

Effect of Supply Chain Resilience on Organizational Performance through Knowledge Sharing

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Abstract

Supply chain mitigation strategies have not received much attention from researchers and practitioners on how to manage the supply chain risk in the turbulent business environment. There is little awareness and understanding in supply chain risk management literature on the concept of supply chain resilience (SCR). SCR has been emphasized throughout the past decade, and organizations are aware of its influence on organizational performance. As a result, SCR is essential as it influences organizational performance. The literature indicates that a lack of SCR negatively affects organizational performance. However, the literature does not theorize and provide theoretical evidence on how SCR affects organizational performance with the help of knowledge sharing. This study aims to examine the influence of SCR on organizational performance with the effect of knowledge sharing. Research questions include: 1 How SCR contributes to organizational performance? 2 Does knowledge sharing influence organizational performance? 3. How does knowledge sharing affect the relationship between SCR and organizational performance? This study, based on available literature, will present the research model of how SCR affects organizational performance. Examples of small case studies will also include for better understanding. This study will also provide some important pieces theoretical and practical implications.

Key-words: Knowledge Sharing, Organizational Performance, Supply Chain Resilience, Risk Management.

1. Introduction

Business organizations are operating worldwide and having extended supply chains are always in danger and facing so much vulnerability that affects their growth and profitability. Practitioners and researchers have shown much concern in managing and handling supply chain risks and tried to develop solutions and strategies that help eliminate and minimize the negative

consequences (Baryannis, Validi, Dani, & Antoniou, 2019; Polyviou, Croxton, & Knemeyer, 2019). Recently, "managing supply chain risk management" (SCRM) received much attention on how to deal with and overcome threats and challenges associated with SCRM (Saglam, Çankaya, & Sezen, 2020). SCRM means the implementation of suitable strategies to reduce supply chain vulnerability. In literature, these strategies are known as mitigation strategies (Chang, Ellinger, & Blackhurst, 2015; Saglam et al., 2020). Every supply chain activity likely to be affected by unexpected disruption and risk (Ponomarov & Holcomb, 2009). Disruption is likely to occur when there is unnecessary stoppage and blockage in the movement of material supplies and goods (Revilla & Saenz, 2017). It also includes critical incidents such as loss of suppliers, strikes and riots, failure in manufacturing plant due to fire, natural disasters (Gunessee, Subramanian, & Ning, 2018; Pereira, Christopher, & Da Silva, 2014; Ponomarov & Holcomb, 2009). Disruption in supply chain have negative consequences such as lower productivity and poor organizational performance (Marley, Ward, & Hill, 2014). Managers all over the world are much concerned about the supply chain mitigating strategies and methods to reduce damages due to plant failures and other distribution problems that organizations faced over time (Udofia, Adejare, Olaore, & Udofia, 2021). To reduce the risk associated with supply chain disruption, researchers and practitioners must design strategies that provide an effective and efficient way to respond. It also includes the readiness to unanticipated problems and can return to its original state or in a better state after the disruption occurs (Ponomarov & Holcomb, 2009). This is knowing as SCR. Researchers have scientifically and empirically investigated the relationship between SCR and organizational performance (Babatunde, 2020; Gunessee et al., 2018), but limited theoretical research available on how employee knowledge sharing affects SCR and organizational performance. This gap stirs the interest of the researcher to investigate how employee knowledge sharing in the organization affects SCR and organizational performance. This study aims to provide a conceptual framework that further provides bases for researchers to empirically test the framework.

Research questions of the study includes:

1. How SCR contributes to organizational performance?
2. Does knowledge sharing influence organizational performance?
3. How does knowledge sharing affect the relationship between SCR and organizational performance?

2. Research Framework and Development of Propositions

Supply Chain Resilience and Organizational Performance

Although there is abundant research on SCR and enough proof of its significance (Dubey et al., 2021; Kamalahmadi & Parast, 2016), much less importance has been given to the link between organizational performance and SCR (McCann, Selsky, & Lee, 2009).

Among other reasons, one of the most important causes of paying less attention to SCR is due to the fact that researchers working on SCR view it as an outcome variable by itself (e.g., Aslam, Khan, Rashid, & Rehman, 2020; Brandon-Jones, Squire, Autry, & Petersen, 2014). The above statement of the study adopts SCR as a parameter of performance while laying basic stress on permanence and the existence of organizations and their supply chain. However, scholars working on SCR who see SCR as a competence do not always share this viewpoint (Gölgeci & Ponomarov, 2015). The role of SCR in performance and different viewpoints on SCR give scholars motivation to explore the possible role SCR can play in organizational performance and its significance to those organizations who are working in the uncertain and volatile market environment. However, we foresee SCR as a skill and knowledge (Wieland & Durach, 2021). According to previous studies, resilience helps organizations take vigorous, customized, and situation-specific actions whenever an unhealthy event occurs that can harm the firm's existence in a long run. Therefore, resilience is the basic element to survive in a volatile environment (Lengnick-Hall, Beck, & Lengnick-Hall, 2011). Likewise, McCann et al. (2009); Rehman, Shafique, Qadeer, and Ahmad (2017) argued that resilience positively impacts achieving competitive advantage and boosting profit.

Additionally, the potential ability of SCR to return the organization after any SCR disruptions to its original or new state or even more necessary one. Ponomarov and Holcomb (2009) have proved that it has a positive impact on performance. Therefore, theoretical opinions and related empirical proofs show that SCR can positively impact organizational performance and competitiveness.

Proposition 1: SCR has a positive and direct relationship with organizational performance.

Knowledge Sharing and Organizational Performance

Knowledge sharing is a process through which organizational members voluntarily disseminate the knowledge and skills they acquired over time through hard work and experience (Ipe, 2003). Nonaka and Takeuchi (1995) explain that if employees do not share their knowledge with the other organizational members, they do not benefit the organization. Knowledge exists at different

levels within the organizations, such as individual, team, department, and organizational level, but sharing knowledge is important (Law & Ngai, 2008). Researchers believe that knowledge sharing among individuals or at the organizational level is a source of competitive advantage that is an important source of organizational performance (Kogut & Zander, 1996; Law & Ngai, 2008). Knowledge within the organizations is considered an important source for better and improved organizational performance (Park, Dulambazar, & Rho, 2015). Park et al. (2015) argued that researchers should gauge the relationship between organizational strategic and technological factors that are helpful in knowledge sharing among individuals. It is unclear that how these factors influence employees and organizational performance. Organizational performance is improved when employees share and utilize their knowledge to better and improve their colleagues and organization. Researcher found that knowledge sharing have positive effects on performance of the organization through improved process, products and services (Wang & Wang, 2012). Furthermore knowledge sharing is considered as the backbone for the organizational performance and success (Van Woerkom & Sanders, 2010). Based on above discussion the researcher formulated the following proposition.

Proposition 2: Knowledge sharing has a direct and positive relationship with organizational performance.

Supply Chain Resilience, Knowledge Sharing, and Organizational Performance

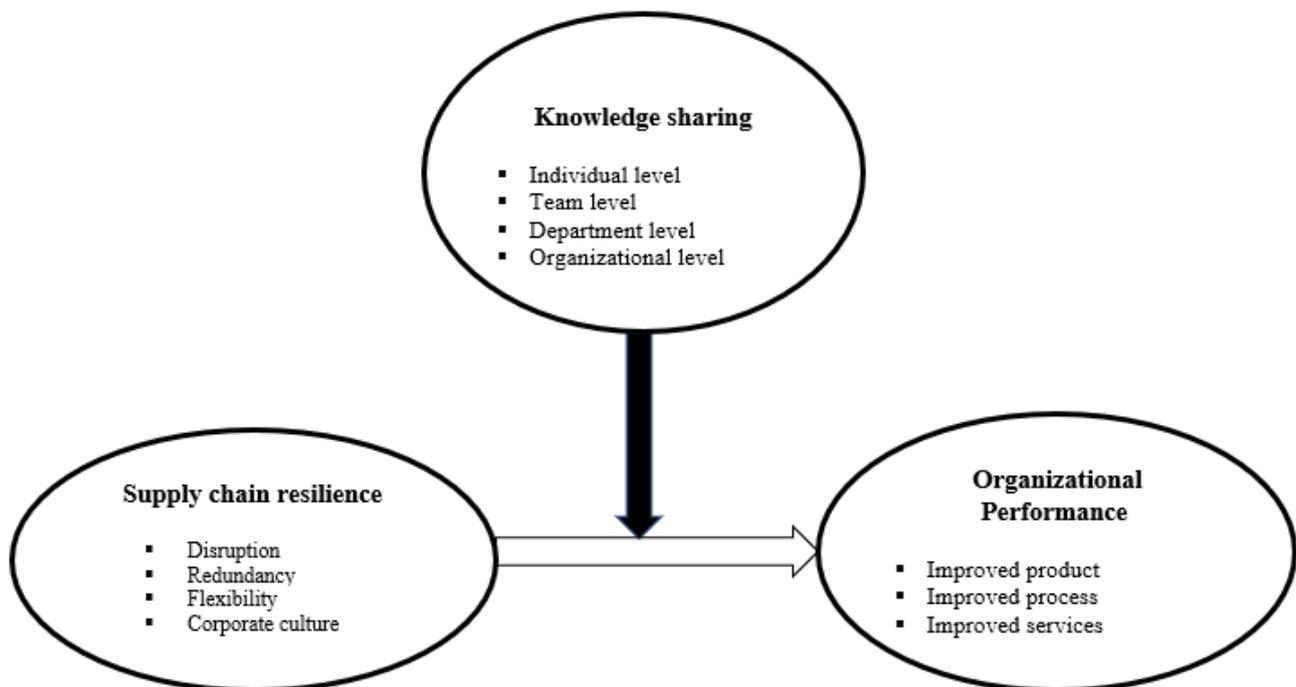
Knowledge sharing is a source of competitive gain for business organizations around the world (Rehman et al., 2017). Knowledge sharing is considered an individual trait that differentiates employees from their colleagues working within the organization (Zhou & George, 2001). The capacity of knowledge sharing within the organizational members can be enhanced due to supportive organizational culture, good incentive system, organizational values, and confidence-building (Chow & Chan, 2008). Organizations support and encourage their employees to share knowledge within the organizations, and as new knowledge is acquired, it must be shared within the various organizational levels where knowledge is needed (Rehman et al., 2017). This research proposes that organizations where knowledge sharing is encouraged have better organizational performance than those organizations where knowledge sharing is not embedded in their culture, values and systems.

Organizations and their supply chain systems have been facing different problems such as political disturbance, strikes, natural disasters, and cyber-attacks (Tukamuhabwa, Stevenson, Busby, & Zorzini, 2015). Furthermore, organizations are also facing problems with a short product life cycle and variability in product demand (Gölgeci & Kuivalainen, 2020; Gölgeci & Ponomarov, 2015). SCR

is defined as "the adaptive capability of the supply chain to prepare for unexpected events, respond to disruptions, and recover from them by maintaining continuity of operations at the desired level of connectedness and control over structure and function" (Ponomarov & Holcomb, 2009, p. 131). This study argues that organizations where knowledge sharing is promoted and encouraged influence the relationship between SCR and organizational performance. Employees who have experienced and faced problems related to supply chain disturbance when sharing their knowledge and expertise with the organization to overcome the disturbance in the supply chain ultimately affect the organizational performance. Based on the discussion, this research study proposed the following proposition.

Proposition 3: Knowledge sharing strengthen the relationship between SCR and organizational performance.

Figure 1 - SCR, Knowledge Sharing, Organizational Performance



3. Discussion

The aim of this study is to check the influence of SCR on organizational performance in the presence of knowledge sharing. This, based on literature and theoretical justifications, suggest that SCR has a direct and positive relationship with organizational performance (Dubey et al., 2021; Rehman et al., 2017). When facing difficulties and redundancy in the supply chain, organizations take customized, vigorous action to solve the problem due to disruptions in the supply chain. Furthermore,

the organization also takes flexible and situation-specific measures so organizations can survive in unhealthy environments. All these actions and urgency in the supply chain helps the organizations to improve their products, process, and services.

Secondly, knowledge sharing also plays a vital role in enhancing organizational performance. Knowledge within the organization helps them to achieve a competitive advantage. Organizational performance improves as employees within the organization share knowledge at different levels, such as individuals, teams, groups, and organizations. Literature also suggests that knowledge is significantly and positively associated with organizational performance (van Woerkom & Sanders, 2010; Wang & Wang, 2012).

Lastly, this study also tries to bridge the gap in the literature on how knowledge sharing helps SCR and organizational performance. This study proposes that employees working in the supply chain face various supply chain disturbance and redundancy issues. Thus, these employees must share their knowledge and experience with their colleagues and organizations. Knowledge sharing pertaining to supply chain issues helps organizations to improve their performance.

4. Conclusion

It is an ongoing study. This study aims to select the topic of research, its objective, questions for research work, the relevant model, and the case to illustrate. Currently, first of all, variables of the first order are selected and illustrated. Consequently, this model of research is used with survey study to determine second-order variables. Moreover, specific interviews (structural) and different case studies will be held to elaborate on SCR, Knowledge sharing, and organizational performance. All extra research phases are used to identify different firms that use SCR and knowledge sharing to better organizational performance. Apart from abstract ideas, compelling findings of research work are used to know applicable practices to tackle SCR. Also, it helps to resolve fundamental issues, which are either technological or operational, to get a competitive edge. In short, research has contributed significantly to the SCR. Therefore, this study will have many significant implications on managerial and theoretical grounds.

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