Mediating Role of Absorptive Capacity in the Relationship between Institutional Pressure Dimensions and Supplier Relationship Management: An Empirical Evidence Study in Kazakhstan.

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The purpose of this study is to examine the mediating role of absorptive capacity in the relationship between institutional pressure dimensions and supplier relationship management in Kazakhstan. From the literature, it has been observed that the supplier relationship management and absorptive capacity are essential facets for the decline in institutional pressure and increase in the firm performance. The firms who have strong and better relationships with suppliers will relish better performance. In this study, the author of this paper used a quantitative research method and collected the data from employees working in different manufacturing organizations in Kazakhstan. The researcher collected the data from 272 employees. A cross sectional study was conducted by the researcher of this paper. The results show that supplier relationship management is vital for decreasing institutional pressure. Additionally, the findings reveal that absorptive capability significantly mediates the association between institutional pressure and supplier relationship management. From this study, the manufacturing firms currently working in Kazakhstan will be aware of the importance of the supplier management relationship. This study used a cross sectional approach and the recommendation is that future research should use a longitudinal study.

Key words: Absorptive Capacity, Institutional Pressure, Supplier Relationship Management, Kazakhstan.
Introduction of the study

The earlier scholars including Park, Shin, Chang and Park (2010), Flint, Larsson and Gammelgaard (2008) and Paulraj, Lado, & Chen (2008) mention in their studies that firms are more and more conscious that merging their personal important capability with their supply chain partners may offer a competitive edge. The authors Caniëls, Gehrsitz and Semeijn (2013) recognized the important roles of suppliers in increasing the performance of a company. The researcher Cao and Zhang (2011) stated amongst ambiguity, companies are compelled to search for new prospects and opportunities to cooperate with suppliers to make certain that the supply-chains are effective and receptive to developing marketplace requirements. Furthermore, utilizing the resource-based outlook rationality, the companies struggle for superior supply chain relationship to influence knowledge and resources of their consumers and suppliers according to Lambert and Schwieterman (2012). In accordance with Jiang, Henneberg, and Naudé (2011) the collaboration of supply chain means two or more self-ruling companies functioning mutually to plan and implement the operations and functions of the supply chain. As per A. B. L. Jabbour and Jabbour (2009), Reuter, Foerstl, Hartmann, and Blome (2010) and Gimenez and Tachizawa (2012) the companies that have a close and better relationship and connection with suppliers are probable to relish better performance. In addition, according to the researchers Foerstl, Reuter, Hartmann, and Blome (2010), Paulraj (2011), Hartmann and Moeller (2014), C. J. C. Jabbour, Neto, Gobbo Jr, de Souza Ribeiro and de Sousa Jabbour (2015) and Neumüller, Lasch, and Kellner (2016) better and strong relationships with suppliers directs to superior risk management with cooperative association and structural maintainability.

The scholar Nyamasege and Biraori (2015) defined the concept of Supplier Relationship Management (SRM) as the procedures and practices for networking with suppliers. According to Grimm, Hofstetter and Sarkis (2014) and Guenther, Schiemann and Weber (2016), a number of firms and businesses have increased in experiencing external and institutional pressures from regulators, consumers and non-governmental organizations to continue maintainable supply-chains. Although there is a growing concentration on the relationship between purchasers and suppliers, there has been inadequate study that examines how relationships effected by external pressures such as institutional pressures can assist with standards of sustainability in supply-chains. Furthermore, in accordance with Colwell and Joshi (2013), M. Lee, Sung Rha, Choi, & Noh, (2013), Ye, Zhao, Prahinski, and Li (2013), Seles, de Sousa Jabbour, Jabbour, and Dangelico (2016) and Graham's (2017) research, the institutional pressures are exterior pressures which are sensed by firms in similar areas to compel institutional choice and make certain the institutional conformism, which directs the notion of isomorphism. The researchers Saenz, Revilla and Knoppen (2014) state that absorptive capacity also plays a significant and substantial role in reducing the institutional pressure and in developing strong relationships with the suppliers of the company.
Andersén and Kask (2012) indicated in their study that firms who have absorptive capacity will try to make strong associations with suppliers and will work on decreasing the institutional pressure. In the state of Kazakhstan, the firms do not make strong and healthy relationships with suppliers which results in experiencing more external pressures. So, the aim of this paper is to study the role of absorptive capacity and the relationship between institutional pressure dimensions and supplier relationship management in Kazakhstan. The objective of the study is to find the importance of supplier relationship management in Kazakhstan and the role of absorptive capacity in the relationship between institutional pressure and supplier relationship management. From this study, the manufacturing firms which are currently working in Kazakhstan will be aware of the importance of the supplier management relationship, see Figure 1 below.

**Figure 1. Benefits of making strong relationships with suppliers**

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve supplier reliability/ reduce risk</td>
<td>80%</td>
</tr>
<tr>
<td>Monitor contract compliance/ service levels</td>
<td>72%</td>
</tr>
<tr>
<td>Streamline/simplify process</td>
<td>63%</td>
</tr>
<tr>
<td>Reduce costs</td>
<td>62%</td>
</tr>
<tr>
<td>Improve customer service</td>
<td>53%</td>
</tr>
<tr>
<td>Provide competitive advantage</td>
<td>45%</td>
</tr>
<tr>
<td>Drive innovation</td>
<td>38%</td>
</tr>
<tr>
<td>Limit price volatility</td>
<td>37%</td>
</tr>
<tr>
<td>Reallocate employees to higher value tasks</td>
<td>27%</td>
</tr>
</tbody>
</table>

Reference: (APQC)

The firms who make strong relationships and connections with suppliers will raise the chances of supplier reliability and decrease the risk, cost level, offer a competitive edge, drive innovation, simplify the procedures, and improve the services of the customer (Saengchai & Jermstittparsert, 2019). Thus, it is necessary for an organization to have a better relationship with suppliers. This paper is divided into five parts: 1) Introduction of study 2) Literature Review 3) Methodology 4) Data Analysis and Results and 5) Discussion and Conclusion.
Literature Review

Mediating Role of Absorptive Capacity with institutional Pressure Dimensions

According to a recent study by Charan & Murty (2018), Absorptive Capacity (AC) is a trade mark between knowledge, performance and innovation of a firm, but still acts as a mediating role between institutional capacity and its dimensions. In other words, AC is defined as the limit to the rate and quantity of scientific or related to information technology. AC is considered as the initiation of new product development. Literature related to AC and IPD involves firm invention innovativeness. Study of AC is divided into three categories which include, theoretical framework, comprehension re conceptualization of absorptive capacity and the integration of literature through knowledge management. AC becomes a mediating agent when it is exposed to the innovative culture and has to adapt the features of Institutional Pressure Dimensions (IPD) for instance, considering the technical and non-technical pressures of innovation. Studies explain the role of AC in such a way that it develops an ability of attainment, incorporation, revolution and mistreatment of knowledge (Roldán, Leal-Rodríguez, & Felipe, 2015). Different forms of IPD are exposed to show the impact of AC on IP. These dimensions include assimilation and various abilities act as a baseline for the development of Absorptive Capacity theory, which comprises these dimensions and shows their performance and impact on information processing theory.

Dabić, Vlačić, Ramanathan, & Egri, (2019) believe the dimensions that are related to Institutional Pressure are: 1) Coercive Pressure, 2) Normative Pressure and 3) Mimetic Pressure. Theoretical innovation of a recent study by Patel, Kohtamäki, Parida, & Wincent (2015), elaborates the idea of AC connection with the certain dimensions as explained in the literature; that absorptive capacity acts in contrary to conceptualization, therefore it suggests a relationship among the dimensions who are most closely related to the hypothetical origins of AC. Xie, Zou, & Qi (2018) findings suggest that absorptive capacity surely manipulates every dimension related to institutional pressure and these dimensions of firms are composed of consumers, operational and advance capabilities (Sriyakul, Umam, & Jermsittiparsert, 2019a, 2019b). Industrial organisation studies the absorptive capacity and its impact on IPD. Organisational firm capabilities deal with different intangible, tangible and resourceful products to attain a constant competitive benefit. Recent studies elaborates the function of absorptive capacity as a mediator that associates itself with the peripheral changes and knowledge and also adapts itself to meet the existing change expectation (Rojo, Stevenson, Lloréns Montes, & Perez-Arostegui, 2018).

According to previous studies (Bjorvatn & Wald, 2018) conceptualization develops a link between AC and performance along with the involvement of dimensions based on IP. One of the principles of absorptive capacity is that it depends on the field specific knowledge which further represents individual creativity and firm’s reliable performance. In the literature we
observed that diverse information types involve tentative and empirically different absorptive capacity types, both of which drive innovativeness. AC dimensions are observed, focusing on the analysis of acquisition and assimilation. Acquisition largely depends on the external knowledge for transformation and utilization of products and firm’s abilities. Absorptive capacity plays an important role in the development of new products at the organizational level. Outcomes of AC also play it part in the growth of firm product development. So, this study proposed a hypothesis that;

**H1;** Absorptive capacity has a significant mediating role/impact on Institutional pressure dimension.

**Coercive pressure and supplier relationship management**

Coercive pressure is defined as a change which involves pressure from other organizations in which they are reliant and dependent on the cultural change in the society. Coercive pressure includes governmental law, financial laws and contract law. Coercive pressure is interconnected with supplier relationship management due to the interconnected criteria of both variables and also due to pressure on the supplier and management. Coercive pressure is related to isomorphic institutional model which has a great influence on organizations and on supplier management. Absorptive capacity also supports the coercive pressure with the relationship of supplier management according to absorptive capacity theory. So, this study proposed the hypothesis:

**H2;** Coercive pressure has a significant impact on the supplier relationship management

**Normative pressure and supplier relationship management**

Normative pressure is explained through isomorphic change theory which involves coercive and mimetic pressure with itself as supporting variables. Normative pressure plays an important role in influencing supplier relationship management. Normative is a social traditionalism phenomenon. It is a concept that studies the mind and behavior of suppliers and also investigates about their management in the context of absorptive capacity. Normative pressure is associated with professional values of customers, producers and suppliers. So, this study proposed a hypothesis that;

**H3;** Normative pressure has a significant impact on supplier relationship management.

**Mimetic pressure and supplier relationship management**

Mimetic is a function related to mimicking behavior or copying behavior of the suppliers and the manufacturers. Mimetic behavior also takes place as a result of organizational reaction to
improbability. This is the type of institutional behavior that influences the effect of mimetic pressure on the relationship of supplier management. It is connected to absorptive capacity through absorptive capacity theory, where they briefly integrate the behavior of the supplier and the performance of the organization and management. So, this study proposed a hypothesis that;

**H4;** Mimetic pressure has a significant impact on supplier relationship management.

**Mediating Role of Absorptive Capacity and supplier relationship management with Coercive, Normative and Mimetic pressure**

Recent studies (Rangus & Slavec, 2017) literature predicts the dominant role of three dimensions, Coercive, Normative and Mimetic on absorptive capacity which acts as a mediator and then which further influences Supplier Relationship Management (SRM). These three variables are interconnected and studies show (Ferreras-Méndez, Newell, Fernández-Mesa, & Alegre, 2015) that these variables have positive influence over each other due to their performance and innovativeness and supplier role with technological capabilities. Past studies agree on the definition and multidimensional nature of absorptive capacity. Buyer and supplier relationship incorporate the absorptive capacity in an organization which is based on the external knowledge. According to a recent study (Naqshbandi, 2016), in which the cosmopolitan trade sequence and multinational spare parts distributor companies are the empirical base of the study, a relationship between supply chain, supplier management and institutional dimensions on the common platform of information processing theory (IPT) is developed through influence of Absorptive capacity theory (ACT) (Shafique & Hyder, 2019).

Both of the above theories deal with unstable market expectation. Supplier relation with management and AC develops with the economy. Absorptive capacity is sometimes based on three-dimensional components and also consists of four, dimensional components where it associates itself with social integration mechanism and regimes of appropriateness and activation phenomenon. Consequently, this illuminates the role of absorptive capacity and information/supplier management that is transformed into performance with the help of coercive, normative and mimetic pressure.

According to research (Jacobs, Yu, & Chavez, 2016) AC is defined as the process of obtaining, captivating and utilizing the external knowledge. The function of the mediator role is to collect and assemble the information that is gathered from producers, supplying management and customers and then implementing that knowledge into firm business (Liao & Marsillac, 2015). The research (Meinschmidt, Foerstl, & Kirchoff, 2016) provides comprehensive study related to absorptive capacity and supplier management in the context of IPT model and this model utilizes the information from the performance of specific dimensions related to institutional
pressure. Firm performance in developing their new product is believed to be positively associated with the participation of suppliers in the practice of new development product with the organizational performance depending on the absorptive capacity (Mikalef & Pateli, 2017). Evaluation of absorptive capacity depends on the passing of time where absorptive capacity gradually increases with supplier management. If supplier management becomes efficient, then it develops coercive, normative and mimetic pressure also at the same pace. Supply chain partners influences the role played by supplier relationship management that enables the advancement in information sharing and constructing of information technology infrastructure. The purpose served by the involvement of SRM and AC is that it helps in knowledge creation with the help of partnership configuration and enhances the operational efficiency (Dubey, Gunasekaran, & Childe, 2018). So, this study proposed a hypothesis that;

**H5;** Absorptive capacity has a significant mediating role/impact on supplier relationship management.

**Research Model**

![Research Model Diagram]

**Research method**

This study adopted purposing sampling technique to collect data from the manufacturing firms of Kazakhstan. Information related to these firms were collected from online sources in order to contact with the respective firms. These firms were then contacted in order to gain permission or prior approval from the key representatives of the manufacturing firms. Important information was also been discussed with those representatives regarding purpose and time limitations. Then the questionnaires as adapted from past research were sent through mail to the firms along with the cover letter explaining the main idea and main objective of this research. Some firms, because of their nearness were also contacted by the researcher. These firms were directly contacted, and the researcher handed over questionnaires to the key managers by himself. The targeted respondents were the managers, representatives and personal
considered to be closely related with the institutional pressure dimensions identified. Then after
the designated time, questionnaires were returned. All questionnaires that were sent either
through mail or direct contact. These constructs were then passed through rigorous testing and
reviewed. During this process, some constructs that were incomplete or had missing
information were eliminated, leaving a sample size of 272.

**Measures**

This research adopted survey methods to collect data from the manufacturing firms in
Kazakhstan. Questionnaires were developed to conduct this survey. The items for developing
the questionnaire were adapted from the prior researches related to institutional pressure
dimensions and its efficiency on supplier’s relationship. The questionnaire was divided into
two parts. First part considered general information related to respondents and the firm. It
included their designations, experience, firm size, age, revenue generated and other related
information. Those firms are targeted more that have more than 7 years age. Whereas the
second part considered all the items which are used to measure the institutional pressure
dimensions, like coercive pressure, normative pressure, mimetic pressure mediating variable
absorptive capacity, and dependent variable supplier relationship. The measurement for all
these variables was adopted by previous studies which have good factor loading in the past
studies these all measurement foreground study was obtained by the (Dubey, Gunasekaran,
Childe, Papadopoulos, & Helo, 2019)

**Results and Interpretations**

A total of 300 questionnaires were distributed out of which 290 questionnaires were received
and 272 were deemed usable. So, the overall total complete and usable responses was 272.
Table 1 below shows that there were a total of 99 female respondents and 173 were males.

<table>
<thead>
<tr>
<th>Table 1: Demographic Characteristics (N=272)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profile</strong></td>
</tr>
<tr>
<td>Gender</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Age</td>
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<tr>
<td></td>
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<tr>
<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td>Education</td>
</tr>
<tr>
<td></td>
</tr>
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<td></td>
</tr>
</tbody>
</table>
However, while equivalence was not attained regarding the gender of respondents, the above-mentioned table shows that there are 91 respondents aged 21-30 years, 117 respondents aged 31 to 40 years, 44 respondents aged 41-50 years and 20 respondents above 50 years of age. The demographic variable, education results found that 106 respondents are undergraduates, 114 respondents have a graduate degree and 52 respondents have a masters degree.

**Data Suitability**

To check the suitability of the data, KMO test was run by using SPSS, the finding of the test showed that the data is excellent and further analysis can be performed as reflected in Table 2 below.

**Table 2: KMO and Bartlett's Test**

<table>
<thead>
<tr>
<th>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</th>
<th>.896</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td></td>
</tr>
<tr>
<td>Approx. Chi-Square</td>
<td>7170.689</td>
</tr>
<tr>
<td>df</td>
<td>136</td>
</tr>
<tr>
<td>Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

**Confirmatory factor Analyses**

The test of confirmatory factor analysis is used to identify whether model of this study is a good fit or not. There are 4 to 5 indicators which proved the fitness of the model and their threshold and observed values are presented below in Table 3:

**Table 3: CFA**

<table>
<thead>
<tr>
<th>Indicators</th>
<th>CMIN/DF</th>
<th>GFI</th>
<th>IFI</th>
<th>CFI</th>
<th>RMESA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Threshold range</td>
<td>&lt;3</td>
<td>&gt;.80</td>
<td>&gt;.90</td>
<td>&gt;.90</td>
<td>&lt;.08</td>
</tr>
<tr>
<td>Observed values</td>
<td>2.423</td>
<td>.806</td>
<td>.934</td>
<td>.934</td>
<td>.078</td>
</tr>
</tbody>
</table>

The findings of above table are that all values are under the threshold range, which means that the model of the study is good fit. Following, Figure 2, is a screenshot of CFA;
**Convergent Validity and discriminant validity**

The convergent validity is the reliability of the internal consistency whereas, discriminant validity is the strength of the construct more with itself rather others, see Table 4 below.

<table>
<thead>
<tr>
<th></th>
<th>CR</th>
<th>AVE</th>
<th>MSV</th>
<th>AC</th>
<th>MP</th>
<th>NP</th>
<th>CP</th>
<th>SR</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC</td>
<td>0.969</td>
<td>0.887</td>
<td>0.267</td>
<td>0.942</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MP</td>
<td>0.911</td>
<td>0.895</td>
<td>0.843</td>
<td>0.499</td>
<td>0.912</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NP</td>
<td>0.922</td>
<td>0.895</td>
<td>0.843</td>
<td>0.517</td>
<td>0.879</td>
<td>0.946</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CP</td>
<td>0.901</td>
<td>0.897</td>
<td>0.237</td>
<td>0.417</td>
<td>0.487</td>
<td>0.481</td>
<td>0.907</td>
<td></td>
</tr>
<tr>
<td>SR</td>
<td>0.956</td>
<td>0.814</td>
<td>0.317</td>
<td>0.462</td>
<td>0.563</td>
<td>0.563</td>
<td>0.381</td>
<td>0.902</td>
</tr>
</tbody>
</table>

The findings show that CR for each construct is greater than .70 and AVE is greater than MSV, which prove the convergent validity, whereas other columns prove the discriminant validity of each variable by showing greater strength with itself.

**Structural Equation Modeling (SEM):**

This tool is basically the mixture of factor analysis and multiple regression analysis and it is used to test the hypotheses of the study, in order to check the impact of one construct on others, the path analysis SEM was used. It is a feature of SEM, that it shows the total, direct and indirect relationship between variables in just single path as depicted in Table 5 below.
Table 5: Structural Equation Modeling

<table>
<thead>
<tr>
<th></th>
<th>MP</th>
<th>NP</th>
<th>CP</th>
<th>AC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total effect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC</td>
<td>-.283**</td>
<td>.677***</td>
<td>.214**</td>
<td>.000</td>
</tr>
<tr>
<td>SR</td>
<td>.232**</td>
<td>.209**</td>
<td>.173**</td>
<td>.196**</td>
</tr>
<tr>
<td>Direct effect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC</td>
<td>-.283**</td>
<td>.677***</td>
<td>.214**</td>
<td>.000</td>
</tr>
<tr>
<td>SR</td>
<td>.287**</td>
<td>.077*</td>
<td>.132**</td>
<td>.196**</td>
</tr>
<tr>
<td>Indirect effect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>SR</td>
<td>-.055*</td>
<td>.133**</td>
<td>.042</td>
<td>.000</td>
</tr>
</tbody>
</table>

Note: * p < 0.01, ** p < 0.05, *** p < .00.

The result of the above Table shows that coercive pressure has 13.2% positive and significant direct impact on supplier relationship. Normative pressure has 20.9% total positive and significant impact on supplier relationship. The direct impact of mimetic pressure on supplier relationship is 28.7%. Findings also show that absorptive capacity has significant mediating role between normative pressure, mimetic pressure and supplier relationship, whereas insignificant mediating role is evidenced between coercive pressure and supplier relationships. Below mention picture showing the structural equation output;

[Diagram showing structural equation model]

This figure shows that the correlation between MP and CP is 48 percent, between MP and NP is 98% and between MP and CP is 46%. Moreover, this figure shows the path relationship and standardized coefficient of each relationship. For example, CP has 21% positive and direct impact on AC and NP has 68% positive and direct impact on AC. Whereas, MP has 29% negative and direct impact on AC. The direct impact of CP on SR is 13% the direct impact of
NP on SR is 8% which is insignificant, and the direct impact of MP on SR is 29%. Lastly, the direct impact of AC on SR is 20%.

Discussion and Conclusion

Discussion

The aim of this study was to analyse the impact of IDPs on SRM with the mediating role of Absorptive Capacity (AC) in the manufacturing sector of Kazakhstan. The first hypothesis was, that Coercive Pressure (CP) has a significant impact on SRM and the results of this study have proven that this hypothesis is accepted and is true. Christina W.Y.Wong, in her article on SRM concluded that CP is applied by an external organization that is the organization of the supplier and the pressure is being applied on the customers or the manufacturing sector of Kazakhstan and this completely fits in the example of CP (Hoejmose, Grosvold, & Millington, 2014).

Christina W.Y.Wong’s second hypothesis is that Normative Pressure (NP) has a significant impact on SRM, and this is also evident from the research work of Katri Kauppi, who, while working on covering the use of institutional theory concluded that the patterns that are practiced while education is instilled in the organization and they affect the working of an organization and ultimately how they practice SRM activities (Zeng, Chen, Xiao, & Zhou, 2017). The third hypothesis (Christina W.Y.Wong) was that Mimetic Pressure (MP) has a significant impact on SRM and that is true, as also evident from the research work of Katri Kauppi, that any organization will try to imitate the one that is working in a better setup than it, so with MP organizations can update their old methods of SRM by adopting the setup of a better organization (Dubey, Gunasekaran, & Ali, 2015).

The fourth hypothesis is that AC has a significant mediating role between CP and SRM, it is accepted because, Antonio L. Leal-Rodríguez in his research paper of innovation and cultural barriers explained that, AC is the ability of a firm to absorb new information and data and to digest that information and then implement that idea on the firm at a larger scale for betterment of present policies and for creating new ones, so if CP is absorbed through AC and applied to SRM the impact of CP on SRM will enhance (Roberts, Galluch, Dinger, & Grover, 2012). The fifth hypothesis is that there is a significant mediating role of AC between NP and SRM, which is also accepted. Huixiang Zeng (2017), in his study of institutional pressures, concluded that the NP exerts the forces of norms being educated in that firm and AC assimilates it and enhances its effect on SRM (Lewin, Massini, & Peeters, 2011). The sixth hypothesis is that AC has a significant mediating role between MP and SRM and this is accepted. Huixiang Zeng in his research work concluded that mimetic pressure, when applied through absorptive capacity, will make a firm to adopt better ways to implement SRM strategies (Kostopoulos, Papalexandris, Papachroni, & Ioannou, 2011).
Conclusion

This research was a study of the implementation of SRM in the manufacturing sector of Kazakhstan. Information was collected from that sector using a structure equational model which led to the acceptance of the derived hypotheses. The findings were that absorptive capacity significantly mediates between CP, NP, MP and SRM, and that CP, NP and MP have a significant impact on the improvement of SRM. Thus, the purpose of the study which was to analyse the effects of IDPs on SRM in the manufacturing sector of Kazakhstan is fulfilled.

Implications

This study has

- Enhanced the literature material of the mediating role of absorptive capacity and the effects of IDPs
- Benefited the manufacturing, service and trade sector for the betterment of SRM in Kazakhstan
- Enabled government to work for the betterment of SRM and the gauging of IDPs

Limitations and future research implications

- The sample size was small and future research could be conducted on a larger scale
- In the future, the research context area could be outside of Kazakhstan and not a country from the ASEAN group
- Data could be collected from various sources in the future as in this study it was limited to a specific area
- Different levels of commitment could be taken as a mediator next time instead of AC
REFERENCES


