ABSTRACT

Today’s business environment is characterized by high levels of uncertainty. Business firms are facing increasing competitive pressures with respect to price, delivery, quality, variety and innovation for products and services (Michel, 2005). In order to respond to these challenges, firms are pursuing different supply chain management practices in an integrative manner in their relationship with upstream suppliers and downstream customers. Supply Chain Management (SCM) is defined “as the systemic and strategic coordination of the traditional business functions within a particular company and across businesses within the supply chain for the purposes of improving the long-term performance of the individual firm and the supply chain as a whole (Lai and Cheng, 2003).

As pointed out by numerous researchers, in the present situation competition is no longer between firms, but between supply chains. Therefore, firms must integrate their operations with their trading partners, rather than work against them in order to maintain competitive advantages for the entire supply chain (Spekman et al., 1994; Monczka and Peterson, 1998; Lambert and Cooper, 2000). The fundamental incentive for organization’s enthusiasm to strategic partnership in SCM comes from the belief that partnering companies will be able to create a new capability which they would otherwise not be able to create separately (Hall and Andriani; 1998). Such capability involves an effective implementation of different practices of SCM that provides several benefits to all supply chain members.

Hence, the goal of this study is to investigate the extent to which different practices of SCM have been implemented by selected firms in India. The research is a multiple case study of automotive and automotive components industry and also electronic industry in India. The following firms have been chosen for this research:

- TVS Motor Company Ltd. - Mysore
- Automotive Axles Ltd. - Mysore
- J.K Tyres & Industries Ltd. - Mysore
- Larsen & Toubro (L&T) Ltd. - Mysore
- AT&S India Pvt Ltd. - Mysore
- WeP Peripherals Ltd. – Mysore
For each company 15 questioners were distributed. To generate good responses, a single questionnaire is used to measure multiple theoretical constructs of the study. The questionnaire is divided into three main sections, where, the first section deals with general questions. In the second section, the respondents are requested to choose one specific alternative that presents the status of given SCM practice in their company. This section is the core part of questionnaire, which includes of nine kinds of SCM practices: supply chain orientation factors; internal firm integration; supplier firm integration; customer firm integration; supply chain flexibility; supply chain leanness; supply chain agility; barriers to effective supply chain management practices and benefits of supply chain management. The respondents were asked to indicate the degree of their agreement about these practices in a 7-point Likert scale, ranging from 1 (strongly disagree) to 7 (strongly agree), except variables related to the benefits of SCM ranged from 1 (strongly decreased) to 7 (strongly increased). Last section deals with general recommendation of respondents about thus practices.

First a within-case analysis is performed which means each case is a unit of analysis. Then Principal Components Analysis (PCA) was conducted for data reduction and for determining the main constructs. Varimax rotation with Kaiser-Meyer-Olkin (KMO) Normalization test was used. It is followed by synthesis-case analysis that shows the overall status of cases in different practices. Further, one sample t-test was used to identify whether there is a difference between obtained mean scores and expected mean scores. Independent samples t-test was performed for means of two independent samples (automotive and electronic industries). The results of present research show that companies under study have performed at almost satisfactory level in all different practices of SCM. In supply chain orientation practices “SCOR Model” as the standard diagnostic tool to implement SCM has the lowest mean score. This result might be an indication that most of the top management was unaware of this model. All of the firms are highly integrated within their internal functions and also with their external suppliers. However the relationship with external customers is not integrated as in the former.
Selected firms have performed at satisfactory level in their flexible, lean and agile supply chain practices. Major barriers and minor barriers have been identified. Company focus and customer focus benefits of SCM practices have been identified. The significant difference between two types of industries in SCM practices is also was identified. The issues such as inventory management, JIT practices and pull production system are the main challenges to management of supply chain in industries. Regardless of functional nature of SCM, management should believe that an effective SCM can help their companies thrive in today’s intensely competitive market place. They should change their attitudes toward implementation of strategic partnership with upstream supplier and downstream customers to gain more and more benefits.