

Chapter 8

Strategic Sourcing and Supplier Selection: A Review of Survey-Based Empirical Research

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ABSTRACT

Increasingly, supply chain integration and supply chain management are receiving a great deal of attention from researchers and practitioners alike. Supply chain management has been viewed as a viable initiative to enhance sustainable competitive advantage under increased national and international competition. The use of survey-based empirical research has been perceived as a desirable way in supply chain management research, because the use of empirical data helps support the understanding of supply chain management practices within industries. Strategic sourcing and supplier selection play vital role in managing the supply chain due to their contributions to the success of the company. This chapter surveys the current state-of-the art of the survey-based empirical research on strategic sourcing and supplier selection. The findings based on an in-depth analysis of thirty-eight articles are discussed, which will help both the academicians and the practitioners in textile/apparel/fashion industries to understand more about the latest development and trends in survey-based empirical research on strategic sourcing and supplier selection. An agenda for future research is also presented.

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INTRODUCTION

Supply chain management (SCM) is a central and important area for academic research due to its impact on firms competing in today's global economy, and supply chain management is recognized as a contemporary concept that leads to achieving benefits of both operational and strategic nature (Al-Mudimigh, Zairi, & Ahmed, 2004). According to Gunasekaran, Patel and McGaughey (2004), at the strategic level, SCM is a relatively new and rapidly expanding discipline that is transforming the way for improving organizational competitiveness both in manufacturing and services.

The short-term objective of SCM is to increase productivity and reduce inventory and cycle time, while the long-term strategic goal is to increase customer satisfaction, market share and profits for all members of the virtual organization (Tan, 2002; Wisner & Tan, 2000). To realize these objectives, all strategic partners must recognize that purchasing function, with its boundary-spanning activities, is a crucial link between the sources of supply and the organization itself (Wisner & Tan, 2000). Purchasing/sourcing connects suppliers and buyers closely, which are two of the driving forces of competitiveness in an industry (Porter, 1980).

The importance of empirical research has been stressed for some time. Based on Flynn, Sakakibara, Schroeder, Bates, and Flynn (1990) and Scudder and Hill (1998), empirical research refers to research based on real world observations or experiments; it uses data gathered from naturally occurring situations or experiments, in contrast to research that is conducted via laboratory or simulation studies, where the researchers have more control over the events being studied. Meredith, Raturi, Amoako-Gyampah and Kaplan (1989) argued that Production and Operations Management (P/OM) research should recognize the applied nature of P/OM. Amoako-Gyampah and Meredith (1989) concluded the use of research methodologies associated with empirical research had not been proceeding along the path that was

perceived to be important by industry before 1989. Flynn et al. (1990) discussed the need for more research on operations management which is based on data from the real world. Since then P/OM research field has witnessed the increased deployment of empirical research designs, particularly survey research, to understand better such issues as quality management and manufacturing strategy. P/OM researchers have demonstrated remarkable progress in comprehending the complexities of designing and executing empirical research (Rungtusanatham, Choi, Hollingworth, Wu, & Forza, 2003). This progress is evidenced not only by the quantity, but also the quality and sophistication of the research endeavors that have been completed (Rungtusanatham et al., 2003).

There are many advantages of using survey research. For example, surveys are useful in describing the characteristics of a large population while no other method of observation can provide this general capability; they can be administered from remote locations using mail, email or telephone; consequently, very large samples are feasible, making the results statistically significant even when analyzing multiple variables (Nardi, 2006). There are some disadvantages of survey research at the same time; for example, it may be hard for participants to recall information or to tell the truth about a controversial question; and as opposed to direct observation, survey research (excluding some interview approaches) can seldom deal with "context" (Nardi, 2006). However, the benefits of conducting survey research outweigh its disadvantages. Survey is the most commonly used empirical research design in operations management research (Flynn et al., 1990; Rungtusanatham et al., 2003).

There is an increasing interest in the survey-based empirical research in the field of SCM (Rungtusanatham et al., 2003). The current state and the direction of movement of topics studied and research methodologies used are of interest to many researchers in the operations management field (Scudder & Hill, 1998). SCM continues to

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