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Article info: Received 23.10.2024. Accepted 07.04.2025.

DOI - 10.24874/IJQR19.02-22



EXPECTATIONS TOWARDS SUPPLIERS IN TERMS OF ENSURING AND ENHANCING PRODUCT AND PROCESS QUALITY

Abstract: The objective of this article is to explore the expectations of B2B market producers towards their suppliers in terms of product and process quality improvement. A literature review suggests that suppliers meet these expectations primarily through the adoption of international standards for quality and environmental management, as well as practices derived from the Toyota Production System, such as Kaizen, 5S, and TPM, alongside Lean Management principles. Empirical research conducted using the CATI technique reveals that manufacturing companies, as buyers, prioritize the enhancement of product technical quality, reduction of order fulfillment time, and minimization of operational costs when defining their expectations from suppliers.

Keywords: quality, cooperation, suppliers, ISO

1. Introduction

Most often, the expectations of customers on the B2B market (especially from industrial sectors, and in particular OEMs - Original Equipment Manufacturers towards suppliers on ensuring product quality, guaranteeing timely deliveries and reducing costs (Ekici, 2013). Therefore, these companies impose individualized requirements on their suppliers through detailed specifications specifying not only issues related to quality assurance (guaranteeing the technical quality of products), but also organizational issues related to increasing the effectiveness of processes (e.g. shortening cvcles activities), efficiency (reducing costs), and also the requirements related to the need to reduce the burden on the environment (Forkmann et al., 2016; Kliment et al., 2020). These requirements are increasingly important criteria for the initial and periodic assessment of suppliers (Taherdoos & Brard,

2016). This approach is a significant incentive for suppliers to make efforts to improve their operations by introducing systemic quality and environmental management, as well as operational improvement tools, such as elements of the Toyota Production System or Lean Management projects. The topic cooperation with suppliers is relatively widely discussed in the literature (He et al., 2022; Baghizadeh et al., 2021; Syah et al., 2024; Zimon and Madzik, 2020), but it is still important and up-to-date due to the changing trends and threats resulting from the current ongoing crises (Deligiannis et al., 2023). As Allenbacher and Berg (2023) rightly point out, it is now crucial for manufacturing companies to implement the adopted strategies beyond the firm level. Manufacturing companies therefore use different concepts and methods to get suppliers to follow the broader strategy outlined in the supply chain (Zhang et al., 2020). This is an important issue as many

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studies suggest that direct suppliers can be a catalyst for the diffusion of requirements to sub-suppliers further upstream in the supply chain (Allenbacher & Berg, 2023; Grimm et al., 2016). Therefore, it seems particularly important for manufacturing companies to formulate clear guidelines on quality, environmental or operational issues that should be followed by suppliers. This will not only affect the effectiveness of cooperation within the consignee-supplier, but may also improve the functioning of the entire supply chain (Li et al., 2017). As rightly emphasized by O'Connor et al. (2020), activities contributing to closer cooperation with suppliers within the supply chain increase its innovation, responsiveness and profitability. In view of the above considerations, the aim of the article is to identify the requirements of manufacturing companies towards suppliers. The obtained research results will allow for a better understanding of the expectations of manufacturing companies as part of relations with suppliers, which, as noted earlier, affects supply chain management strategies. (Lu, et al., 2022). In order to achieve this goal (based on a wide literature review), eight key requirements of manufacturing companies towards suppliers were identified. These are respectively:

- Improving the technical quality of products (Kang & Um, 2023),
- Shortening the time of order fulfillment (Harbi et al., 2018).
- Reducing operational costs by reducing the level of noncompliance and waste (Yoo et al., 2019),
- Reducing the risk of noncompliance in operational processes (Zimon and Madzík, 2020),
- Reducing the risk of hazards related to products (Wieteska, 2020; Li and Chen, 2019),
- Improving the environmental performance of products (Wang et al., 2021; Salem et al., 2023),

- Reducing the negative impact of processes on the environment (Bartos et al., 2022; Zimon et al., 2022),
- Improved standardization of activities (Zimon et al., 2020a).

The research covered Polish large and medium-sized manufacturing companies operating on the B2B market. All the analyzed enterprises implemented requirements of the ISO 9001 standard, more than half of them implemented the requirements of ISO 14001, some of the surveyed enterprises implemented concepts such as TPS or Lean Management. This is an important fact, because the research results available in the literature indicate that the use of management concepts and systems has a positive effect on building proper relationships with suppliers. (Dellana et al., 2020; Zimon et al., 2020b; Rojo-Gallego-Burin et al., 2020). For this purpose, survey research using CATI technique was carried out among 150 manufacturers operating on the B2B market. It was specially seeked to answer the following research questions:

- 1. What elements influence the expectations towards suppliers in terms of ensuring and improving the quality of products and processes at the appropriate level?
- 2. Do elements such as the origin of capital, the size of the enterprise and the sector influence the expectations towards suppliers in terms of ensuring and improving the quality of products and processes?
- 3. Does the implementation of methods such as ISO14001, TPS, Lean management influence the differentiation of expectations towards suppliers in terms of ensuring and improving the quality of products and processes?

The intention of the article is to highlight the expectations of producers operating on the B2B market towards suppliers in the field of ensuring and improving the quality of products and processes.

2. Research methodology and obtained results

In order to determine the expectations of producers operating on the B2B market towards suppliers in terms of ensuring and improving the quality of products and processes, empirical study was carried out. These studies were performed using the Computer Assisted Telephone Interview (CATI) technique. The study covered 150 manufacturers operating on the B2B market (employing employees) from the automotive, electromechanical and chemical sectors. The study was commissioned to a specialized research agency, which made a targeted

selection of companies registered in the Bisnode database. All companies participating in the study implemented a quality management system based on the international requirements of the management standard ISO 9001. The surveyed enterprises assigned the indicated expectations towards suppliers in terms of ensuring and improving the quality of products and processes the appropriate ranks on a scale from 5 (the most important criterion) to 1 (the least important criterion). Detailed study results are presented in figures 1- 4. The conducted cross-sectional analyzes of the results of empirical research allow to indicate interesting observations.



Figure 1. Expectations towards suppliers divided into origin of capital Source: own study

Talking about the importance of expectations towards suppliers in terms of ensuring and improving the quality of products and processes (Fig.1) companies with foreign capital have higher expectations in almost all requirements except "Shortening the time of order fulfillment", "Reducing the negative impact of processes on the environment" and "Improved standardization of activities.

Analyzing the expectations towards suppliers divided into number of employees (medium size 50-250 and large sized over 250 employees) there is a noticeable

difference (Fig.2). As for details, for medium size companies such expectations as "Reducing the risk of non-compliance in operational processes" – 4.46, "Reducing the negative impact of processes on the "Improved environment" 4.28, standardization of activities" - 4.26. are the most important. In turn Large companies rated higher such elements as "Improving the technical quality of products" - 4.83, "Shortening the time of order fulfillment" -4.76, "Reducing the risk of hazards related to products" -4.46, "Improving the

environmental performance of products" – 4.47.

When it comes to the sector in which the examined enterprises operate, there are 63 companies from automotive, 36 from electromechanical and 51 companies from

chemical sector. Enterprises from the automotive industry rated most of their expectations towards suppliers as high. This may be due to the very high standards and safety norms prevailing in this market (Fig.3).



Figure 2. Expectations towards suppliers divided into number of employees Source: own study



Figure 3. Expectations towards suppliers divided into sectors. Source: own study

Companies that have implemented the ISO 14001 standard only in one case rated the requirements towards suppliers higher and this concerned "Reducing the negative impact of processes on the environment"

(Fig.4). Such requirement as "Shortening the time of order fulfillment" was equally assessed – 4.79 by companies using TPS and Lean Management.



Figure 4. Expectations towards suppliers divided into implemented tools for the improving products and processes

Source: own study

3. Discussions

Improving the technical quality of products as an expectation towards suppliers is particularly important for large organizations with foreign capital, as well as for from the automotive companies electromechanical sectors (Fig. 3). In turn, shortening the time of order fulfillment is very important for large producers with Polish capital (Fig.1) and companies from the automotive sector (Fig. 3). Companies that have implemented the concepts of Toyota Production System and Lean Management clearly focus their expectations towards suppliers in terms of reducing operating costs by reducing the level of noncompliance and waste (Fig. 4). The study results indicate that medium-sized organizations (employing 50-250 employees) (Fig. 2) and companies from the automotive sector attach greater importance to reducing the risk of non-compliance in operational processes (Fig. 3). On the other hand, large producers (employing over 250 employees) (Fig. 2) and organizations that have implemented the Toyota Production System and Lean Management concepts focus on expectations towards suppliers in terms of reducing the

risk of product-related hazards (Fig. 4). Improving the environmental performance of products by suppliers is of particular importance in the case of large producers (Fig. 2), as well as for companies from the chemical sector (Fig. 3). It should also be noted that for medium-sized producers (Fig. 2) and for enterprises that have implemented an environmental management system (Fig. 4) as expectations towards partners who are the source of purchases, it is important to reduce the negative impact of processes on the environment as well as to improve the standardization of processes.

Analyzing the results of the research and the emerging trends in the scope of expectations towards suppliers, it should be assumed that they will increasingly focus on:

- ensuring the quality of products (reducing the risk of noncompliance and improving safety) and the possibilities of their improvement (especially through closer cooperation in the field of joint research and development works),
- reducing the negative impact of products and processes on the environment (over 50% of the surveyed buyer entities have

implemented an environmental management system, especially representatives of the chemical and automotive sectors), and

- increasing the level of efficiency of processes by shortening their cycles (about 20% of the surveyed,
- organizations have implemented elements of TPS and implement Lean Management projects, especially in the automotive sector.

3.1 Findings and implications

The findings of the study have a range of implications for practitioners and managers. Understanding the core expectations of manufacturing companies can help suppliers better align their practices with market demands, leading to stronger business relationships and improved performance across the supply chain. Implementing quality management systems and Lean methodologies not only enhances product quality but also contributes to operational efficiency and cost reduction.

Furthermore, the adoption of international quality and environmental standards can provide a competitive advantage by ensuring regulatory compliance and meeting sustainability goals. Managers should consider investing in continuous training and process optimization to reduce noncompliance risks and improve environmental performance.

By focusing on these strategic areas, organizations can build more resilient supply chains, foster long-term partnerships, and achieve sustainable growth in a competitive B2B market.

3.2 Limitations and future research

As with other type studies, the findings and implications are limited because of the research design and methods employed. However, these limitations also indicate potential avenues of future research.

4. Conclusions

The results of the study show that the surveved enterprises prioritize kev expectations from their suppliers, focusing on enhancing the technical quality of products, shortening order fulfillment times, and reducing operational costs through minimizing non-compliance and waste levels. Additionally, the findings highlight the significance of suppliers meeting to minimizing expectations related operational process risks, reducing productrelated hazards (such as technical nonand improving compliance), environmental performance of products.

In summary, the requirements imposed by OEMs regarding the implementation of systematic quality and environmental management, as well as the continuous improvement of process efficiency and effectiveness, bring substantial benefits to all participants in the supply chain.

The effective implementation of the quality management system undoubtedly contributes to ensuring the technical quality of products by supervising operational processes and reducing the level of risk of hazards.

In turn, the effective implementation of environmental management system contributes to reducing the negative impact on the environment by reducing the consumption of natural resources, emissions of harmful factors and waste. By effectively implementing system solutions in the field of quality and environmental management, as well as elements of TPS and Lean Management projects, suppliers can achieve significant benefits. These benefits include:

- a higher level of product quality assurance,
- increase in effectiveness (measured by the degree of achievement of the assumed objectives, improvement of efficiency) and efficiency of processes (by reducing the costs of activities by increasing the efficiency of employees /

- infrastructure, or eliminating unnecessary activities and unused / not fully used resources),
- shortening delivery cycles, reducing the negative impact on the environment (of processes and products).

Meeting customer requirements by suppliers can therefore turn into mutual benefits, the achievement of which is based on building cooperation. This cooperation is based on building trust between partners and ensuring continuity of processes in supply chains.

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