationships. *International Journal of Purchasing and Materials Management*, 33(4), 40-48.
- SME Magazine (2011). *Main challenges facing SMEs*. Retrieved on 8 June 2014 from <http://smemagazine.asia/smeceoforum/SME%20100.pdf>.
- Status Projek Usahawan Industri Asas Tani Bagi Negeri Kelantan Dari Januari Sehingga Disember. (2013). *Jabatan Pertanian Negri Kelantan*. Kelantan: Author.
- Stuart F.I., Verville J., & Taskin N. (2012). Trust in buyer-supplier relationships supplier competency, interpersonal relationships and performance outcomes. *Journal of Enterprise Information Management*, 25(4), 392-412.
- Thomas, S. (2005). *An examination of buyer relationship involvement, value creation and opportunism in buyer-seller relationships*. Pennsylvania: The Pennsylvania State University.
- Toni, A.D. & Tonchia, S. (1996). Lean organization, management by process and performance measurement. *International Journal of Operations & Production Management*, 16(2), 221-236.

- Tse, A.C.B., Sin, L.Y.M., Yau, O.H.M., Lee, J.S.Y., & Chow, R. (2004). A firm's role in the market place and the relative importance of market orientation and relationship orientation. *European Journal of Marketing*, 38(9), 1158-1172.
- Waal, A. A. (2007). The characteristics of a high performance organization. *Business Strategy Series*, 8(3), 179-185.
- Wagner, S.M., Coley, L.S., & Lindemann, E. (2011). Effects of suppliers' reputation on the future of buyer-supplier relationships: the mediating roles of outcome fairness and trust. *Journal of Supply Chain Management*, 47(2), 29-48.
- Walker, K., Kutsyuruba, B., & Noonan, B. (2011). The fragility of trust in the world of school principals. *Journal of Educational Administration*, 49(5), 471-494.
- Wells, D. L. (2003). *The relationship between employee-organization cultural fit and organization performance*. Mexicali: Baja California Mexico
- Wong, A. & Sohal, A. (2002). An examination of the relationship between trust, commitment, and relationship quality. *International Journal of Retail & Distribution Management*, 30(1), 34-50.
- Yusoff, M.N.H. (2011). The Sources of Information of the Government Sponsored Business Assistances Among Micro-sized Entrepreneurs in Kelantan, Malaysia, *International Journal of Business and Social Science*, 2(3), 106-114.
- Yu, D. (2008). *The Harmonized System - Amendments and their impact on WTO members' schedules*. Economic Research and Statistic Division. Switzerland: World Trade Organization (WTO).
- Zineldin, M. & Jonsson, P. (2000). An examination of the main factors affecting trust/commitment in supplier-dealer relationships: An empirical study of the Swedish wood industry, *The TQM Magazine*, 12(4), 245-265.

APPENDIX