

SUPPLY CHAIN SENSING CAPABILITY IN AUSTRALIAN MANUFACTURING ORGANIZATIONS AND DYNAMIC CAPABILITIES

Oluseye Odukoya and Richard Oloruntoba

Newcastle Business School, The University of Newcastle, Australia

ABSTRACT

Purpose: The research advocates for a supply chain and supply chain management role in the further development of the dynamic capabilities of firms, and in the theoretical development of the dynamic capabilities view. This position is premised on the firm supply chain acting as a sensing mechanism for strategic threats and opportunities in the firm environment.

Design/Methodology/Approach: This research deploys a multiple case study research approach using mixed method data collection techniques including face to face interviews and questionnaire surveys which are analysed using the analytical software. The research deploys a mixed method approach (quantitative and qualitative); using (1) multiple case study and (2) surveys. Data collected for the multiple case study was analysed using NVivo 12 while data collected for the survey was analysed using SPSS and Mplus.

Findings: The research data collected and analysed provides preliminary empirical evidence which explain the underlying processes in main supply chain sensing for proactive identification of strategic opportunities and threats in the firm's business environment. Empirical case study evidence suggests that the key determinants of the supply chain sensing process include the nature and capability of the firm as regards its ability for (1) data generation (2) data vetting (3) data assessment and (4) data evaluation in order to improve firm sensing performance. The study further presents a preliminary model which illustrates and explains the structures, mechanisms, and processes by which firms can leverage their supply chains to maximum strategic advantage

Originality/Value: Much of the available academic literature on firm strategy and dynamic capabilities focus on firms as a single node in its business environment but this study investigates the firm within its supply chain network. While the strategic strategy literature focuses on 'seizing' and 'sensing' as a necessary firm capability for its competitive ability and survival, it has neglected the supply chain as a sensing mechanism and neglected to provide an explanation of the process of supply chain sensing.