IMPACT OF EMPLOYEE COMMITMENT ON SUPPLY CHAIN INTEGRATION AND OPERATIONAL PERFORMANCE: IN CONTEXT TO MANUFACTURING FIRMS

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Abstract

The concept of Supply Chain Integration (SCI) is being widely used around the globe. Companies know that an efficient supply chain can do wonders in terms of firm performance. Firm performance can be classified into two divisions, first the financial performance and second the operational performance. Operational performance basically is about the effective and efficient utilization of resources to get maximum advantage, supply chain also has a similar aim. Supply chain integration and operational performance are directly linked and various studies prove the positive impact that exists. In addition to this core relationship there are many other factors that might have an impact on this relationship. Out of all those various factors, this study focuses on Employee Commitment and its impact on relationship of integration of supply chain and operational performance of a firm.

Keywords*:* Supply Chain Integration, Operational Performance, Employee Commitment

Introduction

Overview and Background:

Employee Commitment (EC) is basically the extent to which an employee feels the ownership or belongingness with the firm that he/she works in. When EC is high, employees believe that their firm is an organization which is worthy of being working for plus they are proud to be the part of that organization. This attitude results in improved overall performance, employees tend to accept multiple tasks and develop core competencies at a faster pace which eventually results in higher productivity and increased levels of responsibility (Kuo, 2013).During late 50s and early 60s, companies emphasized on producing goods that can be categorized as basic necessities and were committed to produce such goods at a cheaper price. In order to achieve this, companies adopted mass production as a strategy and there was almost no attention of companies towards product development. As it was post world war two scenario, people of that era also were only concerned about fulfilling the basic needs. Approaching potential customers to get information about the products they need or prefer was considered a risk as the consumers were not in that frame of mind which would allow them to think about variations in basic necessity products or luxurious product.

In 1970s companies started to approach customers to get to know about their preferences and concepts such as inventory management and manufacturing resources planning started to emerge as the companies realized that to be cost effective they have to utilize their resources to the maximum.1980s was the era of global competition. It was by this time companies realized that to be ahead they have to provide a product of high quality and reliability and that too at a lower cost. As the competition increased, companies started to reach out to their existing and potential customers in order to know their expectation better so that they could shape their product accordingly. Along with focusing on the customer's needs, wants and preferences, companies also started to realize the importance of having strategic relationship with their suppliers. The definition of supply chain is basically a set of companies that pass materials forward until it reaches its final consumer. Several companies are of core importance in this journey of materials such as raw material producers, assemblers, distributors, wholesalers, retailers and logistics firms (Rafaela Alfalla-Luque, 2014).All such companies are identified as a member of supply chain and to manage the entire process effectively and efficiently in order to provide the product to final consumer at the right place, right time and right price is known as Supply Chain Management (SCM).

The most essential element of SCM is the fluency of information between supply chain members. As the concept of globalization started to prevail, organizations soon understood that it is not enough to just have smooth operations within the company but it is equally important to efficiently manage the entire supply chain to have a competitive edge over the competitors. Organizational Performance is a wide term which is generally used to sum up Financial

Performance and Operational Performance of a firm in one word. Financial Performance evaluates firm's profitability and market share, while operational performance has two bifurcations, first is performance in serving its customer and second is firm's perception of its key supplier's performance (Baofeng Huo, 2015).

Problem Statement:

In today's era of globalized business, Supply Chain Integration (SCI) has been explored in various dimensions and its effects have been seen on the overall performance of an organization (Graham Stevens, 2016; Balram Avittathur, 2016). Adding more to core concept of SCI, there are other elements that might affect the SCI and eventually affect the operational performance of an organization. This research aims to identify what difference a committed employee will make on the SCI and operational performance. There is a similar research that was conducted earlier in a different market (Rafaela Alfalla-Luque, 2014; Baofeng Huo, 2015). This research aims to apply the similar model and analyze the impacts it has on companies operating in Pakistan and specifying to manufacturing firms operational in Pakistan.

Research Objective:

Most of organizations nowadays are well aware about the utilization of supply chain practices. Through this research I aim to:

- Identify the role of a committed employee on supply chain integration
- Understand how both the elements work together to improve the overall operational performance of an organization.

Scope of the Research:

Supply Chain Integration is in practice globally and there are many companies that are very much familiar with this concept are practicing it in their business operations, but majority of the companies are not aware about the other factors that might have an impact on the supply chain integration and eventually on the operational performance of a company. This research discusses about one such external factor, i.e. Employee Commitment, and its impact on the supply chain integration and operational performance. This research aims to help such companies to develop an understanding of this concept along with an insight on how other external factors can have an impact on a concept that they are already very much familiar with.

Literature Review

Employee Commitment:

Employee Commitment is essential for employers nowadays. An organization that faces difficulty to retain competent employees will also face difficulties to reach the optimal performance level. This basically happens because when a company goes through the recruitment process it has to bear the cost along with the time and productivity loss that will happen during the induction process and training of a new employee to become an effective part of the firm. Some of the benefits of high employee commitment include increased job satisfaction and job performance resulting in retention of competent employees, increased sales, increased customer satisfaction, improvement in internal co-ordination and an increase in the motivation to work for the betterment of the organization (Baofeng Huo, 2015).

Supply Chain Integration:

Keeping the broad definition of supply chain that it is a process that starts from the source moves to the making and then to the delivery, I argue that supply chain integration can be divided into three major dimensions, internal integration, customer integration and supplier integration. Internal integration basically means the co-ordination of people working within an organization, co-ordination between employees, between top management and employees and inter-department co-ordination. Consumer integration basically means how important are the customers' feedbacks and preferences are for the organization, the extent to which they consider customer's opinion in their operations and in their products as well. Supplier Integration can be summed up as creating strategic relationships with the supplier to ensure smooth availability of good quality and cost effective raw material(s). Although a few studies divide the concept of supply chain integration into two broad dimensions that are internal integration and external integration. Factors such as information sharing, co-ordination, management of demand and developing relationships are essential elements of internal integration and external integration concepts (Baofeng Huo, 2015; Graham Stevens, 2016).

Operational Performance:

Company performance basically includes two categories. First is financial performance and the second is operational performance. Operational performance has two further bifurcations, first is customer-oriented performance and second is supplier-oriented performance. Customer-oriented performance includes the ability of a company to manage its customers, understanding the growing needs of the markets and the capacity to respond to the needs with appropriate product at the right time and right place. Moreover customer-oriented performance includes measurement of how effective is the firm in providing quality, flexibility and ease in accessibility to their key

customers (Kuo, 2013). Supplier-oriented Performance is basically about the durability and reliability of the relationship of the organization with its suppliers. Through this, an organization knows whether the supplier(s) are capable of handling their requirements with the growing needs of the market or not. Even if they can manage the requirements, are the suppliers capable of providing quality, flexibility and ease in accessibility to the organization or not.

Employee commitment and Supply Chain Integration:

Employee Commitment basically refers to the intensity of the feeling of attachment and belongingness that an employee has towards his/her company. A highly committed employee might feel that the company he works in is the best. He will be much more motivated and passionate about his work and will have a firm belief that he has to contribute his efforts so that the company grows. Supply Chain Integration (SCI) is being studied for more than a decade and many theories have been developed but the core elements of SCI are more or less same. Factors such as strategic relationships with suppliers, collaboration and co-ordination within an organization as well as between supply chain partners such as manufacturers, vendors and customers are associated with the core purpose of supply chain. Studies suggests better the co-ordination between supply chain partners helps in bridging gaps in providing customers what they want at the right time (Baofeng Huo, 2015). Some SCI definitions focus on the flow to material, information, and other resources. This outlines the three elements of supply chain integration that are; internal integration, supplier integration and customer integration. SCI narrows down to having emphasis on providing maximum value to the customer. Some researches show a relationship between employee commitment and supply chain integration. As supply chain is about the coordination of members of supply chain and employee is one of the partners of that supply chain. A committed employee will have an impact on the efficiency of the supply chain (Rafaela Alfalla-Luque, 2014).

Relationship of Supply Chain Integration and Operational Performance Internal Integration:

Understanding customers is possible when a company is internally integrated. This information can help companies in developing and designing new products, briefing the supply chain partners and to create strategic alliances. It is essential for a business to work to meet the expectations of the customer in a dynamic business environment and it is only possible if the internal functions are in complete sync. The core element of any business is customer retention and it is only possible if a business is able to understand and work on the information provided by the customers through feedback. Immaculate inter-departmental coordination can utilize the feedback information to reap maximum benefits. Moreover, internal integration is a helpful tool while new product development through effective coordination between departments like R&D, productions, marketing, advertising and finance. Better coordinated teams' results in improved delivery performance, flexible performance and customer service (Graham Stevens, 2016).

Improved inter organization coordination helps in generating new ideas. Implementation of new ideas may require enhancing or modifying the raw materials that are currently being used. To achieve this, effective communication within the organization results in improved information sharing with the suppliers, developing partnerships with the suppliers, joint planning for new product development with the suppliers. Better coordination will bring the organization and their suppliers on a same page to effectively work on their changing demands as far as raw materials are concerned (Jennifer Blackhurst, 2014). A well-coordinated organization and supplier can discuss various factors such as if there are to be made any changes in the quality standards of the raw material(s) the organization currently purchases, changes in basic raw materials, changes in technology to make a raw material that are being used, more cost effective ways to produce the required raw material and if any addition has to be made in the components used to make the raw material. Most of the researchers identified that there is a significant relationship between internal integration and operational performance, including cost, quality, delivery, and flexibility, innovation, process efficiency, time-based performance and logistics service performance (Thai, 2017)**.**

Supplier Integration:

The manufacturing firms these days are very much focused on cashing their core competences rather than trying an experiment. This approach has made them cautious and the now strongly rely on strong strategic relationships with the supplier. A researcher identified that the term strategic supplier relationship can be divided into three different aspects. First, companies nowadays prefer to develop long-term relationships with the supplier instead of short-term deals. This is because when in a long-term relationship suppliers are well tuned and well aware of the requirements of the company which makes it easy and smooth for the company to work with them and to get desired raw materials as per their preference and that too without any hassles. Secondly, Firms nowadays prefer a short base of suppliers rather than a large on because it's manageable plus the business in not divided among various suppliers, it is being given to a few suppliers that may result in increased volume. If an organization orders goods in large quantities, then they could also bargain on price. This may result in supplier lowering the price to keep business intact and the organization enjoys economies of scale. Suppliers tend to look in a long term perspective and reduce the prices so that their relationship with the firm strengthens which could eventually lead to further increase in volume. Lower priced raw material can help the organization to be cheaper than the competitors. Third, suppliers are involved in firm's operations and are considered an important part for the organization. This attitude helps in enhancing the supplier relationship into a strategic alliance. This change has led to various ways of collaboration, including joint improvement program, early supplier integration in product design, and profit and risk sharing (Cigdem Ataseven, 2017). Existing literature shows that Supplier Integration results in better performance of an organization. The Supplier Integration can improve communication and

coordination with the supplier which could benefit the firm in context of better products, better price and better logistics solutions. A researcher concluded that companies with better supplier integration tend to have a better operational performance (Rafaela Alfalla-Luque, 2014)**.**

Customer Integration:

Customer integration is the extent to which customers and their feedback is incorporated in business operations, policies and product design. This type of integration is essential for departments such as marketing, product development and supply chain. Its marketing teams forte to reach out to existing customers for their feedback and to modify the product accordingly. This modification can help them transform potential customers to actual customers. Then this information is considered while designing a new product and then the supply chain comes in the picture to actually execute the changes and delivering the modified or new product. A study suggests that there seems a link between customer integration and internal integration but it may vary from one industry to another. Close interaction between a firm and its customers helps in getting accurate information and accuracy in such information can lead to better and rapid product designing, improved production planning, better direction for R&D, faster and innovative products launch that could make an organization a market leader. Internally it can benefit by making the company operations more efficient, effective and smooth plus make the firm highly responsive towards changes in customers' needs (Thai, 2017; Yinan Qi, 2017).

I went through a study which states that there is no impact of customer integration and operational performance (Thai, 2017). But there were some studies that showed a positive relationship between customer integration and operational performance (Baofeng Huo, 2015). Furthermore, a study suggested that customer integration have a direct an positive impact to improve time for a product to reach market, time to produce a product and responsiveness and some studies suggests customer integration doesn't only have a significant relationship with operational performance but it also directly related to quality and innovative performance of a firm as well as improves product performance (Rafaela Alfalla-Luque, 2014).

Relationship of Employee Commitment and Operational Performance:

Employee Commitment is basically the importance of the company in the mind of an employee. Higher level of importance will result in higher sense of belongingness to the company that will eventually result in better performance of the employee. Committed employees think that the company is worth working for and this thinking enables them to achieve more and eventually leading to an increase in the overall performance of the company. Studies conducted previously, shows that there is a mediating and direct impact of EC on operational performance as well as on the financial performance of a firm (Rafaela Alfalla-Luque, 2014).

Relationship of Employee Commitment, Supply Chain Integration and Operational Performance:

Many researches consider EC as important element that has a direct impact of the supply chain which leads to an impact on the companies' operational performance. Most SCM Frameworks, including the framework developed by the Global Supply Chain Forum (GSCF) emphasizes on the business partner relationship, ignoring the importance of integrating internal employee. However, it is essential for supply chain model to integrate the internal employees for the company to experience measureable improvement in the operational performance. When considering the aspect of integrating internal employees, it also important to know the level of satisfaction of the internal employees. If satisfied employees are a part of a company workforce, then that result in efficient supply chain model which will lead to better operational performance (Rafaela Alfalla-Luque, 2014).

Research Methodology

Methods of Data Collection:

This research was conducted using survey methodology. Both qualitative and quantitative techniques were implemented while conducting this research. Various research articles and papers were cited in order to gather material to support the research model and background. Material used was used to support the possible aspects of employee commitment, supply chain integration and operational performance of an organization. To justify the hypothesis developed here in this report primary data is also been extracted through questionnaire for which employees associated with manufacturing firms were targeted.

Sampling Techniques:

Total population for this study was the employees of Yunus Textile Mills, Pak Hua Industries, Gul Ahmed Textiles, Orient Energy Systems and City Packages. Specifically, those employees who are working in HR, Marketing, Sales, Supply Chain, and Customer Support and logistics departments. I basically targeted employees associated with customers, suppliers and employees. Total of 700 employees add up to be the total population for this research and sample was selected randomly.

Sampling Size:

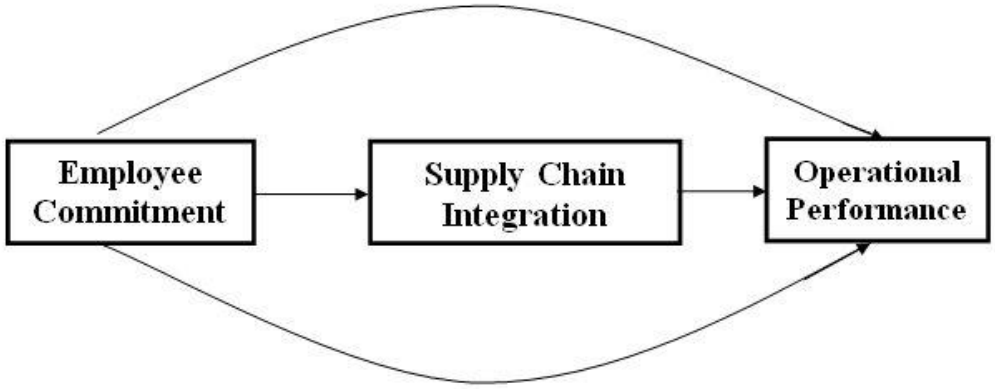
Analyses of 278 employees associated with associated with commercial, sales and supply chain department were randomly selected. All the people that took part in this research have industrial experience and are part of a main stream organization. According to "Sudhanand Prasad Lal Professor at Dr. Rajendra Prasad Central Agricultural University, Pusa (2018)", for accurate

and meaningful result, sample size must be 10 times of total number of questions. Questionnaire for this research consist 24 questions so sample size as per Sudhanand Prasad Lal Professor should be 240. For this research the sample size was 278.

Instruments of Data Collection:

Questionnaires were used to gather data from the employees were the source for primary data collection. The level of agreement of the respondent was indicated for each scale item using the Like scale with the categories: 'strongly agree', 'agree', 'neutral', 'disagree', 'strongly disagree.

Research Model:



Statistical Technique:

Various statistical techniques were used to test and analyze the data and summarize results. The software used for this research was Microsoft Excel, SPSS and Amos Graphics. The statistical techniques used to analyze different hypothesis are regression, structural equation modeling (SEM) using Confirmatory Factor Analysis (CFA).

Results & Analysis

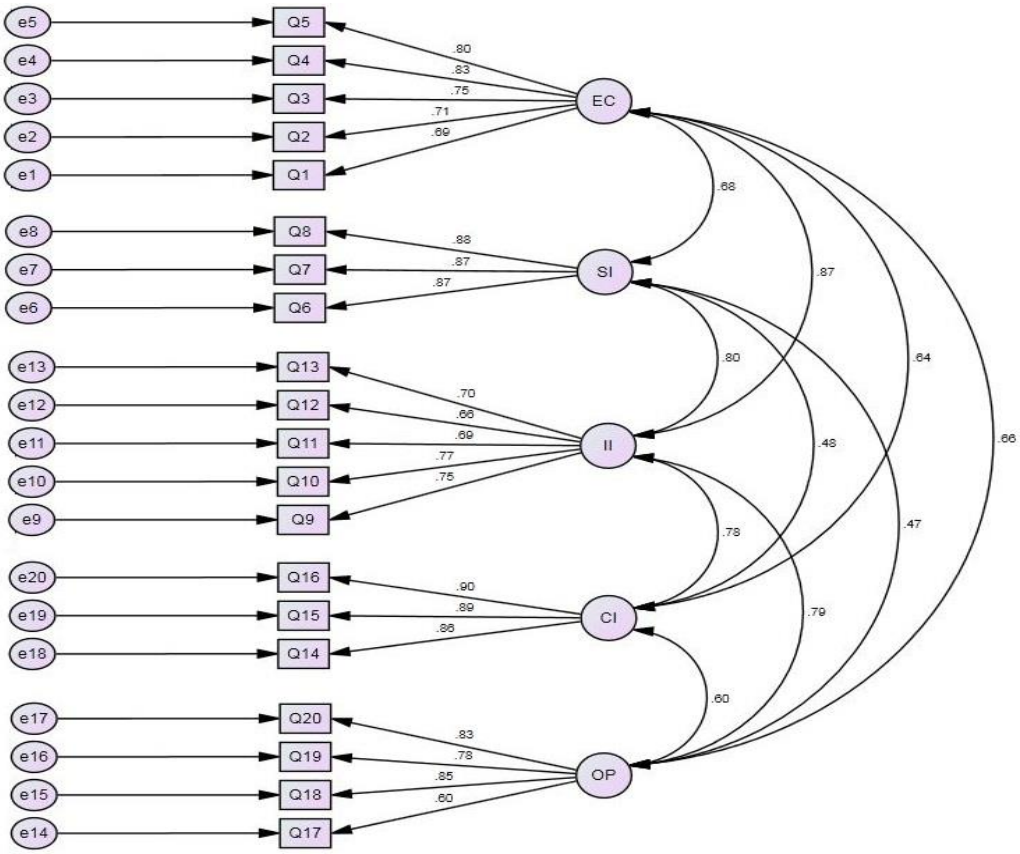
Descriptive Statistics (Demographics)

The population was classified into 4 categories, gender, age, and education and working experience. Majority of the population consists of males. The major two age groups are 21 to 30 years and 31 to 40 years. Majority of the population are qualified to the bachelor's level. Majority of the population consists of people with more than 10 years of working experience.

Conformity Factor Analysis

DEMOGRAPHICS	PARTICULARS	FREQUENCY	PERCENTAGE
GENDER	Male	197	71%
	Female	81	29%
AGE	Below 20 yrs	0	0%
	21 to 30 yrs	105	38%
	31 to 40 yrs	90	32%
	41 to 50 yrs	51	18%
	51 and above	32	12%
EDUCATION	Matric	0	0%
	Intermediate	0	0%
	Bachelors	186	67%
	Masters	92	33%
	Diploma certificate	0	0%
	Other	0	0%
WORKING EXPERIENCE	Less than 1 year	2	1%
	1-3 years	60	22%
	4-6 years	55	20%
	7-10 years	72	26%
	Above 10 years	89	32%
TOTAL		278	100%

Graphical representation of CFA Model:



There were three variables under limelight for this research, the first one was employee commitment, second was supply chain integration which was bifurcated into three sub-variables that were, supplier integration, internal integration, and customer integration, and the third variable is operational performance

Construct Reliability and Validity:

Construct/Indicators	Standardized Factor Loading (CFA-AMOS)	Construct Reliability		Construct Validity		
				Convergent Validity	Discriminant Validity	
		Cronbach's Alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)	Maximum Shared Variance (MSV)	Average Shared Variance (ASV)
EMPLOYEE COMMITMENT						
Employee Commitment 1	0.69				0.68, **0.87**, 0.64, 0.66	
Employee Commitment 2	0.71					
Employee Commitment 3	0.75	0.894	0.870	0.574	0.757	0.516
Employee Commitment 4	0.83					
Employee Commitment 5	0.80					
SUPPLIERS INTEGRATION						
Suppliers Integration 1	0.87				0.68, **0.80**, 0.48, 0.47	
Suppliers Integration 2	0.87	0.903	0.906	0.763	0.640	0.388
Suppliers Integration 3	0.88					
INTERNAL INTEGRATION						
Internal Integration 1	0.75				0.80, **0.87**, 0.78, 0.79	
Internal Integration 2	0.77					
Internal Integration 3	0.69	0.863	0.839	0.511	0.757	0.6574
Internal Integration 4	0.66					
Internal Integration 5	0.70					
CUSTOMER INTEGRATION						
Customer Integration 1	0.86				**0.78**, 0.48, 0.64, 0.60	
Customer Integration 2	0.89	0.913	0.914	0.781	0.608	0.402
Customer Integration 3	0.90					
OPERATIONAL PERFORMANCE						
Operational Performance 1	0.60				0.60, **0.79**, 0.47, 0.66	
Operational Performance 2	0.85	0.844	0.852	0.595		0.410
Operational Performance 3	0.78				0.624	
Operational Performance 4	0.83					
Reliability and Construct Validity Thresholds: [Suggested by Fornell and Larcker (1981)]		$\alpha > 0.70$ (Nunnaly,196	CR > 0.70	i) AVE > 0.50 ii) CR > AVE	MSV < AVE	ASV < AVE

Cronbach's Alpha value for all the variables met their respective threshold of being greater than 70%. This donates that the questions associated with each variable were sufficient to get a reliable result and portrays a complete picture in totality with respect to their variable. Values for

Suppliers Integration and Customer Integration have crossed 90% which means the questions were best to get a complete picture. There is not a huge difference between the values of Cronbach's Alpha and Composite Reliability which proofs the reliability of the results derived from the collected data and shows a strong relevance with the respective variable.

Average Variance Extracted (AVE) denotes the relevance of the questions with their variable.AVE also met the required threshold for all variables. The values are greater than 0.50 and lesser than the values of composite reliability. This shows that the questions asked were related to the variables they belong to. Values for suppliers and customer integration show maximum relevance of questions with variable. Maximum Shared Variance (MSV) meets its threshold for two of the variables, supplier's integration and customer integration and is exceeding the threshold for the three variables. Average Shared Variance (ASV) is as per the threshold for all variables except for internal integration. This denotes that the reliability of the questionnaire in accordance with the research and its objectives.

Model Fitness:

Model Fitness Indices Threshold:

MODEL FITNESS INDICES (Thresholds)						
Chi-Square/df	P.Value	Goodness-of-Fit Index (GFI)	Average Goodness-of-Fit Index (AGFI)	Comparative Fit Index (CFI)	Tucker-Lewis Index (TLI)	Root Mean Square Error of Approximation (RMSEA)
less than 3	greater than 0.00	Greater than 0.90	Greater than 0.90	Greater than 0.90	Greater than 0.90	less than 0.08

Initial Model Fitness

MODEL FITNESS INDICES (INITIAL)						
Chi-Square/df	P.Value	Goodness-of-Fit Index (GFI)	Average Goodness-of-Fit Index (AGFI)	Comparative Fit Index (CFI)	Tucker-Lewis Index (TLI)	Root Mean Square Error of Approximation (RMSEA)
3.138	0.000	0.841	0.791	0.914	0.898	0.088

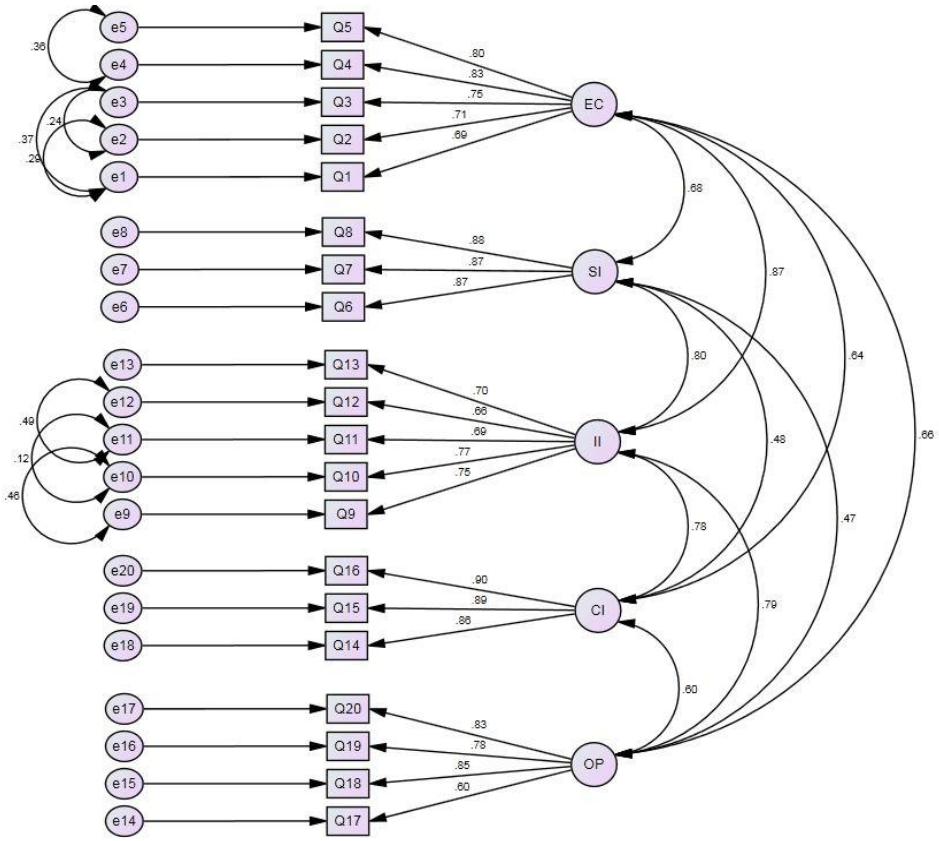
Initial model fitness shows that the threshold can only be met for P. Value and Comparative Fit Index (CFI). Chi-Square/df is 3.138 but it should be below 3, Goodness of Fit Index (GFI), Average Goodness of Fit Index (AGFI) and Tucker-Lewis Index (TLI) should have been greater than 0.90 but are not. Root Mean Square Error of Approximation (RMSEA) should be less than 0.08 but currently it is a little bit over the required threshold.

Modification in Model Fitness:

As most of the indices of initial model fitness failed to meet the threshold, modification indices was run and co-variances were created between errors identified. A total of 7 co-variances were created. A covariance between E1 & E2, E1 & E3, E2 & E3, E4 & E5, E9 & E10, E10 & E11, and E11 & E12 were created and the results derived post modifications are as follows:

MODEL FITNESS INDICES (POST MODIFICATION)						
Chi-Square/df	P.Value	Goodness-of-Fit Index (GFI)	Average Goodness-of-Fit Index (AGFI)	Comparative Fit Index (CFI)	Tucker-Lewis Index (TLI)	Root Mean Square Error of Approximation (RMSEA)
2.056	0.000	0.899	0.861	0.959	0.949	0.062

Graphical Representation of Modification Co-Variances in CFA Model:



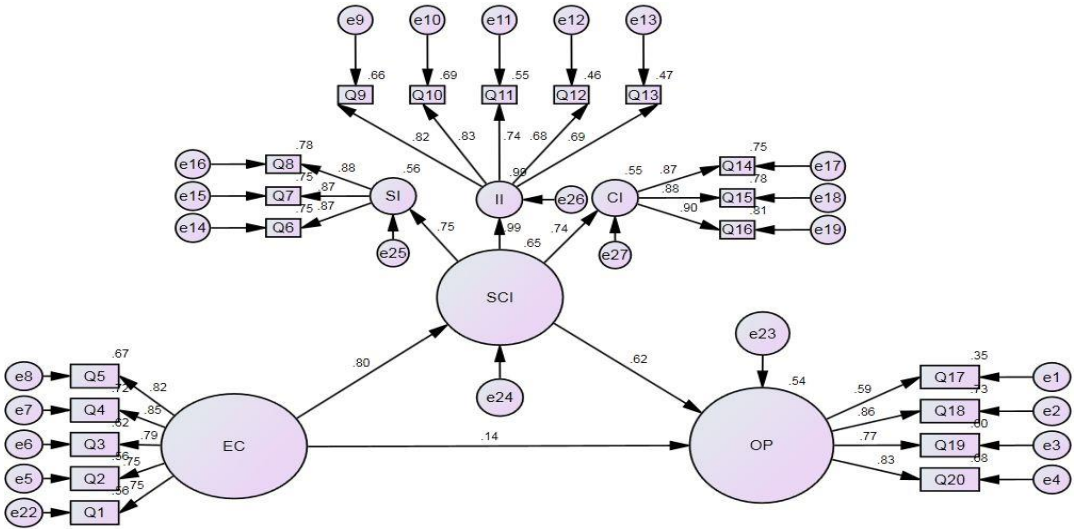
Values of model fitness post modification shows significant improvement. Chi-Square/df is 2.056 (less than 3), P. Value remains 0.000, Goodness-of-Fit Index is almost in accordance with the threshold of 0.90, Comparative Fit Index is in a much better position as compared to the results

of the initial model fitness, Tucker-Lewis has also improved plus Root Mean Square Error of Approximation which was just over the threshold initially, now is in accordance to the threshold. The only value that fails to reach the threshold level is Average Goodness of Fit Index (AGFI) which needs to be greater than 0.90 but even after modification it is 0. 861.Hu and Bentler (1999) gave these thresholds for model fit indices;

Measure	Threshold
Chi-square/df (cmin/df)	< 3 good; < 5 sometimes permissible
p-value for the model	> .05
CFI	> .95 great; > .90 traditional; > .80 sometimes permissible
GFI	> .95
AGFI	> .80
SRMR	< .09
RMSEA	< .05 good; .05 - .10 moderate; > .10 bad
PCLOSE	> .05

On the grounds of this reference, with the value 0.861 for AFGI after modification I consider this model fit as the threshold provided by Hu and Benter is greater than 0.80

Hypotheses Testing:



Regression Weights	B	P-Value	Results
EC → SCI	0.80	0.000	Accepted
EC → OP	0.14	0.184	Rejected
SCI → OP	0.62	0.000	Accepted

Based on the hypothesis testing, Employee Commitment has a significant impact on Supply Chain Integration and (SCI) has a significant impact on operational performance. However, Employee Commitment does not have an impact on Operational Performance.

Mediating Effect

Indirect Effects:

Indirect Effects - Two Tailed Significance (BC) (Group number 1 - Default model)

	EC	SCI	II	CI	SI	OP
SCI	...	...	...	...	...	...
II	.003	...	...	...	...	...
CI	.002	...	...	...	...	...
SI	.003	...	...	...	...	...
OP	.002	...	...	...	...	...

Direct Effects:

Direct Effects - Two Tailed Significance (BC) (Group number 1 - Default model)

	EC	SCI	II	CI	SI	OP
SCI	.003	...	...	...	...	...
II	...	.002	...	...	...	...
CI	...	.002	...	...	...	...
SI	...	...	...	...	...	...
OP	.305	.002	...	...	...	...

The above two table shows the significance of direct and indirect effect of Employee Commitment on Operational Performance. As the P-Value of EC to OP in indirect effect is less than 0.05, there is an indirect effect. And as the P-Value of EC to OP in direct effect is greater than 0.05 thresholds, this states that there is no direct effect. This means a full mediation exists between employee commitment and operational performance.

Conclusions, Discussions & Recommendations

Conclusion and Discussions:

The aim of this research was to take a step ahead of the traditional approach of researches measuring the impact of a fully integrated supply chain on the performance of a company. There are various other factors that might have an impact on the supply chain integration and operational performance and out of various other factors this research focused on the factor of employee commitment. The purpose of the research was to identify the impacts of a committed employee on the performance of the members of the supply chain and as well as the performance of the

organization. Two authors have previously worked on this topic, Rafaela Alfalla-Luque, Juan A. Marin-Garcia, Carmen Medina-Lopez in their study "An analysis of the direct and mediated effects of employee commitment and supply chain integration on organizational performance (2015)" and Baofeng Huo, Yuxiao Ye, Xiande Zhao, Yongyi Shou in their study "The impact of human capital on supply chain integration and competitive performance (2016)". Although these studies were conducted in an environment with different demographic, economic and social conditions, but the results are the same. In these studies, as well there is a significant impact of employee commitment and supply chain integration which eventually leads to an impact on operational performance.

Employee Commitment was the Independent variable in the study, Operational Performance was the Dependent Variable whereas Supply Chain Integration in the Mediating Variable that was further divided into three sub-variables, Supplier Integration, Customer Integration and Internal Integration. Data was collected through questionnaires from working professionals of huge firms operating in Karachi – Pakistan. On the grounds of the date collected and the results acquired from testing it has been established that there is an impact of employee commitment on supply chain integration which leads to an impact on the operational performance of the firm.

Limitations and Recommendations:

There are various other factors that might have an impact on supply chain integration and operational performance. This study focused on just a single element although there are various factors related to human resources that might influence the behavior of employees. Furthermore, this study was limited to a few companies in a single geographical location. This research is confined to a single city of a country. As this was a study conducted by a student, lack of expertise and time constraints might have influenced the quality of the study. Recommendations for future researches will be to explore other factors of human resources or any other discipline that might affect the operational performance of a company. Future researchers may expand the horizons of the research by incorporating further companies from different cities of Pakistan to ensure results that can be generalized for the entire country.

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