

RELATIONAL OUTCOMES OF SUPPLY CHAIN DISRUPTION MANAGEMENT: A QUALITATIVE STUDY OF SOUTH AFRICAN 3PLS

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Recent trends in supply chain management, such as just-in-time practices and outsourcing have improved organisational efficiency and effectiveness. It has, however, also augmented the firm's vulnerability to disruptions. These disruptions may have the capacity to strain supply chain relationships between outsourced logistics companies and their clients, and that the way in which an organisation manages the disruptions will have an influence on the relationship itself. There is a gap in the literature regarding the connection between supply chain disruptions and relationships.

Thus, the following main research question, with sub-questions are proposed: What are the effects of the supply chain disruption management process on the relationship between a 3PL and its client?

Sub-questions:

- 1) What supply chain disruptions do South African 3PLs and their clients face?
- 2) How do the different parties respond to recover from these supply chain disruptions?
- 3) Which factors in the supply chain disruption management process drives positive relational outcomes?
- 4) Which factors in the supply chain disruption management process serve as barriers to positive relational outcomes?

A review of literature showed that despite risk management efforts, disruptions will still occur, shifting the focus to the responses to disruptions. Intra-organisational disruptions include: IT systems malfunctions, strikes and equipment malfunctions. Supply chain network disruptions include: distribution network interruptions, transportation breakdowns, high-jacks and 3PL bankruptcies. Finally, environmental disruptions include: natural disasters, terrorism, political-, policy-and-economic instability.

A summary of the three most prominent disruption management processes proposes that it takes place in four stages namely detection, reaction, recovery and learning. Not only is relationships important for effective disruption management, but the management of the disruption also plays an integral part in the relationship after the disruption.

To examine the relational effects of the disruption management process, factors influencing business relationships will be examined. These include communication, alignment of goals, perception of competence, personal factors, incoherencies in partner actions, expectation management, regular interaction, destructive conflict, opportunism, benevolence and relationship value.

The study will use a descriptive qualitative research design, as it will best enable the researchers to investigate the effects of disruption management processes on supply chain relationships. The target population will be 3PLs and their respective clients with whom they have experienced a disruption. This will include semi-structured interviews with the relevant individuals in both the 3PL and its client that were engaged in handling the disruption. Homogenous sampling will be used to select the relevant 3PL and snowball sampling will be used to identify the client or *vice versa*. A planned total of 18 semi-structured interviews will be conducted, which include nine 3PLs and nine clients.

This study will guide the understanding of what disruption management strategies are successful and it will also enable 3PLs and their clients to build better relationships in times of disruption by responding to disruptions in the right way.

Preliminary findings indicates that the type of disruptions experienced by the participants include labour strikes and IT integration problems. A broad disruption management procedure was observed with specific procedures for some disruptions. While relational factors that came to light were benevolence, mutual planning, trust, visibility, responsiveness, communication, face-to-face contact, reciprocity, relational value and blame assignment.