



Implementation of SCM in inter-organizational relationships: a symbolic perspective

Implementation
of SCM

Frederik Zachariassen and Dennis van Liempd
*Department of Entrepreneurship and Relationship Management,
University of Southern Denmark, Kolding, Denmark*

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Abstract

Purpose – The purpose of this paper is to investigate supply chain management (SCM) as a management implement from a symbolic perspective on a dyadic level. So far, no research has investigated SCM from such a perspective, although SCM researchers implicitly have noted that it would be useful to have such a study in order to broaden the understanding of the SCM concept, as such a study allows for the use of alternative sociological theories.

Design/methodology/approach – A single case study was chosen in order to investigate a focal firm's use of SCM. A total of 27 hours of interviews and 15 hours of observations were carried out at the focal firm and with a number of the firm's suppliers in order to investigate the subject.

Findings – The paper found that the SCM concept impacts the relationship between buyer and supplier in different ways depending on two dimensions: SCM as tool vs symbol and arm's length relationships vs strategic partnerships. Contrary to the mainstream idea of SCM as a tool for increased effectiveness of supply chains and increased collaboration with key suppliers, this paper found that SCM from a symbolic perspective at the focal firm came to function as either a justification or as a post-rationalization for actions taken by the focal firm depending on whether the relationship can be considered a strategic partnerships or an arm's length relationship, respectively.

Research limitations/implications – The paper was conducted from a dyadic, buyer-supplier perspective. Being a limitation of the study, future research should investigate the proposed claims set forward in this paper on different levels (focal, chain, and network) in order to either strengthen or weaken the credibility of this present paper.

Originality/value – This is the first paper to investigate the management implement of SCM from a symbolic perspective.

Keywords Supply chain management, Symbolism, Fashion, Channel relationships, Sociology of work
Paper type Case study

1. Introduction

The discipline of supply chain management (SCM) has experienced increased attention in recent years. Such attention is due to the fact that the discipline focuses on creating top- as well as bottom-line improvements by streamlining the flow of material and information across the supply chain, thereby hopefully creating competitive advantages for companies or supply chains (Christopher, 1992).

As such, definitions of SCM are abundant in the literature with researchers not agreeing on what exactly constitutes SCM. Halldórsson *et al.* (2008), for example, noted that disagreement and confusion about the real meaning of SCM currently exists in the contemporary literature while Burgess *et al.* (2006, p. 703) state that "SCM continues to be largely eclectic with little consensus on its conceptualization." Other authors have also remarked this either implicitly or explicitly (Frohlich and Westbrook, 2001;



Svensson, 2003; Giannakis and Croom, 2004). Thus, different approaches to the study of SCM currently exists with some authors placing emphasis on SCM as an academic discipline with different, researchable subtopics (Burgess *et al.*, 2006; Harland *et al.*, 2006), and others suggesting that SCM complementarily also can be considered a management implement suitable for implementation in companies that experience problems related to the management of their supply chains (Bechtel and Jayaram, 1997; Fawcett and Magnan, 2002; Lambert *et al.*, 2005; Kotzab *et al.*, 2006).

The latter view of SCM as an implement often points to, amongst others, improved order fulfillment, supplier management and manufacturing flow management as being typical examples of the use of SCM in firms (Croxtton *et al.*, 2001). As such, these advantages are used as justification for further research into exploring and solving SCM related issues (Mentzer *et al.*, 2001). In the SCM literature, there has, however, also been criticism of SCM with researchers stating that few companies have actually managed to successfully engage in SCM practices (Akkermans *et al.*, 1999; Kilpatrick and Factor, 2000; Storey *et al.*, 2006). Kampstra *et al.* (2006, p. 315) state with regards to SCM as a means to collaborate: “paradoxically [it] is immensely popular both in business and academia and at the same time most collaborative initiatives end up in failure. We should, therefore, face up to the realities.”

Researchers have given some explanations as to why this paradox exists. For instance, problems associated with choosing supply chain metrics (Beamon, 1998) or trust issues (Arnulf *et al.*, 2005) have been mentioned as possible obstacles to effective SCM implementation and subsequent use. Solutions to these problems have been many, including suggestions such as heavier involvement of top management (Mckone-Sweet *et al.*, 2005), using information technology (IT) (Chin *et al.*, 2004) or having a more focused effort on integration issues early on in relationship building (Kim, 2006).

One potential aspect of SCM implementation that has not been suspected as problematic so far is the SCM concept itself. This could be interpreted as a quite natural consequence of the fact that “there is little empirical research on SCM implementation” (Halldörsson *et al.*, 2008, p. 126) to start with, but it seems a peculiar and curiously surprising fact when seen in the light of other management implements: the balanced scorecard (BSC) or total quality management (TQM) for example have received substantial criticism in other academic disciplines such as management accounting and organizational studies (Kieser, 1997; Røvik, 1998; Nørreklit, 2000). Specifically, Røvik (1998) proposed that management implements can be viewed from two distinct vantage points, namely as tools or as symbols. It is argued in this paper that the extant literature on SCM has neglected to study SCM from the symbolic perspective, while placing heavy emphasis on the tool perspective. By carrying out a literature review, which reveals that the existing literature has focused extensively on the implement of SCM as a rational, technical concept, a single case study is advanced that explores SCM from a symbolic perspective. As SCM typically deals with inter-organizational aspects, it is important to distinguish a classical dichotomy between arm’s length relationships and strategic partnerships. By exploring the use of SCM from a symbolic perspective with a view to the distinction between arm’s length vs strategic relationships, it becomes possible to identify other, non-traditional reasons why SCM has been difficult to utilize in practice. This is valuable since such findings contribute to the identification of possible and potential reasons why SCM implementations have not been as effective as suggested

in theory. The research question of this paper is, therefore, “to analyze, how the use of SCM in a focal firm from a symbolic perspective impacted the focal firm’s relationship to its suppliers”.

In order to investigate the subject at hand, the paper is structured as follows. In Section 2, a literature review is carried out in order to position the paper and simultaneously strengthen the conceptual clarification of the central constructs used throughout the paper. This results in the classification of SCM implementation as fourfold, depending on the type of relationship (arm’s length vs strategic), and which perspective (tools or symbols) is taken. Section 3 highlights the methodological choices taken in the paper, while Section 4 analyses the empirical data collected from the single case study with respect to the proposed theoretical framework. Finally, Section 5 concludes and summarizes the main conclusions of the paper. In addition, the last section proposes suggestions for future research.

2. Literature review

In this section, a literature review is carried out in the Section 2.1. Section 2.2 theoretically discusses two ways of seeing a management implement, and analyzes the existing SCM literature found through the literature review from a respective tool- and symbolic perspective. Together, with a discussion of arm’s length relationships vs strategic partnerships (Section 2.3), this results in a proposed theoretical framework of SCM implementation in Section 2.4, which will be utilized in the Section 4 dealing with the analysis of the empirical data as obtained through a single case study.

2.1 Literature review of papers dealing with SCM implementation

A literature review was carried out of ten top-ranked SCM related journals, selected on the basis of recent ranking studies (Gibson and Hanna, 2000, 2003; Kumar and Kwon, 2004; Menachof *et al.*, 2007)[1]. The journals were systematically searched for the key terms “SCM implementation” and “SCM practices”, so that they could appear in title, abstract and keywords. Having identified a number of articles from this search, the reference lists of the papers were carefully analyzed in order to include all literature that revolves around the concept of SCM as a management implement.

A total of 27 papers were identified from the initial literature review using the key terms. Of these, eight papers were removed, as they were not deemed relevant for the study. For instance, Min and Mentzer (2000) discussed the role of marketing in SCM. This resulted in a list of 19 papers that together paint a broad and at times vague picture of what exactly constitutes a SCM implementation. The end result of the literature search can be seen in Table I.

From the literature review, relevant conclusions arrived at considering the scope and aim of this study are threefold. First, there seems to be no general established definition or categorization of what exactly constitutes a SCM implementation. As such, SCM researchers dealing with issues related to implementing SCM speak of different constructs that they consider relevant for using the SCM implement. For instance, Scannell *et al.* (2000) mention the use of developing suppliers and building closer buyer-supplier relationships, while Kotzab *et al.* (2006, p. 274) mention that “SCM’s main features include long-term relationships between supply actors, a customer orientation, mutual benefits and/or sharing of information, profits and risks.” with Fawcett and Magnan (2002), Saad *et al.* (2002), Storey *et al.* (2006), and Kim (2006) reaching the same conclusion.

Author/year/journal	Methodology	Main findings
Scannell <i>et al.</i> (2000)/ <i>JBL</i>	Case studies of three US-based automotive companies	Supplier development is significantly correlated with changeover flexibility performance, while supplier partnering is correlated with overall cost reduction
Croxton <i>et al.</i> (2001)/ <i>IJLM</i>	A theoretical discussion	A common structure for implementing SCM is proposed with a further discussion on identification of SCM processes
Fawcett and Magnan (2002)/ <i>IJPDLM</i>	1,500 sent out surveys together with 52 in-depth interviews	Identifies three levels of SCM implementation alongside the finding that supply chain practice seldom resembles the theoretical ideal
Saad <i>et al.</i> (2002)/ <i>JPSM</i>	800 questionnaires with a response rate of 14 percent to selected construction companies	Construction practitioners need a better conceptual understanding of SCM and more systematic approaches to its implementation
Andersen and Rask (2003)/ <i>JPSM</i>	Case study material from 15 Danish companies analyzed via degree-of-freedom analysis	Implementing SCM practices towards suppliers provides new organizational practices such as team-based management and key supply management
Kemppainen and Vepsäläinen (2003)/ <i>IJPDLM</i>	25 interviews in total, spanning six independent supply chains	Strategic preconditions for innovative networking needs to be in place for SCM implementation
Chin <i>et al.</i> (2004)/ <i>IJPDLM</i>	1,000 surveys with a response rate of 18.8 percent	Found five SCM success factors, being building relationships, using IT, re-engineering material flows, changing corporate culture and identifying performance measures
Arnulf <i>et al.</i> (2005)/ <i>IJL:RA</i>	Combination of quantitative and qualitative methodology	Project-management should attend carefully to aspects of dynamics of institutional trust and distrust
Kannabiran and Bhaumik (2005)/ <i>SCM:IJ</i>	Case study of a manufacturing organization	Identifies that integration of SC planning with general business planning and commitment of top management is vital
Mckone-Sweet <i>et al.</i> (2005)/ <i>JSCM</i>	Case studies conducted in the health-care industry	Explores that barriers of implementation of SCM practices include lack of executive support, conflicting incentives and limited education on supply chain
Mello and Stank (2005)/ <i>IJPDLM</i>	Theoretical. Develops hypotheses for future research	Proposes amongst others that the more supply chain orientation a company has, the more it will be attracted to other companies with a supply chain orientation

Table I.
Results of the literature
review

(continued)

Author/year/journal	Methodology	Main findings
Jharkharia and Shankar (2006)/ <i>SCM:IJ</i>	Survey of four sectors of the Indian manufacturing industry, using <i>t</i> -tests	Automotive companies differ significantly from those in others sectors in the adoption of SCM
Kampstra <i>et al.</i> (2006)/ <i>IJLM</i>	Collective field experiences	Three realities of SCC are identified. In addition, a structured approach to SCC is outlined
Kim (2006)/ <i>SCM:IJ</i>	688 collected and completed surveys, with subsequent analysis via confirmatory factor analyses	Emphasis on systemic supply chain integration is vital in earlier stages of collaborative relationships
Kotzab <i>et al.</i> (2006)/ <i>JBL</i>	Data taken from a previous paper together with a development of a performance index	Provides insights for prioritizing strategic decision making when implementing SCM in an organization
Storey <i>et al.</i> (2006)/ <i>IJOPM</i>	Three-year study of six supply chains spanning 72 European companies via interviews with key managers	Supply management is emergent in theory and practice. Identifies key barriers and enablers to supply management
Theodorakioglou <i>et al.</i> (2006)/ <i>SCM:IJ</i>	Use of questionnaires in the Greek manufacturing industry	Reveals a positive correlation between supply management practices and quality management practices
Larson <i>et al.</i> (2007)/ <i>JBL</i>	Questionnaires with 104 returned and usable, for a response rate of 18.6 percent	Supply chain executives prefer broad, multiple function perspectives to more narrower ones
Halldórsson <i>et al.</i> (2008)/ <i>IJPDLM</i>	127 completed questionnaires	Both American and Scandinavian SCM researchers perceive SCM implementation to be slower and more difficult than expected

Table I.

As such, several authors mention the use of integration and collaborative measures as a key component in SCM. In addition several authors also mention the use of SCM as a key enabler to breaking down silo mentality, focusing on a more holistic picture with the often used supply chain mantra of “suppliers’ supplier to customers’ customer” (Fawcett and Magnan, 2002).

Second, from the above list, there seems to be no specific proof of SCM functioning optimally in companies choosing to gradually implement the concept. To the contrary, several researchers actually repeatedly point to unsuccessful SCM implementation. In a recent study, concerning a comparison of Scandinavian and American perspectives on SCM implementations, Halldórsson *et al.* (2008) noted that “both groups perceive SCM implementation to be slower and more difficult than expected” (Halldórsson *et al.*, 2008, p. 126), while Kampstra *et al.* (2006) noted that the reality of supply chain collaboration (SCC) is that it is not currently used in an extensive way in practice. SCM researchers have listed several key issues for such a misalignment between the theoretical and logically deduced effectiveness of SCM and the practical reality of the very same as for

instance cultural differences (Mello and Stank, 2005), non-efficient integration practices (Kim, 2006) or that SCM is too difficult to implement (Chin *et al.*, 2004).

Third, what is common in mentioning these problematic aspects of SCM implementation is that the extant literature continuously treats SCM from a technical and rational viewpoint and as such treats problems in SCM implementation as something that can be fixed if only given the right techniques and proper attention; and provides little attention to alternative explanations for such problems as for instance the more symbolic perspective. These last two statements will be justified in the Section 2.2.

2.2 Tool vs symbol perspective

Management implements are different than physical products because there is a greater opportunity for them to be re-interpreted and used in ways that depart significantly from what was originally intended (Røvik, 1998). As such, managerial recipes do not remain static and unchanged, as they travel from theory or consultants to practice, or from one organization to another. Instead, they are subject to intentional and unintentional modification and (re)interpretation, as they are adopted, used and communicated throughout the organization (Abrahamson, 1991). The official definition of implements of this kind is “a collective set of beliefs that in a given period by many is perceived or acknowledged as popular, workable and widespread in practice” (Røvik, 1998). For this reason, it is argued that management implements come to be institutionalized in the sense that they are well-known among companies. As such, they are often perceived differently in the specific organization, in which they enter. Basically, there are two ways of perceiving these management implements: as a tool or as a symbol (Røvik, 1998).

2.2.1 Management implements as tools. From a tool perspective, management implements are seen as effective, rational options for improving the functioning or performance of firms. Theories such as business process re-engineering, BSC, activity-based costing (ABC), or TQM are abundant with words like optimization, effectiveness, efficiency, rationality, strategic development, and control (Kieser, 1997). This is what organizational researchers have called the “efficient-choice”-perspective, which assumes that rational adopters make independent and technically efficient choices (Abrahamson, 1991). As a consequence, the rhetoric behind these management implements is strong, often intermingled with empirical evidence of their profitability. From a tool perspective, implements are used in companies to fix something that is perceived as not going optimally whether it is the companies’ strategy, cost management, quality issues, or production processes.

Tools as such are therefore used, because they seem to “work” in the sense of having been used successfully by other firms. As a result, the argument in this perspective is that implements survive and become popular, because they are the most effective ones on the market. As an example, it is claimed that ABC has replaced earlier forms of accounting, as the former yields an empirically proven higher profit. From a tool perspective then, companies use implements in order to get rid of a particular problem that the given implement proposes the solution of Røvik (1998).

The extant literature concerning SCM implementation is clearly permeated with viewing the concept from a tool perspective. For instance, Chin *et al.* (2004) found that the five most important reasons for implementing SCM initiatives are reducing costs of operation, improving inventory, improving lead-time, improving customer satisfaction, and remaining competitive (in that order). Most common responses for not implementing

SCM were “present system works,” and “too difficult to implement” (Chin *et al.*, 2004). In a similar vein, Scannell *et al.* (2000, p. 39) noted concerning the use of SCM that “companies striving to maximize supplier performance use a variety of interrelated tools and techniques, and the effectiveness of anyone of these is enhanced by the complementary use of others.” Such formulations are consistent within the literature identified in the above literature review. From Croxton *et al.*'s (2001) focus on streamlining cross-company processes to Kannabiran and Bhaumik's (2005) focus on corporate turnarounds through effective SCM, almost all identified papers speak of SCM as a “thing” or “tool” that one can implement in a firm, thereby solving different problems. Only a few papers implicitly hint towards management implements as symbols (for instance Fawcett and Magnan, 2002; Mouritsen *et al.*, 2003), as will be clarified in the Section 2.2.2.

2.2.2 Management implements as symbols. From a symbol perspective, management implements can be seen as fads or fashions that come and go in organizations, or as reasons to justify (otherwise potentially unpopular) decisions or actions (Abrahamson, 1991, 1996) and in this sense, they are adopted in an almost ceremonially way Meyer and Rowan (1977). When seen as fads or fashions, implements are not chosen because they optimize performance or promote learning, but because they symbolize qualities that companies would like to associate themselves with, even though the implements might be technically or economically inefficient (Abrahamson, 1991). Terms such as “effectiveness,” “rationality,” “optimization,” and “professionalism” are strong value-loaded words that companies are more than happy to associate themselves with. Kieser (1997) distinguished between three such fashion theories: trickle-down theories, which refer to companies adopting management implements that “fashionable” companies have adopted, which again leads fashionable companies to find new implements to distinguish themselves with; collective selection theories, which refer to the fact that management implements, like fashion, introduce a feeling of order and structure in otherwise chaotic environments; while marionette theories refer both to consultants manipulating companies into adopting implements they do not necessarily need, and to companies manipulating for example their customers or suppliers into buying products or accepting terms they would otherwise not agree to.

By perceiving implements as symbols, companies' main reason for adopting them is that they would like to gain credibility or justify themselves towards stakeholders. This symbolic use has for example been studied with respect to ABC (Malmi, 1999), re-engineering (Green and May, 2003), innovation (Abrahamson, 1991), and TQM (Rich, 2008). The symbolic perspective emphasizes that although firms do indeed state to the outside world that they currently have implemented a popular and hyped management implement, it does not automatically follow that companies are using them or using them for the stated intentions (Røvik, 1998).

Within SCM, a few authors have hinted at the symbolic perspective by asking whether SCM could be “a fad” (Bechtel and Jayaram, 1997; Fawcett and Magnan, 2002), whether supply chain integration is “more rhetoric than reality” (Bagchi *et al.*, 2005), or “the Emperor's new suit” (Fabbe-Costes and Jahre, 2007), but without actually deviating from the tool-perspective approach or explanations. Only two papers out of the total 28 papers hint at symbolic explanations for the use of SCM in companies. The first paper notes that:

[...] several purchasers noted that their companies do not use collaborative supply chain relationships; rather, they continue to use adversarial buyer/supplier practices that focus on

“price, price, price”. It seems that some purchasers are instilled with a “flavor-of-the-month” mindset and are waiting for the SCM rhetoric to subside so they can resume the “old” practices of price competition. (Fawcett and Magnan, 2002, p. 344).

This is a typical description of SCM from a symbolic perspective in that it both emphasizes the implement as a simple fad that in turn will disappear again when it is not deemed fashionable anymore and as a way to manipulate purchasers to accept adversarial practices. As such, this is not the classical justification for the reason why SCM exists in the first place, but a more alternative explanation of SCM, placing emphasis on the implement as a fad or fashion, as Fawcett and Magnan (2002, p. 343) also note, stating that “several [respondents] expressed cynicism that SCM was just the latest fad and that it would disappear from the front-page of popular management practices”. By being a fad, SCM is simply a symbol for companies that aim at showing that they are capable of following the latest trends.

In a similar vein, Mouritsen *et al.* (2003) state that:

There is an answer [in SCM] to a problem – namely integration – more than attention to the type of problem that develops this answer. Integration is a one-best-way recipe that transfers decision power to the management of the supply chain rather than to the individual firms constituting the supply chain. It presents itself as a justification that is very difficult to oppose – and if one indeed does oppose, that is not only a problem of rationality; it is also a moral problem because the logical alternatives to integration are disintegration, chaos and perhaps even death (Mouritsen *et al.*, 2003, p. 687).

This citation leans up against the symbolic perspective, as it emphasizes the use of popular, rhetorical arguments by stating that one of the key concepts in SCM as uncovered in the literature review is prone to being superficial and used as a justification for certain actions.

As such, these papers do indeed emphasize the notion of SCM as a mere symbol instead of a tool. Mouritsen *et al.* (2003) being purely theoretical and logically deducing do not, however, investigate the use of SCM in an empirical setting from a symbolic perspective, while Fawcett and Magnan (2002) deduced their conclusions from a survey questionnaire, thereby not being able to interact with respondents to obtain an understanding for, how SCM came to function in the surveyed companies. As the remaining papers mentioned in this section only implicitly relate to the symbolic perspective, the research gap as stated in the introduction seems evident, and this paper seeks to close this gap.

2.3 Arm's length relationships vs strategic partnerships

The difference between an arm's length relationship and a strategic partnership represents a classical dichotomy in relationship management and portfolio theory (Kraljic, 1983) and is also widely adopted in SCM literature. Business relationships can be positioned on a dichotomy that has market-governed transactions at one end (arm's length relationships) and trust and hierarchy-governed transactions at the other (strategic partnerships) (Lambert *et al.*, 1996). When, referring to the terms of arm's length relationships and strategic partnerships, Lambert *et al.*'s (1996) definition is used, who see arm's length relationships as consisting of either one-time exchanges or multiple transactions. In either case, the transactions can be described as having no sense of joint commitment or long-term cooperation, and both parties maintain their independence throughout the transaction.

On the other hand, a strategic partnership can according to Lambert *et al.* (1996, p. 10) be defined as:

[...] a tailored business relationship based on mutual trust, openness, shared risk and shared rewards that yields a competitive advantage, resulting in business performance greater than would be achieved by the firms individually.

This dichotomy of arm's length to strategic relationships could also have been called "specific buyer/supplier investments" on a low to high scale.

2.4 Proposed theoretical framework

Based on the literature review above, the dichotomies between tools and symbols, and between arm's length and strategic relationships, the following theoretical framework is proposed (Table II).

Table II highlights the theoretical contribution of this study. The left-hand side of the figure has previously been explored extensively in the SCM literature as stated in Section 2.2.1, while the right hand side of the figure has limited, mostly implicit contributions. When SCM is seen as a tool in arm's length relationships, it is assumed that organizations and their managers have little uncertainty about their preferences or goals, and that they simply optimize, i.e. choose the most effective and efficient solution. SCM as a tool in strategic partnerships is also focused on effectiveness and efficiency, but now through learning from each other in the supply chain. The symbolic perspective on the other side focuses on (post)rationalization in arm's length relationships, in that the symbolic fad – or fashion-value of a popular management implements (post)rationalizes the choices companies "already" have made. With respect to strategic partnerships, SCM seen as a symbol can be used to justify decisions that could otherwise potentially be considered manipulative or damaging for learning and cooperation. In the next sections, the obtained empirical data will show that the SCM concept can be seen to impact the relationships between buyer and suppliers in different ways depending on the two dimensions of SCM as a tool or as a symbol and arm's length relationships vs strategic partnerships. As such, Section 4 functions as an elaboration of what exactly the four terms chosen above means and therefore why they are deduced as they are.

3. Methodology

A qualitative and exploratory research design was undertaken in order to investigate the concept of SCM implementation (Stake, 1994; Ellram, 1996). The research method included in-depth interviews and observations at a large focal company's purchasing division and five of its suppliers.

The anonymized focal company is a large, international enterprise with head quarters in Denmark, and sells a somewhat highly technological product, which requires many different components. Therefore, the firm has a very complex production setup, which is reflected in an extensive and complicated supply chain, especially upstream

	Tool	Symbol
Arm's length relationship	Optimization	(Post)rationalization
Strategic partnership	Learning	Justification

Table II.
The impact of SCM implementations depending on two dimensions

from this focal firm. In all, five suppliers were selected for this case study, with the sampling criteria being twofold:

- (1) both arm's length relationships and strategic partnerships should be represented; and
- (2) the purchasers of the focal firm should have considered or directly experienced how the role of SCM at the focal firm impacts their relationship with the supplier.

In all, 27 hours of interviews and 15 hours of observations were conducted in a single case study. A confidentiality agreement was signed with the company, leaving all information anonymized. The total hours of interviews were split up between interviewing purchasing personnel on site of the case company and interviewing a total of five suppliers that interacted closely with the case company. The former interviews were primarily conducted with a large portion of the strategic purchasers and a smaller part of the interviews was conducted with the heads of the division. The interviews were designed as semi-structured and open ended which meant that the pre-prepared interview guide seldom was followed slavishly. The observations were conducted from an abductive standpoint in which the researcher merges deductive and inductive standpoints, which Kovács and Spens (2005) advocate for. The observations were all thematically centered on negotiations between purchasers and suppliers. From a participant observational stance, the general idea was to observe, how purchasers and suppliers were perceiving, realizing, and possibly distorting the central notions of the SCM concept.

4. Analysis

In this section, the empirical data will be advanced in order to answer the above-stated research question. The Section 4.1 introduces the focal firm and its five suppliers, while Section 4.2 analyzes the case study with respect to the developed theoretical framework, each subsection exemplifying a quadrant of the proposed framework.

4.1 Introduction to the case study

During the last decade, the case company has experienced an almost explosive growth in revenue and as a possible result hereof an increasing network of suppliers and subcontractors. The organization sees this as an inexpedient development, as the volume at some of these suppliers simply is too low and can be easily substituted for other, larger and more professional suppliers. In recent years, the company has therefore chosen to implement SCM in order to cut down on the total number of suppliers, obtain and maintain transparency of the up-stream supply chain and develop more extensive and intense strategic partnerships with carefully selected original equipment manufacturer suppliers. As such, this company seems perfectly fit to gain the advantages of using SCM from a tool perspective.

Supplier one sells printers to the buying firm, and as printers are relatively easy to replace, both buyer and supplier characterized the relationship as being an arm's length relationship. Supplier two supplies steel and as the market for steel is transparent and carries a relatively smaller proportion of indirect costs, both the buyer and supplier agreed that the relationship could be considered as being an arm's length relationship. Supplier three prints brochures, leaflets, and technical manuals on demand. As the buying firm requires simple advertising material, the relationship can be defined as an arm's length relationship. The relationship with supplier four is a typical strategic

partnership, as this supplier provides custom-made fittings. Finally, supplier five supplies injection-moulded plastic components on demand. As such, the relationship is both an arm's length relationship and a strategic partnership, as said supplier delivers both commodities and more advanced, specially designed products.

4.2 Illustrating the proposed theoretical framework

Section 2.4 introduced the proposed theoretical framework in Table II. The case study showed that the SCM concept impacts the relationships between buyer and suppliers in different ways depending on the two dimensions of SCM as a tool or as a symbol and arm's length relationships vs strategic partnerships, as the following subsections will show.

4.2.1 Optimization. When speaking of arm's length relationships and SCM as a tool, the concept of SCM comes to function as a means to optimization, i.e. effectiveness and efficiency. As one purchaser from the focal firm noted:

In these kinds of relations [*arm's length relationships*], where you don't really have to communicate so much, it makes, I think, a lot of sense to just focus on price. Here, I would say that managing your supply chain in any extensive way isn't the goal. The goal is just to keep costs low.

Considering this above quote, suppliers of the focal firm agreed that SCM in arm's length relationships traditionally is seen as a way to keep costs low. As such, the extant literature on SCM implementation has noted repeatedly that SCM aims at lowering the total costs of arm's length relationships by keeping them as efficiently low as possible. For instance, Kampstra *et al.* (2006) discussed different modes of SCC and noted that not all relationships are meant for extensive collaboration, providing an experience with a Dutch flower export industry, in which the most vital factor is competition and where everyone is focused almost exclusively on price. In this sense, the use of SCM as a means to efficiency is clearly evident from the extant literature as also shown in the above literature review.

4.2.2 Learning. When analyzing the concept of SCM from a tool perspective in strategic partnerships, it quickly became evident from the first couple of interviews with central coordinators in the purchasing division of the focal firm what role SCM should hold in companies. The purchasing managers all agree that SCM revolves around the concept of integrating the whole supply chain, thereby effectively providing a holistic view. As one manager noted:

Well, the general idea of SCM is really *working well* in theory. It is a good overarching *logic* and we are trying to *utilize* this idea in the *best economically and rational* way. I think [...] the main idea is simply to get to know your supplier. You get into this kind of *learning* environment, where you and the supplier work towards a common *goal*. If you reach that goal together, you will both be *better off*, so learning from each other in these kinds of relationships is crucial.

As the highlights show, the SCM concept is generally perceived as a rational logic, which should be implemented in the firm to get better results through learning. This is also evident from the extant literature that consistently mention SCM as a means to opening up to other members of the supply chain by sharing information and learning from each other. For instance, Kim (2006, p. 242) noted that "external integration can be achieved by information sharing", while Storey *et al.* (2006) mentioned joint learning, win-win situations, collaboration, and partnership mentality as vital components for the functioning of strategic partnership. As such, companies viewing SCM as a tool

emphasize the usefulness of trying to view the supply chain holistically, thereby hopefully reducing supply chain wide costs and increasing goal-fulfilment.

4.2.3 Post-rationalization. In this section, the implement of SCM will be analysed as a symbol in arm's length relationships. Using this symbolic perspective is a radical deviation from the rest of the literature, and therefore reveals interesting empirical data, which quickly became apparent from interviews with purchasers and representatives from suppliers. Concerning the use of SCM as a means to improve arm's length relationships with suppliers, one purchaser noted:

Well, it is not like we are using SCM to increase effectiveness in arm's length. I mean, where's the logic in that? You don't really need to do that, since it is pretty self evident what you need to do with those relationships. It is just not that complicated. Instead, I think here the use of SCM is more like making sure that we really are doing the right thing, although we kind of already know that.

As such, the use of the SCM concept for the purchaser here came to function as a way to post-rationalize something, which was already known to the company. Supplier two remarked the same notion, though in different wording:

It is just a matter of sitting down and asking yourself what basic materials you need and when you need [...] them. To make a big fuzz out of that is not worth it. If you try to put some fancy, glossy term on it that is alright with me, but you know [...] it is, what it is.

The two statements from purchaser and supplier signal a use of SCM merely as a fashionable symbol more than a tool for optimization and learning. What is implicitly acknowledged here is that SCM from both the purchaser and the supplier's viewpoint seems redundant in terms of stream-lining processes, but still adds symbolic value by rationalizing and legitimizing decisions, giving firms modern and fashionable attributes.

4.2.4 Justification. With respect to SCM as a symbol in strategic partnerships, what is peculiar and surprising about the relationship between suppliers and buyers is the specific behavior of purchasers in negotiation settings with suppliers. Attending a price negotiation between three strategic purchasers for the focal firm and two representatives from the supplier, the supplier was seen as strategically important for the buyers, and the negotiation meeting lasted a total of four hours. After two hours of chitchatting, the parties had a well-served lunch and the suppliers seem to be enjoying the generous treat, feeling quite laid-back. Afterwards, both parties returned to the meeting room. The suppliers entered first, while the purchasers, just before entering, slipped behind a wall outside the meeting room. Without the knowledge of the suppliers, the purchasers deliberately and openly began to discuss ways to justify certain statements towards the suppliers. Entering the room again, the purchasers sat down and both put down a sheet of paper with the title "tactical worksheet" on the table. Now, the real negotiation started. The purchasers both began arguing from the mantras of SCM:

Listen [suppliers], we are a part of a large supply chain, which we have to optimize. That is, why we of course, have to ask you to lower your prices. We mean it is in your interest to improve the competitiveness of the supply chain, so that we can deliver a low price product to our final customer. You get to improve your processes in cooperation with us. This means that you get more price competitive compared with the rest of the supply network, which again will mean a larger volume at our place. You are simply in a classification of suppliers where you have to improve your margins to be on top. Otherwise, you are out, okay?

As such, it can be seen from the above quote that the SCM concept is being used as a way to argue a certain, potentially unpopular, way towards the suppliers. In this way, the purchasers are able to justify statements towards the suppliers, pressuring them into accepting terms that would be more difficult to argue and accept without the supply chain concept. On the same train of thoughts, the purchasers confirm that the use of the SCM concept is a very political phenomenon, in that it is very important for them to position themselves in the supply chain upstream towards their suppliers:

You see, SCM is also a way for me to get information from key actors further upstream. In every negotiation setting, it is imperative to know more about the product that we are negotiating over than the supplier him or herself. If I know more than the supplier, I am able to counter-argue every argument that this person has for keeping prices up instead of down. In this sense, it is really a game when you are negotiating [...] and the supply chain is therefore political-like. In the supply chain, I can go to the suppliers' suppliers. From this, I can get vital information about what goes on in the supply chain and where. For instance, I get to know, if the supplier holds any power of his suppliers and so on and so forth. It puts me in a [...] let's just say expedient situation next time around when I negotiate with someone, right?

This above statement is in line with the earlier quote from Fawcett and Magnan (2002). Also, Ramsay (2004) noted that purchasers would almost consistently choose an adversarial stance toward the other party, though hiding this stance via manipulative traits. With Mouritsen *et al.* (2003, p. 687) noticing that:

[...] the supply chain has its own justification outside the interests of the individual firm. This is a radical subordination of individual firms' role in creating customer value and competing in the marketplace.

What is surprising and interesting here from a symbolic perspective, is that SCM comes to be used to improve a bargaining position, of which the suppliers are not necessarily aware. This shows that SCM can be used symbolically by firms to justify actions and decisions that could otherwise be unpopular, and in that way manipulate other firms into accepting terms that would otherwise be unacceptable.

5. Conclusion

The purpose of this paper was to investigate SCM as a management implement from a symbolic perspective. Through a carried out literature review, it was revealed in Sections 2.1 and 2.2.2 that extant research only implicitly and sparsely have investigated SCM from such a perspective, although this is seen as vital in other academic disciplines.

A matrix was theoretically developed on the basis of a discussion of two dimensions. The first dimension revolves around the use of SCM as a tool vs a symbol, while the second discusses the traditional dichotomy between arm's length relationships vs strategic partnerships. On the basis of these two dimensions, it was logically deduced that SCM can have four functions, namely as a tool for optimization and learning or as a symbol to either post-rationalize or justify specific statements or actions. A single case study was chosen in order to illustrate a focal firm's use of SCM. A total of 27 hours of interviews and 15 hours of observations were carried out at the focal firm and with a number of the firm's suppliers in order to investigate the subject at hand. It was found that the focal firm expressed a view of SCM as a tool for optimising arm's length relationships and improve strategic partnerships by means of creating a learning environment. Contrarily, when SCM is seen as a symbol, the focal firm would use it to

post-rationalize decisions made in arm's length relationships, while justifying certain actions towards their suppliers in strategic partnerships. In the light of such findings, researchers working within the discipline should carefully address and evaluate the mainstream problems of SCM implementation in the light of this paper. In addition, this study should be carried out on different units of analysis (like focal, chain, and network) in order to investigate the use of SCM on these different levels, as this is currently a limitation of this study.

Note

1. Journals selected: *Journal of Purchasing and Supply Management*, *International Journal of Physical Distribution & Logistics Management*, *Journal of Business Logistics*, *International Journal of Logistics Management*, *Supply Chain Management: An International Journal*, *International Journal of Supply Chain Management*, *Supply Chain Management Review*, *Transportation Journal*, *Transportation Research: Part E: Logistics and Transportation Review* and finally, *International Journal of Logistics: Research and Applications*.

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