ABSTRACT

This research aims to explain and predict the performance of supply chain members including manufacturers, their suppliers and their customers i.e. the distributors, wholesalers and retailers in the fast moving consumer goods industry. Specifically, it applies the performance model called the organization-environment-strategy (OES) paradigm. The fast moving consumer goods industry in the Thai context is the focus. The vital nature of this industry has forced its members to seek innovative and effective strategies to respond to such challenges. Exploratory research through in-depth interviews and a case study is initially conducted. A questionnaire survey is designed to collect quantitative data. A total of 387 data sets is used. Structural equation modeling is performed to test the research model empirically. The findings confirm the OES paradigm that the performance of supply chain members can be explained and predicted by the relationship among supply chain uncertainty, collaborative strategy and organizational structure.

Importantly, the performance of supply chain members is influenced by demand uncertainty. The unpredictability of the customers' action in terms of requirements for products that change over the period is the driver for firms to implement a collaborative strategy. Moreover, such unpredictability requires a more flexible structure to support collaboration within and across the organizations. Because of the downstream unpredictability, firms tend to work closely together with their partners and adapt their structure to be more flexible to fit with their environment. Consequently, those firms that can align their strategy and structure with the environment will be able to increase their competitive advantage or outperform their competitors. Hence, their performance will also improve.

However, supply uncertainty or unpredictability of suppliers' action is not the driver of collaboration. The findings indicate that suppliers' action in the FMCG industry is
predictable. So the firms do not have a motive to collaborate with suppliers. In addition, whenever the action of suppliers is unpredictable, clients tend to switch to other suppliers rather than trying to change their organizational structure or operational processes. Therefore, the lack of alignment among supply uncertainty, collaborative strategy, and organizational structure will not improve the firms’ competitive advantage as well as their performance.

The impact of this dissertation is that it upholds long-standing conceptual arguments relating environment, strategy, structure, and performance through the applicability of the relational and network perspectives in the supply chain context of the fast moving consumer goods industry in Thailand. It also guides practitioners in how to manage the proper relationships and designs for their organization to yield positive outcomes.