

## SERVICE QUALITY, BUSINESS ETHICS, AND GOVERNANCE OF BUYER-SUPPLIER RELATIONSHIP TO ENHANCE COMPETITIVENESS: CRITICAL LITERATURE REVIEW

### KUALITAS LAYANAN, ETIKA BISNIS DAN TATA KELOLA DALAM HUBUNGAN PEMBELI-PEMASOK DALAM PENINGKATAN DAYA SAING: TINJAUAN LITERATUR KRITIS

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#### ABSTRAK

Penelitian ini bertujuan untuk memberikan gambaran obyektif dalam hubungan pemasok-pembeli di industri jasa dan manufaktur dalam konteks kualitas layanan, etika bisnis, dan tata kelola relasional. Tinjauan literatur sistematis dilakukan dengan menggunakan model PRISMA. Dari database tersaring 53 artikel. Temuan menunjukkan bahwa 1) studi yang ada berfokus pada industri manufaktur antara lain, pulp & kertas, bahan kimia, pertambangan, otomotif, usaha kecil dan menengah, dan berbagai macam organisasi yang berasal dari 22 negara dimana negara China, Eropa dan Afrika yang paling banyak menaruh perhatian mengenai tiga dimensi dari hubungan pembeli-pemasok. Pendekatan dalam penelitian terdahulu berfokus pada pendekatan analisis faktor, kualitatif/deskriptif, dan sistem dinamik, 2) kualitas layanan secara positif mempengaruhi kepuasan pelanggan, kepercayaan, loyalitas pelanggan dan merek, serta merupakan mediator yang kuat terhadap kinerja logistik hijau. Persepsi pelanggan terhadap kualitas layanan dan merek dapat lebih diutamakan daripada keunggulan kompetitif tradisional karena meningkatnya tingkat persaingan dan perubahan ekspektasi pelanggan. Selain itu, membangun hubungan pemasok-pembeli yang dapat dipercaya sangat penting untuk keberhasilan manajemen rantai pasokan; dan 3) industri kertas masih dianggap sebagai tren riset sehingga berfokus pada integrasi pendekatan soft system dan hard system sebagai pengembangan strategi dalam upaya untuk meningkatkan daya saing dapat menjadi agenda untuk riset yang akan datang.

Kata kunci: daya saing, etika bisnis, hubungan pemasok-pembeli, kualitas layanan, tata kelola relasional

#### ABSTRACT

The aim of this study is to provide an objective overview in buyer-supplier relationship in manufacturing industries to enhance competitiveness in the context of service quality, business ethics, and relational governance. A systematic literature review was conducted using the PRISMA model and 53 papers were selected after had been screened. The results showed that: 1) research's objects encompass various types of manufacturing industries, such as pulp & paper, chemical, mining, automotive, SMEs, and diverse organizations which came from 22 countries, whereas China, European countries, and African countries are likely paid intensive intension regarding the three dimensions of research's objects. The methods used in existing studies mostly focused on factor analysis, qualitative/descriptive, and system dynamic. However, soft system was the least commonly utilized in buyer-supplier relationship in context of industries' competitiveness, 2) Service quality positively affects customers' satisfaction, trust, customer and brand loyalty, and it is also a strong mediator to green logistics performance. Customers' perceptions on service quality and brand can take precedence over traditional competitive advantages due to increased level of competition and customers' changing expectations. Adopting ethics as a policy could be an advantage for business to stay competitive. Furthermore, relational governance requires trust and information sharing so that building a trustworthy buyer-supplier relationship is critical for successful supply chain management, 3) Paper industry is still considered a research trend, therefore focusing in integrating both soft and hard systems approach for strategy development is the most appropriate in order to improve its' competitiveness as the basis for upcoming research.

Keywords: business ethics, competitiveness, relational governance, service quality, buyer-supplier relationship,

#### INTRODUCTION

In Supply Chain Management, the collaboration process between manufacturing industries and supporting industries, is an important aspect that must be improved when viewed from the

aspect of improving the overall system (Asamoah *et al.*, 2021). Industries may be encouraged to be competitive when supporting industries can provide innovation and drive to enhance parts, materials, and procedures by their closeness to other operating companies and associated industries (Brosnan *et al.*,

2016). Marketing, distribution, and relationships between companies and other businesses are examples of such activities (Esen dan Uyar, 2012).

Numerous studies used Porter's diamond model to evaluate the competitive landscape for diverse industrial sectors operating in various nations. Porter's theory—which states that a country's competitive advantage is based on four factors: (1) labour, place, natural resources, capital, infrastructure, and (2) demand conditions (culture, ethics, regulation); (3) related and supporting industries; and (4) firm strategy, structure, and competition (cost structure, quality, innovation)—was found to be supported by the majority of study results. Furthermore, two factors influencing the national environment that indirectly affect these four important factors determining competitive advantage are opportunity and government (Porter and Heppelmann, 2015).

Businesses in the sector of manufacturing, trading, or other fields that have experienced significant growth will constantly struggle with management and control issues. One of the necessary keys to support every business' success is quality. In order to satisfy their customers' expectations, businesses offer high quality goods and services at reasonable costs, hence enhancing businesses' value and revenue (Davidsson *et al.*, 2009). Raising the standard of customer service is definitely one of the most important steps to be taken by any business to achieve superiority in order to stay competitive in their sector. More precisely, any firm must offer something unique or superior to its rivals that will always be ingrained in the customers' mind and leave them with an unforgettable experience (Parasuraman *et al.*, 1991) and came up with service quality gap model, which has been widely applied by academics and practicing managers, by comparing expectations with perceptions on five dimensions which are tangible, empathy, responsiveness, reliability and assurance.

One of the crucial factors in the continued existence of businesses throughout many nations and locations is business ethics. The elements of this notion should be used by a firm if it wants to be seen as a trustworthy business partner, as there aren't many business ideas that have gained widespread acceptance as business ethics (Bendixen dan Abratt, 2007); (Johan dan Maruf, 2017). Besides, numerous modifications also have recently been made in the field of contemporary corporate operations. Both of these notions, as well as their individual elements, should be implemented by a firm if it wants to be seen as a trustworthy business partner (Hill *et al.*, 2009).

Relational governance is an informal, task-oriented mechanism based on relationship-based management. It is different from contractual governance, which is created based on prior formal contract (Cao and Lumineau, 2015). Many business practitioners agree that relational governance, which

is based on trust as well as norms of cooperation and information sharing routines, plays an important role in facilitating the success and stability of exchanges between organizations. Moreover, relational governance functions to protect certain parties from the inherent risks that occur in many market transactions, thus it can complement the use of formal contracts, enhance coordination, lower transaction costs, and improve exchange performance (Dyer and Singh, 1998).

Since the market has fundamentally altered over the past few decades, various firms have been required to adapt their buyer-supplier relationships and cooperation flexibly to the current business climate. Within the majority of firms nowadays, the purchasing function's strategic relevance has increased, which has resulted in closer coordination with a subset of suppliers (Moeller *et al.*, 2006). The buyer-supplier relationship, which serves as the economic backbone for several business transactions, is built through the mutual trust between the two parties engaged in this economic exchange (Gullett *et al.*, 2009).

Businesses are searching for solutions that will ensure their growth and competitiveness in the volatile marketplaces of emerging economies in order to compete in the modern business environment. When compared to their counterparts in developed economies, emerging market corporations struggle to meet their sustainability commitments due to a variety of constraints, including heightened social issues, inadequate government backing, a lack of investment, and inadequate infrastructure. The unique circumstances of developing nations necessitate well considered approaches to match corporate and societal challenges with appropriate solutions (Bernal *et al.*, 2021).

Therefore, based on that background, it can be assumed that service quality, business ethics, and relational governance will affect buyer-supplier relationship and enhance competitiveness. This critical literature review aims (1) to identify and categorize existing methods, object, and country of origin of prior scientific papers concerning the topics of service quality, business ethics, and relational governance in the context of buyer-supplier relationship in business competitiveness, (2) to review and discuss the findings, and (3) to analyze trends, gaps and future research agenda.

## **RESEARCH AND METHOD**

The PRISMA (Preferred Reporting Items for Systematics Review and Meta Analyses) model was adopted in this study (Figure 1). The steps were conducted as follows: 1) identification based on database searches, 2) filtering, 3) paper selection, 4) qualitative synthetic studies, and 5) data item selection and qualitative synthesis (Liberati *et al.*, 2009).

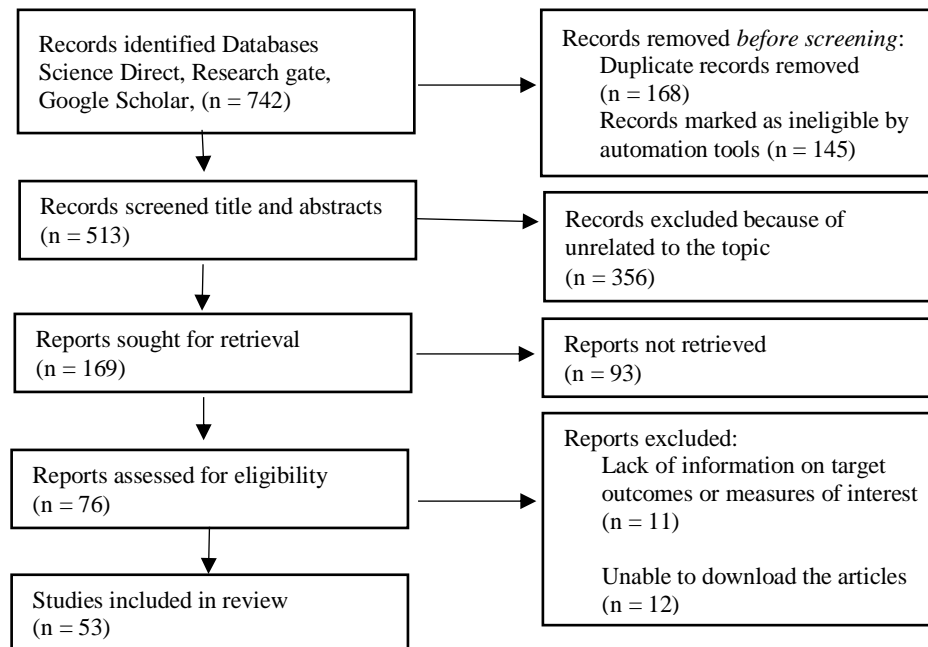


Figure 1. The systematic selection process using the PRISMA model

The journal databases used to screen the topics and research gaps in the existing studies were Science Direct, Research Gate, and Google Scholar. The paper selection used the keywords "service quality" OR "business ethics" OR "relational governance" AND "buyer-supplier relationship" AND competitiveness. The selected papers were the ones published in the form of journals, proceedings, and reports. The paper screening was also restricted based on the year range (from 2009 to 2022). This process resulted in a total of 53 papers. The topics of service quality, were mostly discussed in papers published in 2022. Whereas business ethics, mostly discussed in papers published in 2021. Meanwhile, the topic of relational governance, buyer-supplier relationship and competitiveness were mostly discussed in papers published in 2020.

## RESULTS AND DISCUSSION

According to (Bag *et al.*, 2018; Yang and Zhang 2017; Maestrini *et al.*, 2018) buyer-supplier relationships enhances suppliers' performance and buyers' competitive advantage. When considering how to strengthen the system as a whole, one crucial component of supply chain management is the cooperation between the manufacturing and supporting industries (Asamoah *et al.*, 2021). Because of their proximity to other operational businesses and related sectors, supporting industries can offer innovation and drive to improve products, materials, and methods, which can encourage industries to be competitive (Brosnan *et al.*, 2016). This is in line with one of the factors from Porter's diamond model. Based on previous studies that discuss buyer-supplier relationships, it can be said that: a) value is embedded into the products during

product development and manufacture, b) the role of the services is to support the products during the sales process as well as when in use, c) ethical attitudes are shaped by corporate identity management, which includes components of ethical standards and open communication, d) relational governance is crucial for both strategic and non-strategic suppliers, conversely in order to distinguish collaborative practice from custom. Therefore, research objects in this critical literature review such as service quality, business ethics, relational governance must be studied from a variety of perspectives due to its multifaceted nature.

The following results are presented based on several categories, namely methods/approaches used, objects of research, the country that conducted the research, and network visualization based on selected keywords.

### Mapping Based on Methods/Approaches

The distribution of scientific papers based on the methods/approaches used is presented in Table 1. Understanding the study methodologies or approaches is essential for assessing the validity and relevance of the findings, guaranteeing transparency, encouraging creativity, and maintaining ethical standards. Existing scientific papers reported that various methods were used in the discussed topic, from qualitative/descriptive, factor analysis, cause and effect relationship, interpretive structural modeling (ISM) to system dynamic method. In addition, several other papers also adopted different approaches, such as literature review and in-depth interviews. Qualitative method captures perspectives, experiences and meanings that are often missed by quantitative method.

On the other hand, with factor analysis helps identifying latent variables that explain the patterns of correlations within a set of observed variables. However, system dynamics enables of dynamic interactions within a system and supports the development of simulation models to predict and analyze system behavior under different scenarios.

Therefore, related to the research’s objects in this critical review, in order to advance future research, the determination of industries competitiveness could be accomplished by using hybrid method of qualitative and quantitative analysis (combination of hard and soft system) in buyer-

supplier relationships in the context of rivalry within the industry.

**Mapping of Research’s object and Research-Conducting Country**

Based on Table 2, it can be seen that research’s objects encompass various types of manufacturing industries, such as pulp & paper, chemical, mining, automotive, SMEs, and diverse organizations. It is also revealed that the researchers came from 22 countries, in which China, European countries, and African countries are likely paid intensive intension regarding the three dimensions of research’s objects

Tabel 1. Distribution of scientific papers based on methods/approaches

Aspect of Research	Methods/Approaches	Scientific Papers
Service Quality	SERVQUAL	(Sakyi, 2020)
	In-depth Interview	(Rahmat and Faisol 2016)
	SEM-PLS	(Khan <i>et al.</i> , 2021); (Davidsson <i>et al.</i> , 2009)
	SERVQUAL, INV-AHP, BW Method	(Yalcin Kavus <i>et al.</i> , 2022)
	ISM	(Wang <i>et al.</i> , 2010)
Business Ethics	System Dynamic	(Hsieh and Chou, 2018)
	Qualitative/ Descriptive Survey	(Brown, 2013); (Martínez <i>et al.</i> , 2021); (DeTienne <i>et al.</i> , 2021); (Ben Khaled <i>et al.</i> , 2021)
	SEM-PLS	(Sroka and Lőrinczy, 2015); (Andrade <i>et al.</i> 2017)
		(Singh <i>et al.</i> , 2019); (Kashif <i>et al.</i> , 2018); (Gorondutse and Hilman, 2016)
Relational Governance	Survey	(Zhong and Sun, 2020); (Nyadzayo <i>et al.</i> , 2020)
	Hierarchy Regression	(Liu <i>et al.</i> , 2017)
	System Dynamic	(Huang <i>et al.</i> , 2012)
	Qualitative	(Ashiru <i>et al.</i> , 2022)
	SEM-PLS	(Prodhan <i>et al.</i> , 2023)
	Value chain analysis	(Fok, 2021)
Buyer-supplier Relationship	CFA-SEM	(Jääskeläinen, 2021)
	SEM-PLS	(Saghiri and Wilding, 2021); (Maestrini <i>et al.</i> , 2018); (Hemmert <i>et al.</i> , 2016); (PAN <i>et al.</i> , 2020)
	Qualitative/ Descriptive	(Hajmohammad and Vachon, 2014); (Saghiri and Wilding, 2021)
	CFA	(Dong <i>et al.</i> , 2017); (Karakadılar and Sezen, 2012)
	AHP	(Abror and Yuliasih, 2015); (Andriana and Djatna, 2012)
	Machine Learning	(Bodendorf <i>et al.</i> , 2022)
	Literature review	(Hoque and Rana, 2020)
System Dynamic	(Shamsollahi and Bell, 2020); (Tseng, 2013); (Lin and Shayo, 2012);	
Competitiveness	Case Study	(Kharub and Sharma, 2017); (Neykov, 2018)
	AHP	(Chung, 2016)
	Mixed Method	(Moroz, 2020)
	Literature review	(Jilcha, 2014); (Romli, 2021)
	SEM-PLS	(Erwin, 2022)
	FGD	(Prayoga, 2019)
	Qualitative/ Descriptive	(Erboz, 2020)

### VOS Viewer Analysis Result

As shown in network visualization in Figure 2, extensive research has been conducted by numerous scholars in the field of buyer-supplier relationships. There are several clusters related to the topic of buyer-supplier relationship as indicated with different colors, namely service quality (red), competitiveness (green), organization (blue), and supplier (yellow). Nevertheless, further exploration is required in terms of investigating how the buyer-supplier relationships

affects the competitiveness within manufacturing industry.

Many scientific papers on the topic of service quality declared that it positively affects customers' satisfaction (Ramzi *et al.*, 2022) plays a role as a strong mediator to facilitate green logistics performance (Yingfei *et al.*, 2022), trust (Muharam *et al.*, 2021); (Rasheed and Abadi, 2014); (Chek and Ho, 2016), and customer and brand loyalty (Devi and Yasa, 2021); (Rachbini *et al.*, 2020).

Table 2. Distribution of scientific papers based on research's object and research-conducting country

Aspect of Research	Object of Research	Country	Scientific Paper	
Service Quality	Pulp & Paper Airline	Sweden	(Davidsson <i>et al.</i> , 2009)	
		Turkey Indonesia	(Yalcin Kavus <i>et al.</i> , 2022) (Devi and Yasa, 2021)	
	Railway Train Manufacturer	China China	(Wang <i>et al.</i> , 2010) (Li <i>et al.</i> , 2019)	
		Malaysia Pakistan	(Rahmat and Faisol, 2016) (Khan <i>et al.</i> , 2021)	
	Logistic SME Seaports	Taiwan West Africa	(Hsieh and Chou, 2018) (Sakyi, 2020)	
Business Ethics	Gold Mining Multinational Corporation	NA France Brazil & Portugal	(Ruban and Yashalova, 2021) (Ben Khaled <i>et al.</i> , 2021) (Andrade <i>et al.</i> , 2017)	
		Nigeria Romania Pakistan	(Gorondutse and Hilman, 2016) (Azeem <i>et al.</i> , 2021)	
	SME leaders Industrial managers			
Relational Governance	SME High Tech platform B2B Buyer Firms Cotton	Nigeria China Finland Africa	(Ashiru <i>et al.</i> , 2022) (Zhong and Sun, 2020) (Jääskeläinen, 2021) (Fok, 2021)	
Buyer-supplier Relationship	Automotive Equipment manufacturer Manufacturing	Turkey Germany	(Karakadılar and Sezen, 2012) (Bodendorf <i>et al.</i> , 2022)	
		Italy China	(Maestrini <i>et al.</i> , 2018) (Dong <i>et al.</i> , 2017) (Li <i>et al.</i> , 2017)	
	Engine supplier Manufacturing and Service firms	UK NA USA China UK	(Hemmert <i>et al.</i> , 2016) (Hoque and Rana, 2020) (Lin and Shayo, 2012) (Wang and Zhang, 2021) (Saghiri and Wilding, 2021)	
	Logistics service Steel and Engineering	Europe and USA South Africa	(Wallenburg <i>et al.</i> , 2019) (Bag <i>et al.</i> , 2018)	
	Competitiveness	MSME Manufacturing Logistics	India Asia main countries	(Kharub and Sharma, 2017) (Chung, 2016)
ICT Chemical Manufacturing		Turkey Africa	(Erboz, 2020) (Jilcha, 2014)	
Pulp & Paper Sugarcane Agricultural SME Automotive		Indonesia Indonesia Indonesia Ukraine	(Erwin, 2022) (Romli, 2021) (Prayoga, 2019) (Moroz, 2020)	

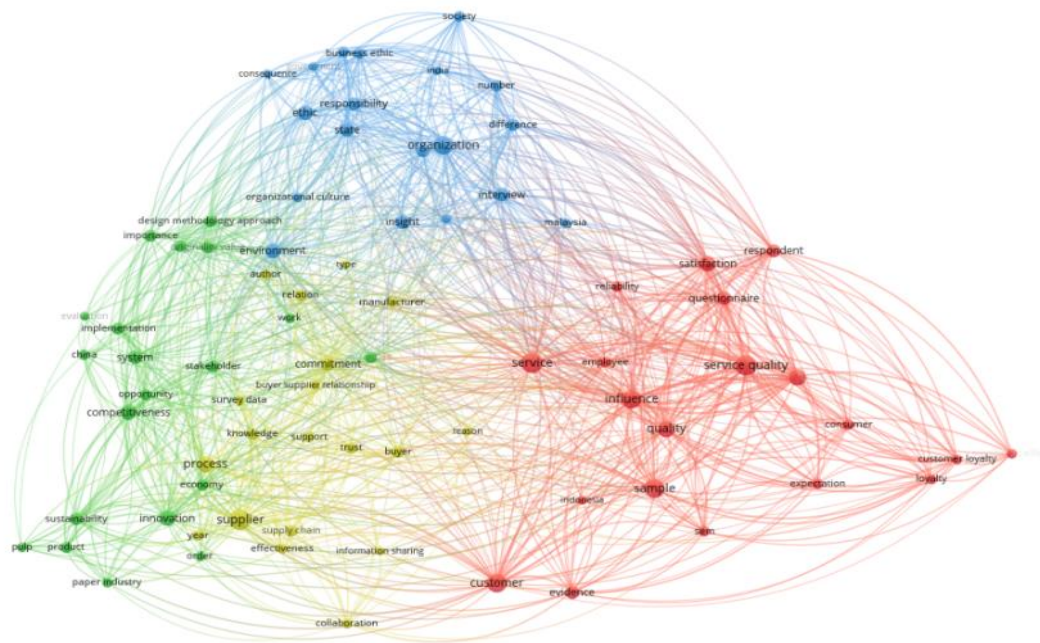


Figure 2. Network visualization based on keywords "service quality" OR "business ethics" OR "relational governance" AND "buyer-supplier relationship" AND competitiveness

Moreover, domestic culture greatly influences people's responds and satisfaction level towards the service quality they receive, which can provide businesses with the valuable insights about the appropriate strategy to satisfy consumers' requirements and wants on a global scale (Azeem *et al.*, 2021; Ramzi *et al.*, 2022). Aside from that, emotional closeness between personal boundary and honesty were identified as cultural values in logistic service quality (Rahmat and Faisal, 2016). Regarding internal service quality, it was implied that the organizational requirements for reducing the impact of human traits can be seen as both formal management procedures and informal social system (Wu *et al.*, 2020); (Tu and Wu, 2021).

In accordance to business ethics, companies must abide by the law, which means the government needs to impose fundamental and globally recognized business principles rather than attempting to force them to abide by socially acceptable ethical standards, which may likewise vary from one society or nation to another (Clauss *et al.*, 2021). The prevalence of earnings manipulation may be decreased by organizational initiatives to improve the ethical climate and highlight the value of corporate ethics and social responsibility (Shafer, 2015). For this reason, it is crucial for businesses to increase punitive actions against those who violate ethical rules, and there should be specialized procedures to identify and address any issues related to ethical misbehavior (Ebitu and Beredugo, 2015).

Supplier sustainability risk is a condition or a potentially occurring event that can cause unfavorable stakeholder reactions and is found inside

of a buyer's supply base. To handle this, collaboration-based mitigation is better adjusted to situations where buyer and supplier are highly dependent with each other, or where there is a high perceived risk combined with buyer's dominance. Only in the specific setting of buyer's dominance with minimal perceived risk is monitoring-based mitigation considered appropriate. Moreover, contrary to the current purchasing portfolio models, buying organizations must invest more in their relationships with suppliers in terms of leverage and non-critical commodities if they want to effectively manage supplier sustainability risk (Hajmohammad and Vachon, 2014).

Relational governance and relationship marketing orientation are positively correlated, and channel partners' opportunistic behavior is further influenced by relational governance (Dong *et al.*, 2017). The benefits brought by supplier's operational performance certainly reflect the value generated by buyer-supplier relationship. Only through the intermediary role of relational governance—namely through cooperative performance management activities—does mature supplier performance evaluation can relate to relationship value. Both relationships, either with strategic or non-strategic suppliers, require relationship control, albeit for different reasons. Relational governance is even more crucial in key supplier partnerships than the availability of performance data (Jääskeläinen, 2021).

Successful supply chain management, which in turn facilitates the competitive advantage, highly depends on the development of trustworthy relationship between suppliers and buyers (Hemmert



et al., 2016). Sustainable supplier development and collaboration have a positive impact on supplier performance. Likewise, sustainable supplier selection, monitoring, and collaboration also leads to favorable effects, both on buyer-supplier relationship and buyer's competitive advantage (Yang dan Zhang, 2017). According to (Wallenburg et al., 2019) critical role that innovation alignment plays in supporting supplier-initiated changes for purchasing businesses. They also recommend that the buyer structure and oversee the alignment in accordance with the typical buyer-supplier dynamic. Moreover, regarding how risk culture affects the effectiveness of the supply chain, it was stated that risk culture positively modifies the effects of supply chain's visibility and supplier development (Salimian et al., 2017).

## RESEARCH GAP AND FUTURE RESEARCH

### Research Gap

A research gap refers to an unexplored or underexplored subject area within the scope of the existing studies. One of the best methods to identify research gap is by creating overlay and density visualization. As shown in Figure 3, the overlay visualization reveals that several research trends concerning the topic of "buyer-supplier relationships" began in 2017. In that year (the first cluster; dark blue) the most discussed topics were process, innovation, ethics, and organization's culture. Next, in 2018–2019 (the second cluster; turquoise-green color), the most discussed topics were service quality, service, organization, customer, commitment, competitiveness, and relationship. Lastly, in 2020

until now (the third cluster; yellow color), the most discussed topics were paper industry, systems, evaluation, customer loyalty, and consumers. It is important to note that the research on system connected to paper industry in Indonesia have relatively smaller nodes and densities, indicating a lack of extensive research in these areas. Therefore, further investigation of such is considered relatively new.

From the overlay visualization mapping interaction results, the topic of "supplier" (Figure 4) is closely link to effectiveness, buyer, paper industry, trust, collaboration, competitiveness, and commitment, but there is no visible connection to service quality and relational governance (organization).

From the overlay visualization mapping interaction results, the topic of "supplier" (Figure 4) is closely link to effectiveness, buyer, paper industry, trust, collaboration, competitiveness, and commitment, but there is no visible connection to service quality and relational governance (organization). In Figure 5, the topic of "competitiveness" is connected to the topics of service quality, suppliers, paper industry, and organization, but there is no visible connection to business ethics. Therefore, there's a research gap that needs to be investigated further.

In Figure 6, the topic of "service quality" is connected to the topics of customer, organization, influence, commitment, and buyer, but there is no visible connection to business ethics, suppliers, and paper industry.

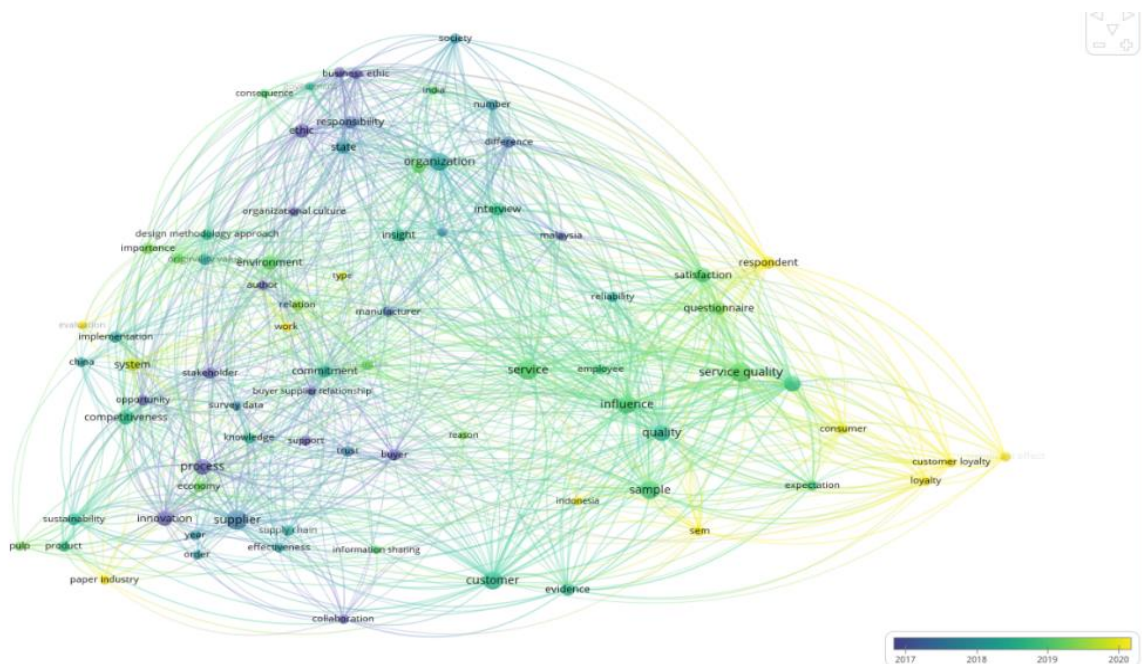


Figure 3. Overlay visualization based on keyword "buyer-supplier" relationship







The future research agenda for this systematic literature review provides several opportunities for further studies, such as (1) study on more elaborate measurement models to examine service quality, business ethics, and relational governance simultaneously in the context of buyer-supplier relationship, (2) study on combination of different methods or approaches to examine research's topic, and (3) study on the effect of different behavioral factors and cultural influences on service quality, business ethics, relational governance, and buyer-supplier relationship to formulate a strategy to enhance paper industry's competitiveness.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

Critical literature review provides a comprehensive summary of existing research and knowledge on a particular topic or research question and decision-makers make informed choices or recommendations based on the findings. From the existing literature, it can be concluded that the research's objects cover a wide range of manufacturing industries, including pulp and paper, chemicals, mining, automobiles, SMEs, and diverse organizations from 22 different countries; on the other hand, China, Europe, and Africa are probably the countries that have paid the most attention to the three dimensions of the research's objects. The majority of factor analysis, qualitative/descriptive, and system dynamic methodologies were employed in the studies that have already been done. In the context of industry competitiveness, soft system, on the other hand, were the least used in buyer-supplier relationships.

Service quality has a substantial mediating effect on green logistics performance and favourably impacts customer fulfilment, trust, and brand loyalty. People's responses and levels of satisfaction with the quality of services they receive are significantly influenced by their home cultures, which can give organizations important insights into the best ways to meet the needs and desires of customers around the world. Businesses must follow the law in accordance with business ethics, so the government should enforce fundamental and internationally accepted business principles rather than trying to compel them to follow socially acceptable ethical standards, which may also differ from one society or country to another. When there is a high perceived risk in conjunction with the buyer's dominance, or when the buyer and supplier are highly dependent on one another, collaboration-based mitigation works well.

Due to rising competition and shifting consumer preferences, conventional competitive advantages may be superseded by customers' impressions of service quality and brand may be more important to customers than traditional competitive advantages. Adopting ethics as a policy may help

businesses maintain their competitiveness. Additionally, as relational governance necessitates information exchange and trust, efficient supply chain management depends on developing a reliable buyer-supplier relationship. Since the paper industry is still regarded as a research trend, the best course of action for improving its competitiveness as a foundation for future research is to integrate both soft and hard systems approach for strategy creation.

### Recommendations

Researchers with suitable approaches or methods will provide recommendations to the manufacturing sector in future study. Customer loyalty and brand satisfaction are positively impacted by service excellence. Industries that want to be regarded as a reliable business partner should apply business ethics, which are essential to the survival of businesses. Regarding relational governance, it will offer suggestions on how to boost coordination, reduce transaction costs, and boost exchange performance in order to increase manufacturing industries performance. Given these indicators will increase competitive profile of such industries.

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