Mapping Communication along the Supply Chain in a Reputation-Sensitive Environment: Preliminary Insights

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ABSTRACT

This exploratory qualitative study is aimed at depicting communication support to Supply Chain (SC) management, emphasizing how relationships and processes are affected by communication flows. It provides a preliminary comprehensive communication mapping, highlighting key stakeholders involved in SC management, communication roles enhancing logistics performances, and channels supporting information and physical flows among partners. It is based on a literature review, multidisciplinary academic meetings, interviews with SC directors of two global companies operating in a reputation-sensitive environment, and desk analysis of companies’ documental flows. Findings reveal that communication accomplishes four basic functions: 1) it helps embedding and spreading cultural values along internal SC units; 2) it supports conflict resolution and compensation among different managerial logics; 3) it encourages development and maintenance of relationships with SC partners; 4) it enhances the fine-tuning among SC phases and activities, supporting alignment and integration of procedures and routines. Finally, the study points out that communication is typically face-to-face when it has to support the strategic SC phases, whereas it is typically computer-mediated when supporting SC operational phases.

Keywords: Communication, Computer-Mediated Communication, Interpersonal Communication, Stakeholder Relationship Management, Supply Chain

1. INTRODUCTION

This study develops an exploratory communication-based approach to the Supply Chain (SC), providing a preliminary conceptual mapping of communication roles, channels and tools supporting SC processes. It is aimed at highlighting how communication facilitates SC management, emphasizing how relationships and processes are fostered by communication flows.

We adopt a relationship-based theoretical perspective on SC management, rooted into a

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widely established set of exchange theories applied to the marketing field. Our study is rooted in the network approach to industrial markets (Hakansson & Snehota, 1995), pointing out the company as the focal node of a system of interconnected units operating inside specialized and complex stakeholder relationships structures. In such networks, dyadic relationships between SC partners are developed according to an interaction approach (Hakansson, 1982; Ford et al., 1986) which emphasizes that exchanges between suppliers and customers are based on continuity and stability over time, encouraging the development of collaborations forms aimed at pursuing mutual advantage. Both conceptual approaches developed by the IMP Group (Industrial Marketing & Purchasing Group) in the 1980s are rooted in the Social Exchange Theory (SET) (Thibaut & Kelley, 1959). SET highlights that relationship processes among business actors are based on social interactions aimed at exchanging resources capable of maximizing mutual benefits and gaining cost economies by developing social bonds that rely on trust, mutual commitment, interdependence, and power.

Our reason for adopting a relationship-based theoretical perspective on SC management is that the above mentioned theories, even if not through a focused and in-depth analysis, point to communication flows as key vectors of successful resource exchange among business partners.

Our study starts by providing a focused literature review regarding most significant and recent contributions related to SC relationship management. Then it applies communication conceptual principles to SC management practices of two global companies operating in a reputation-sensitive environment, whose survival and competitive advantage relies on an ongoing coordinated communication activity (Van Riel & Fombrun, 2004).

Combining SC and corporate communication academic knowledge with field SC managerial expertise allows the proposal of a preliminary conceptual mapping that highlights basic communication stakeholders for each SC strategic and operational phase, depicting communication roles, channels and tools to support information and relational flows between the company and its stakeholders to enhance strategic intangible assets along the SC.

2. SUPPLY CHAIN RELATIONSHIP MANAGEMENT LITERATURE

SC is defined in literature as the flows of products and information crossing through a company that are managed to achieve linkages and coordination among business processes (Christopher, 2011). The SC activities are focused on optimizing upstream and downstream stakeholder relationships with the aim of increasing profit margins (Bocconcelli & Tunisini, 2007), sustaining competitive advantage and improving organizational performances (Christopher, 2011; Chopra & Meindl, 2010).

Previous SC management studies developing a relationship-based theoretical perspective followed the interaction approach (Hakansson, 1982) and then the network approach (Hakansson & Snehota, 1995) to the analysis of business relationships in industrial contexts, emphasizing the concept of exchange-relationships among customer, supplier and all the other actors involved in the SC. These relationships can be defined as “strings of interactions”, which represent the content of communicative exchanges (Olkkonen et al., 2000) and find their basis in the Social Exchange Theory (Thibaut & Kelley, 1959), which emphasizes communication as a fundamental tool to create, develop and maintain trust and commitment among the parties acting as interconnected units of a relationship business network (Anderson & Narus, 2004).

According to the literature, relationships are social constructions dynamically created, confirmed, modified and terminated by people in interaction. Interaction is then supported by such elements as (Johanson & Mattsson, 1987; Hakansson & Snehota, 1995): 1) mutual orientation between the actors based on reciprocal availability, commitment, trust, preparedness to interact, mutual knowledge and respect for
How to Evaluate Capital Projects that Offer Environmental/Carbon Reduction Benefits
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Modeling of Hybrid Production Systems with Constant WIP and Unreliable Equipment
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