

Chapter 75

Effect of Knowledge Sharing and Supply Chain Management on Organizational Performance

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ABSTRACT

Low priced and attainable information technology has made it possible to connect critical and proprietary information with supply chain partners, because of ever growing size, complexity, 7/24 system ability, evolved production processes etc. need flow of knowledge continuously. The knowledge integrated in the supply chain management (SCM) systems affects both supply chain and organizational performance. But since there is no single entity on performance an effective systematically approach to performance measurement could not be established. Generally in previous studies, organizational performance hasn't been measured within the terms of SCM but if integral unit endeavor performance can be judged by so the overall performance can be judged by its departments' efforts. So SCOR model is chosen because important supply chain characteristics and their associated interactions aren't ignored. And organizational performance is reciprocal that performance measurement is taken a system for integrating the management of supply chain and knowledge. Therefore the objectives of the study were appeared to be correlation levels and relationships between knowledge sharing, SCM and organizational performance. This study is unique in terms of the dimensions that are being investigated in Turkey. While there are studies on SCM and knowledge sharing, each examined alone, this study tried to undercover the relationships between these two terms.

INTRODUCTION

Knowledge and supply chain management (SCM) contribution to organizational performance has been increasing with the competitive positioning of mutually complementary competencies and capabilities of technology (Christopher, 2011: 217).

The opposite is also true that supply chain problems related to organizational performance can cause approximately 15% loss to companies (Hendricks & Singhal, 2005) and this is still an open issue to be searched (Dong et al., 2009). But some of these SCM problems can be corrected by information and knowledge flow between members (Huhns et

DOI: 10.4018/978-1-4666-9562-7.ch075

al., 2002: 1) even though there has always been concerns with the privacy of information there is more to be gained by sharing information than to lose (Lancioni et al., 2000: 44). Research in order to understand effects of combined correlation of knowledge sharing and SCM issues haven't been truly understood yet.

The true efficacy for an integrated supply chain can be gained only by the linked processes (Kim, 2006) that supply chain, still incorporating logistics and distribution, is today a very different field of knowledge and routines, with the new technology (Toivo, 2008). Also SCM strongly depends on upstream and downstream flow (Dimitriadis & Koh, 2005) and for effective, real-time decision-making, mission-critical information must be shared timely among customers and suppliers (Nagai et al., 2004: 723). The most important fact, knowledge, in the SCM must be integrated in the networks of data, application, business process and user interaction levels (Christopher, 2011; Ramachandra, 2010: 135) to perform efficacy.

An effective systematically approach to performance measurement could not be established because there is no single entity on performance (Robertson et al., 2002: 135-136). Effective performance measurement system depends on generally financial and other tools like quality, time, flexibility, and cost (Beamon, 1999: 276) that can be mistaken either performance effects can be coming from other processes of the company or defects can occur randomly. Additionally determining throughput based measurement systems can be complicated and don't be instantaneous (Beamon, 1999: 275; Schragenheim et al., 2009: 201-202). Measurement of SCM's elements performance instead of evaluating overall SCM performance has more potential to see the performance efficacy. Also the integration of knowledge should be measured to understand whether impacts of SCM and knowledge on organizational performance is reciprocal that performance measurement is taken

a system for integrating the management of supply chain and knowledge. Therefore the objectives of the study were appeared to be:

- Firms` performance correlation level with SCM,
- Whether knowledge sharing affecting firms` performance,
- Knowledge sharing correlated with SCM,
- How SCMs` processes separately affects firms` performance,

The supply chain encompasses organizations to forecast and plan flows of goods and information (Halldorsson et al, 2007; Toivo, 2008: 30) that as information sharing among all the stakeholders in the supply chain system (Hershauer et al, 2005: 390) is improving so the customer satisfaction (Wang, 2012) and the organizational performance is improving.

INFORMATION SHARING AND SUPPLY CHAIN PROCESSES

Low priced and attainable information technology has made it possible to connect, chain-like facilities (Beamon and Chen, 2001: 3195) for on time synchronization of processes, service needs and demand priorities, vital information on market, and logistics capabilities (Kumar, 2007: 82; Ross, 2003: 17-18). Because ever growing size, complexity, 7/24 system ability, evolved production processes (Lancioni et al., 2000: 47), integration of longitude industries and customers of today's supply chain managements need flow of knowledge continuously (Hershauer et al., 2005: 383; Kumar, 2007: 82). Reciprocally potentially connected organizations can establish more connections, make comparisons, and assess consequences, to make business decisions (Burtonshaw-Gunn & Salameh, 2009: 83).

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