ABSTRACT

Lately supply chain management has come in limelight and manufacturing organizations are putting in all sorts of efforts to enhance their supply chain performance. Obviously the intention is to improve organizational performance and supply chain is just a means to achieve the same. Thus theme of this research focuses on supply chain performance and exploring its relationship with organizational performance. The researcher has attempted to provide a systematic understanding of various dimensions of supply chain management, as a discipline, with a specific focus on supply chain performance measurement with reference to softer aspects.

Literature cites varied performance measurement frameworks for both organizational performance as well as supply chain performance. As a part of this research select few frameworks were reviewed. Similarly review was done with a specific intention to identify and study the metrics used in supply chain performance measurement. Considering the end to end nature of supply chain and research objectives, Mckinsey seven S framework was chosen as reference. Based on the literature review, parameters measuring supply chain performance and parameters measuring organizational performance were identified. It was observed that the softer aspects of supply chain which are equally important in achieving supply chain performance were not covered adequately and systematically. In order to address this gap on softer aspects, the supply chain performance metrics were divided in to two broad categories viz. hard S’s (strategy, structure & systems) and soft S’s (staff, skills, style and shared value).

To start with the influence of hard S’s and soft S’s on supply chain performance was ascertained. Once the relationship was established, seven hypotheses (each representing one S) were tested to understand the link / influence of each on supply chain performance. Further, a hypothesis exploring relationship between supply chain performance and organizational performance was tested. Additionally relationship between all seven S’s (through a composite seven S score) and organizational performance was tested. It was found that soft S’s play a mediator role between hard S’s and supply chain performance. Similarly out of seven S’s, six were found to have relationship with supply chain performance barring supply chain structure perspective. Additionally, relationship between
supply chain performance and organizational performance was validated. Lastly, relationship between composite seven S score and organizational performance was also validated.

A survey questionnaire with responses measured on seven point likert scale was used as a research instrument. The research instrument was qualitatively tested for reliability and validity using Q sort methodology and then reliability was also checked quantitatively. Snow ball sampling was used to collect data from manufacturing organization in Pune industrial belt with a sales of ₹ 500 Cr, or more. Sampling frame included middle and senior level SCM professionals.

In line with research objectives descriptive method of research was followed. The relationship analysis and hypotheses testing was done. Tools like Cross Tabulation, Histogram and Pie charts, Statistical tools – SPSS and MS Excel, Statistical tests - Reliability Tests (Cohen’s Kappa, Moore and Benbasat’s Hit ratio, Cronbach alpha) Correlations (Coefficient of concordance, Pearson’s r) Multiple regression (Mediation) were used for analysis purpose.

The research has added to the knowledge of supply chain management discipline. First and foremost this research provides inferences based on a qualitatively valid and reliable instrument. The instrument developed for the purpose of this research captures the performance drivers for supply chain classified under the Mckinsey seven S’s. Since a great deal of research is currently happening in the field of SCM, it is felt that this instrument will provide guidelines for researchers in the SCM area.

Secondly the study has developed a framework for supply chain performance which is based on both hard S’s and soft S’s. Traditionally the supply chain performance was measured along the lines of hard S’s alone, lately a great amount of research has happened wherein other aspects like integration, communication, leadership style are also considered by researchers. This study augments such past research and further helps in conceptualizing the softer S’s and their connection with supply chain performance.

Third, this research is unique in the Indian manufacturing industry, in the sense that it tries to study the supply chain performance and organizational performance and empirically test
the relationship between the two for organizations of moderate size (sales ₹ 500 Cr and above). The previous studies in SCM domain dealing with supply chain performance, in Indian context have typically focused on SMEs and MSMEs.

Thus this research has contributed by means of adding to the field of supply chain management by empirically establishing the relationship between supply chain performance and organizational performance.