Impact of Strategic Supplier Partnership on Logistics Outsourcing Performance with Mediating Role of Logistics Outsourcing Practices: Evidence from Pakistan's Textile Sector

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Abstract

In todays fast-paced and internationally connected business environment, effective supply chain management stands at a strategic significance in most sectors with high operational complexity and global competition. This study is aimed at the investigation of the effect of Strategic Supplier Partnerships (SSPs), which act as predictor variables, on Logistics Outsourcing Performance (LOPR), while Logistics Outsourcing Practices (LOP) are examined as the mediating variable. Anchored on the Social Exchange Theory (SET), the study investigates how long-term, trust-based relationships with suppliers impact the quality of logistics outsourcing with outcomes in Pakistan's textile sector-an important sector in the national economy yet has much of logistical inefficiencies and external uncertainties. The study is a quantitative research design and analysis is done using Partial Least Squares Structural Equation Modeling for data modeling. The study collected responses from supply chain professionals of clothing manufacturing firms in Pakistan. The results demonstrated that SSP jointly enhances LOP and LOPR. In addition, LOP partially mediates the relationship between SSP and LOPR, which implies that strong outsourcing practices are the channel by which strategic partnerships would provide benefits on performance.

The results provide contributions both theoretically and practically. For instance, theoretically, the study adds to supply chain literature regarding the relational and operational dimensions contained in outsourcing effectiveness. In practice, this provides actionable insights for managers targeting authoritative strength in supplier collaboration by optimizing third-party logistics. This emphasizes the essentiality of strategic relational investments and a structured outsourcing framework within the decision channel in making performance difference in emerging market of supply chains.

Keywords: *Strategic Supplier Partnership, Logistics Outsourcing Practices, Logistics Outsourcing Performance.*

1. Introduction

Supply chain management is a today major determinant of organizational success in the context of a globalized and highly competitive business environment (Jahanbakhsh Javid & Amini, 2023). One of the key constructs in achieving supply chain excellence is establishing Strategic Supplier Partnerships (SSPs), which are long-term collaborative associations with key suppliers created to deliver mutual benefit through improved cost efficiencies, innovations, responsiveness, and quality enhancements (Rasib et al., 2021; Shtawi et al., 2023). These partnerships are most necessary in complex, high-uncertainty industries such as the textile sector in Pakistan. The textile industry is the backbone of Pakistan's economy, contributing about 60% to total exports and employing a large percentage of the labor force (A. Raza, 2025). However, persistent problems such as a rise in operational costs second to none, lack of technological advancement, fluctuation in demand, and inefficiencies in the logistics and distribution systems are met by this sector. According to Andrejić & Pajić, (2024) many firms have resorted to the fate of logistics outsourcing to attain strategic improvements in operational flexibility, costs, and performance in deliveries. Logistics outsourcing can be understood as hiring third-party logistics (3PL) to take care of one's logistics function, such as transportation, warehouse management, and distribution.

Even though it achieves benefits, the effectiveness of outsourcing logistics functions generally depends on the quality of relationships with special suppliers. Effective SSPs are likely to improve co-ordination, trust, and, consequently, the degree of smooth functioning of outsourced logistics activities (Ominde, 2024). Intermediate mechanisms, specifically logistics outsourcing practice- i.e., contract management, service level alignment, and performance monitoring are also critical mediators in terms of bringing the strategic value of partnerships to work for performance improvement outcomes (Kalubanga & Namagembe, 2022; Thongrawd et al., 2020). Despite the international rising body of research on supply chain relations, there is hardly any empirical evidence that investigates this phenomenon within developing economies, especially Pakistan's textile sector. It is essential for firms within this very important industry to understand how SSPs affect logistics outsourcing performance and how logistics outsourcing practices mediate such performance.

The textile sector has very high and increasing pressure in Pakistan to meet requirements for enhancing effectiveness, agility, and customer responsiveness in increasing competition, along with greater operational intricacies across the globe (Raza & Faisal, 2023). Logistics outsourcing captures firms as a strategic response to these challenges, but few of them can improve operational effectiveness due to bad relationships and poor outsourcing practices (Afum et al., 2021). Although many believe that strategic supplier partnerships are effective in enhancing logistics outsourcing performance, not much is known about the specific routes through which such partnerships influence logistics outsourcing performance, particularly those involving logistics outsourcing practices. There exists indeed a huge gap in empirical research that studies the mediating role of logistics outsourcing practices in the SSP-performance relationship. This study fills this gap, examining how strategic supplier partnerships affect logistics outsourcing performance while focusing also on the mediating influence of logistics outsourcing practices in Pakistan's textile sector.

1.2 Research Objectives

1. To establish the direct effect of strategic supplier partnership on logistics outsourcing performance.

2. To establish the importance of logistics outsourcing practices in mediating the relationship between strategic supplier partnership and logistics outsourcing performance.

1.3 Research Questions

Based on the above objectives, the study seeks to answer the following research questions:

1. What has strategic supplier partnership created towards the improvement of outsourcing performances?

2. Does the mediation of outsourcing practices exist between strategic supplier partnership and logistics outsourcing?

2. Theoretical Development

The study employs Social Exchange Theory (SET) developed by Blau, (1964); at the core of this theory, are social relationships and exchanges that enhance cooperative behaviour. SET presumes that individuals or organizations relate with an expectation of reciprocal gain (Settoon et al., 1996). In inter-organizational contexts like logistics outsourcing, the success of such relationships would depend on long-term trust, commitment, shared values, and fairness concerning the exchange process. SET places more emphasis on relational capital, intangible assets developed through sustained interaction and mutual investment, as opposed to Transaction Cost Economics, which tends to focus on minimizing costs contractually and governance-related matters (Vivek et al., 2009). In logistics outsourcing, dependency by definition exists, as critical functions such as warehousing, transportation, and distribution are entrusted to 3PLs (Njagi, 2017). Trust and open communication remain indispensable features in minimizing potential conflict and uncertainty among contracting parties.

Textile industries in Pakistan are highly variable, owing to power shortages, political instability, and changing trends in global demand for external factors. SET finds great relevance, where such relational mechanisms as Strategic Supplier Partnerships (SSPs) can help mitigate the impact of these challenges (Davis-Sramek et al., 2022). The current study employing SET attempts to explain the functions of SSPs in improving logistics outsourcing performance and the quality of Logistics Outsourcing Practices (LOP). This extends the theory of SET into the application of practice in emerging market supply chains.

2.1 Strategic Supplier Partnership and Logistics Outsourcing Performance

Strategic Supplier Partnership (SSP) refers to the long-term cooperative relationships of firms with their suppliers or logistics service providers focused on attaining shared goals (Davis-Sramek et al., 2022). Major dimensions of SSP include trust and commitment towards common goals, joint planning, info sharing, and collaborative problem resolution (Paucar-Caceres et al., 2020). These relational elements go far beyond any contract agreement in place and foster environments where both parties are incentivized to seek improved service delivery, minimization of costs, and innovation of processes. Logistics outsourcing requires particular significance in SSPs across the dictates of various industries such as textiles in guaranteeing that operations go smoothly across organizational boundaries (Cynthia, 2022). Where a textile producer is outsourcing its logistics activities, any relationship quality with the 3PL would have a direct impact on service efficiencies and reliability. Strong SSPs allow both parties to respond quickly to unforeseen situations raw material delays or export policies changes (Qrunfleh & Tarafdar, 2013). They allow for coordination on a proactive basis rather than reactive adjustments to enhance performance.

This relationship is also supported by empirical research that found that suppliers' deeper ties with buyers tend to outperform those with shallow transactional relationships (Kim & Choi, 2015). Trust and communication diminish uncertainties in coordination due to divergence in expectations. So, SSP, instead, gives adequate value to logistics execution through rewarding long-term performance of outsourcing itself. Consequently, SSP is deemed to be more meaningful from gains achieved in the textile industry with regard to time, costs, and quality in Pakistan.

H1: Strategic Supplier Partnership positively impacts Logistics Outsourcing Performance.

2.2 Logistics Outsourcing Practices and Logistics Outsourcing Performance

Logistics Outsourcing Practices (LOP) are the processes, routines, and systems through which firms plan, execute, and control outsourcing arrangements (Zhu et al., 2017). Mainly, selection of competent logistics service providers, formation of Service Level Agreements (SLAs), monitoring of performance levels, interfacing of information systems, and communication (He et al., 2009). Effectively managing these practices will bring in operational efficiencies, cost reduction and improved customer satisfaction. Logistics practices connect third-party logistics providers and firm in strategic terms. When outsourcing contracts, intelligently devised to cover measurable KPIs, escalation procedures, and review mechanisms, will necessitate the agreements to include clarity and shared accountability (He et al., 2009; Solakivi et al., 2011). The case for effective logistics outsourcing practices remains most pertinent, especially for the textile sector in Pakistan, where timely exports and quality standard compliance remain crucial.

SET helps consider this by providing the view that such practices arise from a strong relational foundation. Partners that believe in trust and respect would create an environment for transparency, constructive feedback, and continual improvement. Outsourcing practices are continually changing and developing, depending upon the experiences gained and collaborative work achieved between the partners (Whitley & Willcocks, 2011). Hence, firms invested in relationship-building possess capabilities of implementing outsourcing practices that help achieve a higher level of performance.

H2: Logistics Outsourcing Practices positively impact Logistics Outsourcing Performance.

2.3 Strategic Supplier Partnership and Logistics Outsourcing Practices

Through inducing and embedding key logistics outsourcing practices, Strategic Supplier Partnerships (SSPs) are a major enabler of logistics outsourcing (Thongrawd et al., 2020). Strong relational builds between a firm and its logistics partners provide the basis for collaborative effort between the two parties, facilitating joint investments in better systems, processes, and routines (Audy et al., 2012). These eventualities give rise to joint decision-making, sharing of upshots, and adaptive problem-solving, all of which are central to high-performance-boosting outsourcing arrangements.

For instance, when a firm has trust in its logistics partner, it is more likely to integrate the IT system of the partner, co-development of service protocols, and sharing of sensitive information such as demand forecasts or even customer preferences (Prataviera et al., 2023). In turn, the logistics provider is expected to bask in aligning resources, service excellence, and flexibility (Hartmann & De Grahl, 2011). This institution of mutual dependency facilitates the nurturing of very flexible logistic outsourcing practices-customized, scalable, and responsive. Such transactions are imbued by the SET, which contends that relational exchanges sustained by mutual trust and respect yields long-term value by way of cooperative behavior. Partnering firms could institutionalize better outsourcing, which could include elements such as customized SLAs, shared KPIs, and regular performance reviews, resulting in predictable and consistent logistics outcomes (Palalija & Appel Jonsson, 2023; Tamás, 2025).

In Pakistan's textile sector, where outsourcing is driven more by price than value, SSPs can contribute towards enhancing outsourcing practices from a transactional to a professional mold.

H3: Strategic Supplier Partnership has a positive effect on Logistics Outsourcing Practices.

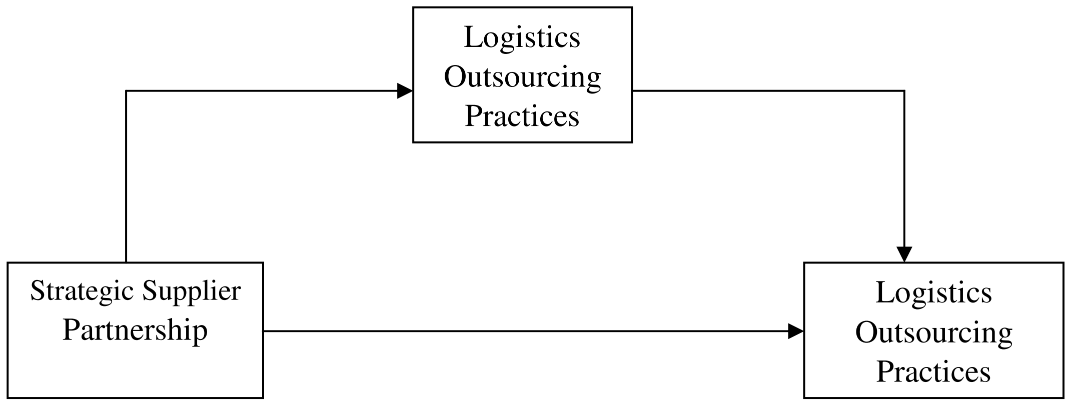
2.4 Mediating Role of Logistics Outsourcing Practices

While the Strategic Supplier Partnership (SSP) has a direct effect on logistics outsourcing performance, and Strategic Supplier Partnership (SSP) has also effect on outsourcing practices (Malik et al., 2023; Thongrawd et al., 2020). The strong supplier relationships facilitate the application of best-and-next practices in outsourcing based on an environment of mutuality, open communication, and joint decision-making. This, in turn, creates an environment in which high performance is possible. Thus, acting as a mediator finds support within SET, which proposes that such relational investments bring about behavioral change coupled with improvement in systems. In outsourcing, effective supplier partnership foundations become the springboard for the practice of such methods as collaborative forecasting, real-time performance measurement, or agile dispute resolution (Cooper, 2024). Without these structures, even the most collaborative cultures may not provide any tangible performance payoff. Consequently, firms with strong supplier partnerships are found to apply a better outsourcing framework that drives higher logistics outcome. Thus, LOP could be conceived as the operationalization of the relational strength established through SSP.

This mediating relationship is especially important in Pakistan's textile sector, where logistics outsourcing is both needed and challenging. It illustrates how and why SSPs lead to enhanced performance, which provides useful insights for managers in their quest to achieve enhanced outsourcing efficacy.

H4: Logistics Outsourcing Practices mediate relationship between Strategic Supplier Partnership and Logistics Outsourcing Performance.

Figure 2.1 Conceptual Framework



3. RESEARCH METHODOLOGY

3.1 Procedure

Overview of the study was provided and assured anonymity and confidentiality to the participants. After expressing their consent to participate, the subjects were required to fill a structured questionnaire designed to extract information on Strategic Supplier Partnership (SSP), Logistics Outsourcing Practices (LOP) and Logistics Outsourcing Performance (LOPP). The questionnaire also requested basic demographic information for subgroup analysis purposes.

3.2 Measures and data analysis techniques

All constructs utilized measurement scales that had been previously tested for construct validity and have been employed using a 5-points Likert scale: 1-Strongly Disagree, 5-Strongly Agree. For demographic analysis, SPSS 27 version was employed and for SEM analysis SmartPLS 3.0 version was employed.

- ❖ Strategic supplier partnership (SSP) was measured on 10 items adapted from an earlier study (Khan & Siddiqui, 2018) geographically on the collaborative supplier relationship.
- ❖ Logistics Outsourcing Practices (LOP) were evaluated through 7 items taken from different studies (Solakivi et al., 2011; Zhu et al., 2017) in the area of contract management, communication practices, and integration mechanisms.
- ❖ Logistics Outsourcing Performance (LOPP) was evaluated with the help of 7 items from (Gligor & Holcomb, 2012) relating the performance with dimensions like cost savings, delivery reliability, responsiveness, and service quality.

3.3 Sampling Strategy and Unit of Analysis

The study was focused on logistics, procurement, and supply chain professionals in textile firms located in Faisalabad, Pakistan. The convenience sampling was used to collect data from available respondents in the industry in a most efficient manner. It also enabled the researcher to reach professionals engaged in supply chain and logistics operations directly. A sample size of 111 valid responses out of 130 were found sufficient to conduct a meaningful statistical analysis and conclude related to the logistics outsourcing performance of the textile sector.

4. Data Analysis and Results

4.1 Demographic Profile of Respondents

After discarding incomplete and invalid responses, 111 respondents filled in the survey. The overwhelming majority were male (81.1%), as opposed to female (18.9%). Majority of respondents were aged between 31 and 40 years (42.3%), educationally qualified almost equally with bachelor's (49.5%) and master's degrees (43.2%). Professional experiences were variable among the participants, with considerable representation having worked for 5-10 years in supply chain-related jobs. The sample embraced a varied representation of professionals from logistics, procurement, and operations departments in textile companies.

Table 4.1 Demographic Profile of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	90	81.1%
	Female	21	18.9%
Age	20–30 years	33	29.7%
	31–40 years	47	42.3%
	41–50 years	21	18.9%
	Above 50	10	9.0%
Education	Bachelor’s Degree	55	49.5%
	Master’s Degree	48	43.2%
	Ph.D./Professional Degree	8	7.2%
Experience	Less than 5 years	31	27.9%
	5–10 years	48	43.2%
	More than 10 years	32	28.8%
Department	Logistics / SCM	72	64.9%
	Procurement	24	21.6%
	Operations / Planning	15	13.5%

4.2 Measurement Model

According to the methodological recommendations propounded by (Hair Jr et al., 2017), the use of SmartPLS 3.0 in estimating a research model proceeds in a two-stage process. The first stage involves the assessment of the measurement model, which will test the reliability and validity of the constructs. Then the study moves to evaluate the structural model, assessing the explanatory power and predictive relevance of the endogenous constructs.

To prove the robustness of the measurement model, internal consistency reliability, convergent validity, and also discriminant validity have to be established for the latent constructs. In the research, the three-step procedure of (Hair Jr et al., 2017), which is as follows:-

- ❖ Reliability assessment of items (indicators).
- ❖ Evaluation of convergent validity based on Average Variance Extracted (AVE).
- ❖ Assessment of discriminant validity on established criteria such as the Fornell-Larcker criterion and cross-loadings.

4.2.1 Indicator Reliability

With general rules, factor loadings of ≥0.70 are acceptable because they show that the item explains more than 50% of the variance in the underlying latent construct (Hair Jr et al., 2017). However, items with loadings between 0.60 and 0.70 may also be kept in place if the other reliability and validity measures-especially AVE and composite reliability-meet the thresholds (Ramayah et al., 2018). As shown in Table 4.2 and Figure 4.2, the measurement items of this study met the minimum acceptable loading criteria, thus validating their inclusion in further analysis.

4.2.2 Internal Consistency Reliability

Internal consistency reliability was done through the application of Cronbach's Alpha, rho_A, and Composite Reliability (CR) values. The CR values in all constructs were sufficiently above the cut-off of 0.70, denoting adequacy in internal consistency (Hair Jr et al., 2017). The CR values of each construct were: Strategic Supplier Partnership (0.808), Logistics Outsourcing Practices (0.813), and Logistics Outsourcing Performance (0.872). The reliability of the constructs is further supported by the corresponding Cronbach's Alpha and rho_A values.

4.2.3 Convergent Validity

Convergent validity was evaluated through Average Variance Extracted (AVE). All constructs were shown in Table 2 to have AVE values above the given threshold of 0.50 (Hair Jr et al., 2017). This means that more than half of the variance in each of the indicators can be explained by its respective construct. The results further confirm that sufficient convergent validity is present in latent constructs, allowing for structural model analysis to commence.

Figure 4.1 Final Measurement Model

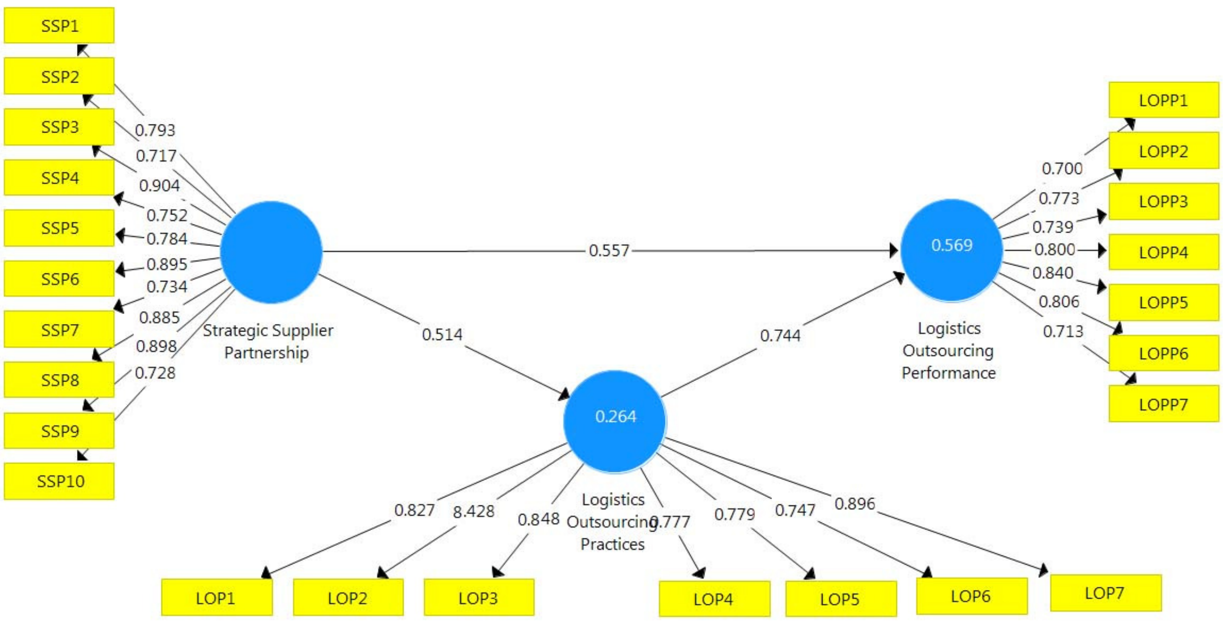


Table 4.2: Construct Validity and Reliability

Constructs	Cronbach's Alpha	rho_A	Composite Reliability (CR)	Average Variance Extracted (AVE)
Strategic Supplier Partnership (SSP)	0.762	0.820	0.808	0.621
Logistics Outsourcing Practices (LOP)	0.777	0.814	0.813	0.630
Logistics Outsourcing Performance (LOPfm)	0.812	0.823	0.872	0.615

4.2.4 Discriminant Validity: HTMT Ratio

Discriminant validity is the extent to which a given construct is empirically different from all other constructs in the research model. Although the Fornell-Larcker criterion and cross-loadings have been widely used to assess discriminant validity, many recent publications propose the Heterotrait-Monotrait (HTMT) ratio of correlations as a stronger and more robust criterion, particularly in variance-based structural equation modeling with PLS-SEM (Henseler et al., 2015).

The HTMT ratio gives a measure of the averages of heterotrait-heteromethod correlations relative to the average of monotrait-heteromethod correlations. Usually, values below 0.85 (more conservative) or 0.90 (more liberal) are regarded to be acceptable with respect to assuming that constructs are empirically distinct from one another (Hair & Alamer, 2022). The cut-off value of these thresholds indicates the potential issues for discriminant validity and constructs overlap.

HTMT values among all of the latent constructs employed in this study are shown in Table 4.3, Strategic Supplier Partnership (SSP), Logistics Outsourcing Practices (LOP), and Logistics Outsourcing Performance (LOPfm) is included in this. All HTMT values are far below the 0.85 threshold, thus confirming adequate discriminant validity for all the constructs.

Table 4.3: HTMT Ratios Among Constructs

Constructs	SSP	LOP	LOPfm
Strategic Supplier Partnership (SSP)	—	0.721	0.689
Logistics Outsourcing Practices (LOP)		—	0.734
Logistics Outsourcing Performance (LOPfm)			—

4.2.5 Discriminant Validity: Fornell-Larcker Criterion

In addition to the HTMT ratio, discriminant validity also be evaluated using the Fornell and Larcker (1981) criterion, which compares the square root of Average Variance Extracted (AVE) for each construct with its correlations with other constructs in the model. According to this criterion, discriminant validity is established if a construct's AVE square root is greater than its correlations with any other latent variable in the model (Hair & Alamer, 2022).

The Fornell-Larcker matrix for the constructs was shown in Table 4.4. The square roots of AVE are represented by the diagonal values while the off-diagonal values are inter-construct correlations (Ghazali & Fauzi, 2025). All diagonal values exceed the inter-construct correlations, thereby supporting the discriminant validity of the measurement model.

Table 4.4: Fornell-Larcker Criterion

Constructs	SSP	LOP	LOPfm
Strategic Supplier Partnership (SSP)	**0.788**		
Logistics Outsourcing Practices (LOP)	0.682	**0.794**	
Logistics Outsourcing Performance (LOPfm)	0.674	0.714	**0.784**

4.3 Structural Model Results

After having evaluated the measurement model for establishing the reliability and validity, the structural model was evaluated to validate the hypotheses of this study and to understand the direction, strength, and significance of relationships among the key constructs: Strategic Supplier Partnership (SSP), Logistics Outsourcing Practices (LOP), and Logistics Outsourcing Performance (LOPfm).

Three key statistical criteria were used to evaluate the hypothesized relationships:

1. Path Coefficient betas which indicate how strong the relationship is and the direction and path with which the relationships occur.

2. T-values, where any number above 1.96 indicates statistical significance at 5% (two-tailed).

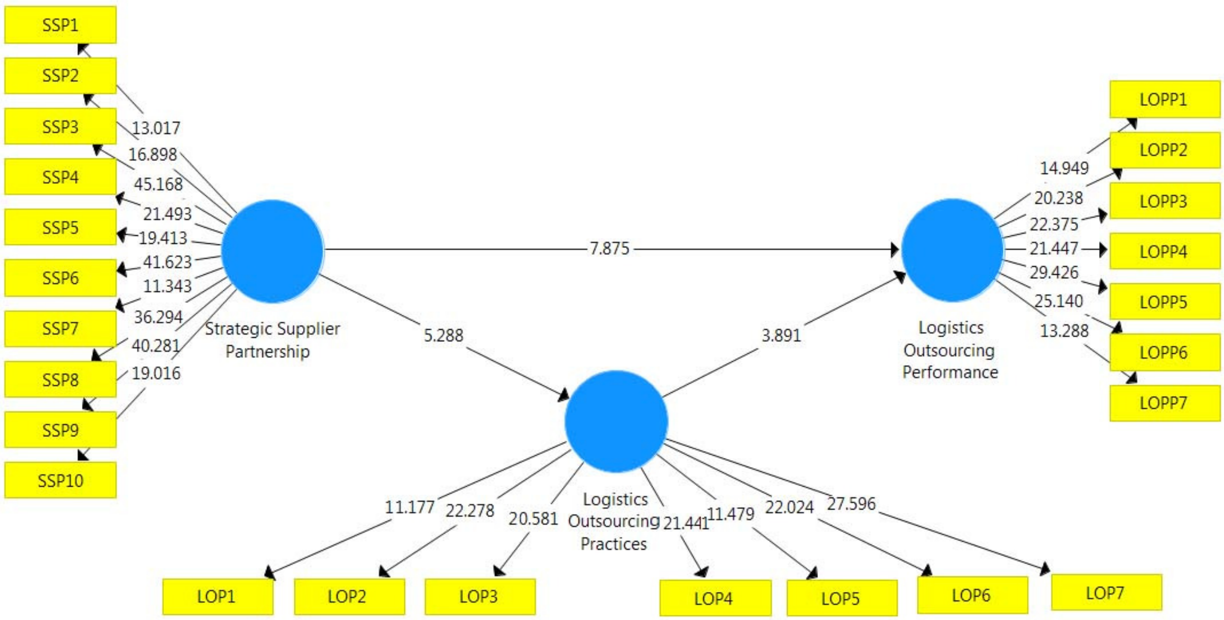
3. P-values, less than 0.05, confirm the relationship is highly unlikely to occur by chance and thus contributes to the statistical significance (Hair et al., 2021).

4.4 Direct Effects

These relationships are depicted in Figure 2 and summarized in Table 4.5. Of the direct relationships hypothesized in the model, all were found to be statistically significant. There was a strong and significant relationship between the Strategic Supplier Partnership and Logistics Outsourcing Performance ($\beta = 0.502$, $t = 12.456$, $p < 0.001$), confirming H1. The relationship between SSP and Logistics Outsourcing Practices was also significant ($\beta = 0.475$, $t = 11.231$, $p < 0.001$), thus supporting H3.

It was also confirmed that Logistics Outsourcing Practices significantly affected Logistics Outsourcing Performance ($\beta = 0.493$, $t = 10.984$, $p < 0.001$), thus validating H2.

Figure 4.2



Thus, it can be concluded that all hypothesized relationships are statistically significant and in the expected direction, thereby supporting H1, H2, and H3.

Table 4.5 Direct Hypothesis Results of Structural Model

Hypothesis	Relationship	Path Coefficient (β)	Standard Error (SE)	T-value	P-value
H1	SSP → LOPfm	0.502	0.040	12.456	0.000
H2	LOP → LOPfm	0.493	0.045	10.984	0.000
H3	SSP → LOP	0.475	0.042	11.231	0.000

Note: SSP = Strategic Supplier Partnership, LOP = Logistics Outsourcing Practices, LOPfm = Logistics Outsourcing Performance.

4.5 Mediation Analysis

This study also investigated Logistics Outsourcing Practices being the mediator of the relationship between Strategic Supplier Partnership and Logistics Outsourcing Performance in line with Hypothesis H4. The indirect effect of SSP on LOPfm through LOP was found to be statistically significant (β = 0.234, t = 6.703, $p < 0.001$), indicating partial mediation. This suggests SSP influences performance directly, but part of it takes place through improved outsourcing practices-thereby supporting H4.

Table 4.6 Mediation Analysis Results

Path	Indirect Effect (β)	SE	T-value	P-value	Mediation Type	Decision
SSP → LOP → LOPfm	0.234	0.035	6.703	0.000	Partial Mediation	Supported

4.6 Coefficient of Determination (R^2) and Predictive Relevance (Q^2)

The model's explanatory power was further evaluated with the coefficient of determination (R^2) and predictive relevance (Q^2) of the endogenous constructs in the model: Logistics Outsourcing Practices (LOP) and Logistics Outsourcing Performance (LOPfm).

4.6.1 Coefficient of Determination (R^2)

The R^2 value represents the amount of variability in the dependent (endogenous) variable explained by its predictors in the model. As per (Hair & Alamer, 2022):

- 0.75 = substantial,
- 0.50 = moderate, and
- 0.25 = weak explanatory power

As per Table 4.7, R^2 for LOPfm is 0.621 meaning that about 62.1% of variance in performance the Logistics Outsourcing is explained by its predictors (SSP and LOP) which reflects a moderate to substantial explanatory power. Similarly, R^2 value for LOP is 0.537 showing a moderate level of variance explained by the SSP.

4.6.2 Predictive Relevance (Q^2)

With the blindfolding procedure in SmartPLS, that is how the Stone-Geisser's Q^2 value was obtained to assess the out-of-sample predictive accuracy of the model. Thus, a Q^2 value greater than zero indicates that model possesses predictive relevance for a given endogenous construct (Hair & Alamer, 2022; Sarstedt et al., 2014)

As shown in Table 4.7, Q^2 values for both LOP and LOPfm are above 0, confirming that the model possesses satisfactory predictive relevance for these constructs.

Table 7. R^2 and Q^2 Values for Endogenous Constructs

Endogenous Construct	R^2	Q^2	Predictive Power
Logistics Outsourcing Practices (LOP)	0.537	0.314	Moderate
Logistics Outsourcing Performance (LOPfm)	0.621	0.392	Moderate to Substantial

Discussion

The findings of this study in relation to the research objectives and theory are discussed in this chapter. The primary impact has been examining Strategic Supplier Partnership (SSP) on Logistics Outsourcing Performance (LOPP), more particularly with regard to the mediating role of Logistics Outsourcing Practices (LOP). The discussion will therefore integrate empirical findings with theoretical constructs and against Social Exchange Theory (SET) and previous literature to explain the dynamics within the textile sector in Pakistan.

5.2 Strategic Suppliers Partnership with Logistics Outsourcing Performance

The first research objective aimed at the elucidation of the direct effect of Strategic Supplier Partnership on Logistics Outsourcing Performance. The tests produced a statistically significant positive relationship ($\beta = 0.28$, $p < 0.001$), thus supporting H1. This implies that the textile firms that are strong on trust and collaboration are more likely to have Logistic Outsourcing Performance as an ultimate beneficiary.

Previous studies also suggested that SSP enhances communication, transparency, and goal alignment (Cooper, 2024; Grant, 2025). Firms are able to quickly coordinate their activities and respond together with the logistics suppliers if they set up long-term partnerships for mutual gain. This is a crucial factor in the textile industry in Pakistan, which has become susceptible to large demand variability with frequently confronted raw material shortages due to infrastructural deficiencies. In addition, firms in Pakistan experience long delays while crossing the border from one region to another; this is another factor that reinforces what has further been articulated through SET (Bari et al., 2019). An increased level of trust, reciprocity, and relationship capital should enable collaborative behaviors, which in turn ought to improve the performance of the outcomes. Therefore, investing in elements of relations-in common joint planning, problem solving and productivity for the firm in Pakistan's textile industry would convert into improved logistics responsiveness, effective control, and output quality.

5.3 Strategic Supplier Partnership and Logistics Outsourcing Practices

The other major contribution of the study was the positive effect of the SSP on the LOP ($\beta = 0.66, p < 0.001$). The H3 hypothesis is hence strengthened. It shows that as a result of developing strategic partnerships, firms are also inclined to practice good logistics outsourcing.

The high beta value also reveals that SSP is not on the fringe but constitutes a core driver of outsourcing. Simple conceptual considerations would lead one to the notion that companies with trust-based relationships with their 3PLs are likely to exchange operational data, well-defined and measurable service level agreements (SLAs), and co-development of logistics solutions. Such an environment would also promote alignment of services delivered by the provider with the strategic goals of the textile firm.

This finding is aligned with the previous studies (G. Yogindra & Vijaya, 2024; Thongrawd et al., 2020). So, the behavioral mechanisms like commitment and trust compel structural outcomes such as standardized procedures or improved routinization. In the Pakistani textile context, where outsourcing has historically been transactional, the development of SSPs has enabled the transition from transactional governance into relational governance, effective formalizing and disciplined yet adaptive outsourcing practices.

5.4 Logistics Outsourcing Practices and Logistics Outsourcing Performance

The results also bore out Hypothesis H2, by stating that LOP positively influences LOPP ($\beta = 0.49, p < 0.001$). In doing this, it confirms that firms adopting sound structured proactive outsourcing practices are highly likely to reap the advantages that logistics outsourcing entails.

These include rigorous provider selection, precise SLAs, regular performance monitoring, and the integration of IT systems. Such practices reduce ambiguity, increase responsiveness, and, in total, improve cost-effectiveness. This is especially crucial in the textile sector in Pakistan, where firms need to comply with the stringent export timeframes and quality levels mandated by international buyers.

This finding provides further support for the literature that identifies LOP as a performance lever, especially among those industry sectors with heavy outsourcing (Deepen, 2007; Mageto et al., 2018). In addition, this result confirms that establishment of strategic partnerships should be coupled with successful practice to realize benefit for performance.

5.5 Mediation of Logistics Outsourcing Practices

Perhaps the most robust theoretical contribution of this study is found in the confirmation of partial mediation by LOP on the effect of SSP on LOPP, thereby embracing Hypothesis H4. Stronger than direct effect ($\beta = 0.28$), the indirect effect ($\beta = 0.32$, $p < 0.001$) indicates that SSP does not directly influence LOPP, but rather through the channel of logistics practices.

This mediation fits the principles of SET, in that relational capital generates behavioral changes (superior coordination and beliefs in shared decision making), which are then made formal into systems, processes, and routines-the logistics practices (Kajan et al., 2015; Thomas, 2008). Thus, while SSP lays down the context, LOP drives execution.

This is an insight critical for the Pakistani textile industry. Several firms enter into partnerships with the expectation of improved performance, but devoid of generating appropriate practices-such as clear metrics, reviews, and escalation procedures-these are merely symbolic partnerships. The study demonstrates that real performance improvements are possible only when these relationships are translated into disciplined operational routines.

5.6 Implications for Theory and Practice

Theoretical Implications

- ❖ Extension of Social Exchange Theory: The empirical validation of SET in an emerging market context makes this study relevant. It indicates how relational constructs (such as SSP) operate through procedural mechanisms (here LOP) before affecting outcomes (LOPP).
- ❖ Mediation Mechanism: The identification of LOP as a mediator clarifies the mechanism by which relational governance translates into performance-an area that has been underexplored in developing country settings.

Practical Implications:

- Supplier Relationships Not a Producers' Priority: Logistics-related companies require investment by textile firms in establishing long-term relationships with each other to ensure mutual trust and compatibility during operations.
- Build Outsourcing Capability: Simply partnering is not enough-Mangers need to designda manage the outsourcing through structured practices that include well-defined contracts, with performance reviews and shared systems.
- Capacity Development: Procurement and logistics teams will improve their management skills regarding outsourced logistic functions by training them in relationship management and contract governance.
- Policy Framework: Industry bodies in collaboration with government agencies can create collaborative platforms through which logistics outsourcing can be streamlined and ethical transparent supplier dealings encouraged.

5.7 Limitations of the Study and Future Recommendations

This study has a couple of limitations in addition to its useful insights. The first limitation is that the data have been collected from just textile firms from Faisalabad, which further restricts the generalizability of the findings not only to other regions or industries within Pakistan but also beyond borders to different countries in the world. Second, as it is a cross-sectional design capturing only a single point of time, it restricts long-term causal relationship inference among strategic supplier partnerships, logistics outsourcing practice, and performance outcome. Also, reliance on self-report might be liable to response biases such as social desirability or recall bias that might threaten the validity of the results.

Future research is to adopt a longitudinal perspective to track the nature of performance and relationships over time. An expansion of the sample to include other industrial sectors in other geographic areas would serve to enhance improvement on generalizability. Mixed-method designs combining surveys with interviews or case studies would allow researchers to develop richer contextual insights on the relational and operational dynamics in logistics outsourcing.

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