Pursuing Supply Chain Integration: Roles of Resources, Competences, Experience, and Industry-type

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ABSTRACT

Although supply chain (SC) integration is well discussed in literature, there is a missing link in its multi-faceted nature, in terms of implementation, at the empirical level. Existing empirical research focus has largely been on examining the impact of SC integration (SCI) on business performance while other issues such as barriers and enablers of SCI have mostly been conceptual. This study was thus set to examine the manner in which firms pursue integration; and how resources, competences, experience, and industry-type influence this course. Using questionnaires, data were collected from 117 service and manufacturing firms operating in the Ashanti Region of Ghana. The contribution of this study lies in its ability to critically examine how SCI is pursued and providing validations to the root barriers/enablers of SCI from a contextual standpoint. The findings of the study do not only fill the void in literature but also offer invaluable directions to practitioners and researchers.

KEYWORDS
Business Experience, Competences, Industry-type, Resources, Supply Chain Integration

INTRODUCTION

As held among most academics and practitioners, supply chain integration (SCI) presents firms opportunities to compete favourably and enhance business performance (Jitpaiboon, Gu, & Patel, 2015). Given this position, the concentration of researchers over the years has largely been on investigating into whether (or not) the implementation of SCI is beneficial to firms. Following the inconsistencies in findings from studies conducted so far (Fabbe-Costes & Jahre, 2008; Mackelprang, Robinson, Bernardes, & Webb, 2014), another move has been on explaining the link between SCI and business performance through contingency factors prevailing within firms and in the external business environment. As pointed out by Knemeyer and Fawcett (2015), this approach to knowledge in this area has little impact on practice as long as the design aspects of integration (i.e. which elements of integration to use and how to fit them together – Knemeyer & Fawcett, 2015) is given inadequate attention.

Owing to this emerging trend in literature, less is empirically known concerning the nature of SCI and the manner in which firms pursue SCI. This observation should be considered as something which is wrong with extant research on SCI (Knemeyer & Fawcett, 2015), or better still, be viewed as research ‘built on a faulty foundation’ (Autry et al., 2014; cited by Knemeyer & Fawcett, 2015).

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Relatedly, managing SCs today and pursuing integration is becoming more challenging as a result of various factors. Although existing literature identifies numerous factors as barriers/enablers of SCI, the discussions have mostly been either conceptual or done in exploratory research (see for e.g., Sabir & Irfan, 2014; Awasthi & Grzybowska, 2014; Katunzi, 2011). Enhancing knowledge and providing a guide to practitioners would therefore require researchers to take a step back and address the above gaps and provide validations to the numerous enlisted factors in extant literature as barriers/enablers of SCI.

The goal of this study is to address the above identified gaps in previous knowledge. Specifically, our study addresses two key objectives: (1) examining the extent and the manner in which firms have integrated their SCs within the research context, and (2) examining the roles of firm resources, competences, experience, and industry-type in enhancing SCI. To address these objectives, we collected and analysed data from firms operating in two industries: service and manufacturing; in Ghana. We believe data from firms in this operating environment would complement and broaden previous knowledge on SCI at the global front, as what is known now (i.e. results from previous studies) have mostly come from developed economies or emerging economies. Practically, we believe the results of this study will be of great importance to management in this research context and similar business environments as the study seeks to provide a clear picture on where these firms fall short, where they do better, and what can help them improve, with respect to integrative efforts in their SCs. In the subsequent sections of the paper, we present the conceptual background, hypothesis development, methodology, results & discussions, conclusion, limitation & avenues for further studies.

CONCEPTUAL BACKGROUND: SCI

The meaning of SCI would always be broader than ever conceived in practice or in scholarly writing. Recent writings point out its complexity (Fabbe-Costes & Jahre, 2008), multi-faceted nature as a construct (Kache & Seuring, 2014; Danese & Bortolotti, 2014) and its incompleteness in terms of conceptualization (Flynn et al., 2010). In this study, we adopt Flynn et al.’s (2010) definition of SCI as “the degree to which a manufacturer [firm] strategically collaborates with its supply chain partners and collaboratively manages intra- and inter-organization processes” (p. 59) and follow Fabbe-Costes and Jahre’s (2006; 2008) discussions to conceive the multi-dimensional nature of SCI. According to Fabbe-Costes and Jahre (2006; 2008), SCI could be analysed from five stances: (1) Integration of flows: these include physical/material/product flow, information/knowledge flow, and flow of funds; (2) Integration of processes, activities, functions, decisions, etc.; (3) Integration of technologies, infrastructure, systems, etc.; (4) Integration of actors, such as organisations, functional units, divisions, etc.; and (5) Degree of integration.

These five perspectives of SCI could broadly be discussed from three views: elements of integration, scope of integration, and degree of integration (Essuman, 2015). According to Essuman (2015), the first three of Fabbe-Costes and Jahre’s (2006; 2008) conceptualization could be regarded as ‘things’ within the SC that may be considered for integration (i.e. elements of integration), while the forth and the fifth respectively refers to scope of integration and degree of integration (Fabbe-Costes & Jahre, 2006; 2008). The scope (or direction) view relates to the number of actors that the focal firm pursues integration with while the degree view of integration relates to how high or low each of the elements are integrated within and across the firms (Essuman, 2015).

While we also take into consideration elements and degree views of SCI in our operationalization of SCI, we largely base our conceptualization and investigations of SCI on the scope view. In this respect, and following a more consensus approach in literature (see for e.g. Flynn, Huo, & Zhao, 2010; Boon-itt & Wong, 2011; Huo, 2012), we conceive SCI as comprising of supplier integration (SI), internal integration (II), and customer integration (CI). In simple terms, II is inwardly focused (i.e. at the focal firm level) and it is concerned with functional or departmental integration (Flynn et al., 2010) as well as integration across all levels within the focal firm (Essuman, 2015). SI relates to
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