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Inter-organization communication management between organizations in a subsidized fertilizer market in Malaysia

Ammar Redza^a, Shahrina Md Nordin^a, Shamsuri Saad^b and Hasnida Wahab^a

^aUniversiti Teknologi PETRONAS, Bandar Seri Iskandar, 31350 Tronoh, Perak, Malaysia

^bUniversiti Teknikal Malaysia Melaka, Jalan Hang Tuah, Melaka, Malaysia

Abstract

Inter-Organization Communication (IOC) is one of the used communication disciplines to communicate between two or more organizations. It is proven vital to sustain relationship between organizations particularly between consumers and suppliers. However, there is still lack of empirical research and findings in the subsidized market. Malaysian paddy farmers have been receiving fertilizers subsidy since 1971 making the environment of subsidized market stand more than 40 years long. The relation between Area Farmer Organization known as Pertubuhan Peladang Kawasan (PPK) and the subsidized fertilizer supplier has now extended to 30 years. PPKs are responsible on the procurement process of the subsidized fertilizer from the supplier. This paper presents a preliminary findings based on IOC theories of communication management between PPKs and the supplier based on the perspectives of the PPK. It will critically discuss the elements of IOC and communication commitments based on the perspectives of PPKs. Thirteen PPKs from Kemubu Agriculture Development Authority (KADA) granary area were involved in this study. The results indicate organization communication willingness, behaviour, and quality as communication commitment of the PPKs.

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1. Introduction

Numerous studies have proven that communication is a powerful tool in strengthening the relationship between consumers and suppliers. Communications between organizations is generally referred to as inter-organizational communication (IOC), is essentially an important factor in providing support to strengthen the relationship between two organizations (Paulraj, 2008). IOC stresses on information-sharing between the two parties which is beneficial for improvement in the supplier-consumer relationship (Mohr & Navin, 1990; Ronchi, 2003). Paulraj's argument is consistent with findings by different scholars in management and marketing (e.g., Mohr & Nevin, 1990; Mohr et al., 1996; Schultz & Evans, 2002) emphasizing on the important role of communication as vital in fostering the relationship between organizations involved. A good relationship between two parties ensures stability and advancement in terms of product development, cost reduction and delivery process to be timely and precise (Ronchi, 2003), which is especially essential in a supplier-consumer relationship.

*Corresponding author. Ammar Redza Ahmad Rizal Tel.: +60125572939

E-mail address: redzarizal@yahoo.com