

# APPLYING THE O.E.S. PARADIGM TO THE SUPPLY CHAIN

**Piyawan Puttibarncharoensri\***

Department of Industrial Management, School of Management and Economics  
Assumption University of Thailand

## **Abstract**

*This paper develops a conceptual model which explains the performance of supply chain members. Specifically, it applies the performance model called the organization-environment-strategy (OES) paradigm. The performance of supply chain members is influenced by supply chain uncertainty or the unpredictability of the actions of those sectors which supply inputs to or receive outputs from the organization. Supply chain uncertainty 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 unpredictability, firms tend to work closely together with their partners and adapt their structure to be more flexible to fit 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 have improved. It remains for other researchers to test this model.*

**Keywords:** supply chain uncertainty, collaborative strategy, organizational structure, supply chain performance

## **INTRODUCTION**

The conventional business model is based on transactional relationships between companies, a model which was able to create high-cost, low-quality products and services for the final customer in the chain. However, these relationships were formal and not particularly intimate. The consequences of this formality were that mutual distrust, short-term commitments, and information hoarding between trading partners became common. Evidence of these failings has been discussed by many authors, such as Kumar (1996), Dyer (2000), Wagner, Macbeth and Boddy (2002), and Bonet and Pache (2005).

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\*Dr. Puttibarncharoensri, BBA, MSc, PhD, is Chairperson of the Dept. of Industrial Management, and Leader of the MSc programme in Supply Chain Management. Most of the concepts in this article are extracted from her unpublished doctoral thesis.