The Relationship Between Personal and Organizational in Supply Chain Integration: Case study in Malaysia

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Abstract

This study focuses on perusing how inter-personal relationship (IPRs) and inter-organizational relationships (IORs) interacts in the supply chain integration (SCI). Previous studies on supply chain integrations focuses more on inter-organizational relationships and ignoring inter-personal relationships. In this study an exploratory multiple case studies in Malaysia is used. We realize that in the early stage of supply chain integration, inter-personal relationships are identified as a precursor to building Inter-organizational relationships. During the operational stage, the two levels of relationships continuously interact with each other, until the end of the entire life-cycle of the dyad, inter-personal relationships helps in the emergence and growth pf IORs while the latter often uses these ties to negotiate for resource acquisition.

Keywords: Case study, personal-organizational relationship, Supply chain integration

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1. Introduction

Supply chain integration is generally perceived to be a very important approach to intensify and boost both the effectiveness and efficiency of supply chain (Bowler, Castka & Balzarova, 2015). Lots of previous study focused more on the organizational level relationship management and ignored the individual level relationship (Brown, Amundson & Badurdeen, 2014). This study focuses on closing the knowledge gap on individual level relationship and to also investigate inter-personal relationship and inter-organizational relationship interaction mechanisms during both formative and operational stages of the supply chain integration. According to Fahimnia, Sarkis and Eshragh (2015) inter-personal relationship has three facets: personal affection, personal

communication and personal credibility (Banawi, & Bilec, 2014). Based on the content-based viewpoint, supply chain integration has to do mainly with information integration, strategic alliance, and process integration (Cabral, Grilo & Cruz-Machado, 2012); Besseris & Kremmydas, 2014). Due to the fact that both inter-personal relationship and inter-organizational relationship can be regarded as resources, we critically examined resource orchestration theory (ROT) in supply chain management through an assessment of dyadic relationship in supply chain integration at both individual and organizational levels (Aguado, Alvarez & Domingo, 2013; Azevedo, Carvalho, Duarte & Cruz-Machado, 2012). 7The two main questions that led the study are:

RQ1. How do IPRs and IORs interact in the formative stage of SCI?

RQ2. How do IPRs and IORs interact in the operational stage of SCI?

2. Methodology

The study makes use of an exploratory multiple case study approach in Malaysia. The data was carried out using semi-structured interviews of managers with varying supply chain responsibilities from both the suppliers and customers. While the qualitative data on the other hand, is triangulated with company archival information.

3. Findings

The study emphasized the crucial role of both inter-personal and inter-organizational relationships during supply chain integration (Bandehnezhad, Zailani & Fernando, 2012); Bergmiller & McCright, 2009). They are both valuable and incomparable resources, while the IOR is formal and exterior the IPR is informal and dependent. In the early stage of integration, inter-personal relationships come across as a prerequisite to building the inter-organizational relationships (Besseris, & Kremmydas, 2014); (Campos, Campos, Vazquez-Brust & Vazquez-Brust, 2016). However three important dimensions of IPRs work in relation: personal credibility acting as a facilitator that establishes inter-organizational confidence, personal affection acts as the gatekeeper, while personal communication accelerates the procedure (Elkington, 1998b). During the implementation stage, the two levels of relationships continuously relate with one another, with the possibility of strengthening and at times hindering the integration goal. All through the entire life-cycle of the dyad, IPRs helps in the establishment and growth of inter-organizational relationship while the latter often leverages these ties for resource acquisition.

4. Discussion

This study introduces orchestration theory by focusing and emphasizing on the interaction between inter-personal and inter-organizations relationships in supply chain management (Carvalho, Azevedo & Cruz-Machado, 2010); (Carvalho, Duarte & Cruz-Machado, 2011). The unclear scheme of the three inter-personal dimensions need to be organized and groomed to strengthen their effects on inter-organizational relationships (Castka & Balzarova, 2008); (Cherrafi, Elfezazi, Chiarini, Mokhlis & Benhida, 2016). In the same vein, the inter-personal and inter-organizational relationships of the supply chain integration process need to be organized in terms of breadth, depth and stage of life-cycle (Dües, Tan & Lim, 2013).

4.1 Managerial implications

The study provides senior decision makers in the top level management with more authentication of the important role of inter-personal relationships across a realm of managerial levels when working with business associate (Chiarini, 2014); (Duarte & Cruz-Machado, 2013b). Furthermore, the study ascertains when personnel with special skills and competence should be used during the different stages of developing and preserving inter-organizational ties (Dhingra, Kress & Upreti, 2014); (Duarte & Cruz-Machado, 2013a).

4.2 Sustainable Performance

The circular economy concept has started to be recognized as of great potential to help organizations achieve a breakthrough in environmental sustainability performance. It has quickly become an influential driving force behind sustainability, both in literature and practice (Genovese, Acquaye, Figueroa & Koh, 2017). The circular economy concept aims to redesign global production and consumption systems (Hobson, 2016). Through eco-industrial initiatives, where wastes produced at one point in a value chain are turned into inputs at another point (Mathews & Tan, 2011). These results in the creation of self-sustaining production systems, where most used products, scraps, residual materials, and other waste materials are collected, conditioned, and reused or recycled to improve material efficiency and profitability Preston, 2012). The concept puts sustainability and closed-loop thinking at the heart of business models and industrial organizations (Winkler, 2011)

5. Conclusion

The use of the integration for the dimensions of complexity might reflect a growing interest in the construct from various supply chain perspectives. However, the same variety potentially limits a more coherent understanding of personal and organizational supply chain integration. Complexity is not merely the opposite of simplicity nor did a synonym for complicacy, where everything deemed complicate can be addressed as complexity.

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