A Study of Supplier Selection Factors for High-Tech Industries in the Supply Chain

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## Abstract

Amid the intensive competitions among global industries, the

relationship between manufacturers and suppliers has turned from antagonist to cooperative. Through partnerships, both parties can be mutually benefited, and the key factor that maintains such relationship lies in how manufacturers select proper suppliers. The purpose of this study is to explore the key factors considered by manufacturers in supplier selection and the relationships among these factors. Through literature review, eight supplier selection factors, including price response capability, quality management capability, technological capability, delivery capability, flexible capability, management capability, commercial image, and financial capability are derived. Based on the theoretic foundation proposed by previous researchers, a causal model of supplier selection factors is further constructed. The results of a survey on high-tech industries are used to verify the relationships among the eight factors using structural equation model (SEM). Based on the empirical results, conclusions and suggestions are finally proposed as a reference for manufacturers and suppliers.

Keyword: Partnership, Supplier selection factor, Structural equation model