

Supply Chain Resilience and Dynamic Capabilities in Industrial Buyer-Supplier Relationships

Suvi Leinonen

University of Oulu, Industrial Engineering and Management, PO Box 4610, 90014 University of Oulu,
Finland
suvi.leinonen@oulu.fi

Arto Reiman

University of Oulu, Industrial Engineering and Management, PO Box 4610, 90014 University of Oulu,
Finland
arto.reiman@oulu.fi

Osmo Kauppila

University of Oulu, Industrial Engineering and Management, PO Box 4610, 90014 University of Oulu,
Finland
osmo.kauppila@oulu.fi

Abstract

In recent years, industrial companies have faced multiple unexpected and exceptional global crises, causing disruptions in their business and their supply chains. In this continuously evolving business environment, the importance of being able to identify emerging challenges as early as possible, to find solutions and implement responsive actions agilely has been emphasised. In other words, supply chain resilience (SCRes) is required to be able to ensure adaptation and to maintain competitiveness in a turbulent global business landscape. The aim of this study is to identify what kinds of capabilities are needed in SCRes management in industrial buyer and supplier companies for future crises and disruptions. A dynamic capabilities view is applied as the underlying analysis framework. The research was conducted in Finnish industrial companies and in their suppliers from February to June 2022. The research data was collected from 12 semi-structured, individual and group interviews. The research findings indicate important capabilities related to five areas: predictability, responsiveness, leadership and human resource management, communication and information sharing and supplier-buyer relationship. We found that a relationship between buyer and supplier company is one of the key capabilities in sustainable SCRes management. Another important finding is that dominating buyer behaviour may hinder the formation of dynamic capabilities in buyer-supplier relationships. Conversely, leadership through non-coercive and rewarding exercise of power advances the development of organizational and supply chain resilience.

Keywords: supply chain resilience, organizational resilience, leadership, buyer-supplier relationship, dynamic capabilities, supplier management.