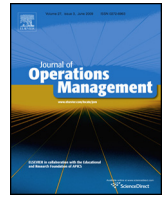




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Introduction

Manufacturing – Still a missing link?



A B S T R A C T

This paper introduces the special issue on “Implementing Operations Strategy for Competitive Advantage.” We initiated the call for papers for this special issue with this question: “How do we identify, promote, and implement transformational initiatives that put into place operational capabilities that provide new sources of firm-level competitive advantage?” Collectively, these papers provide insight into how important operations can be to a company’s success, while also reinforcing how important it is for operations to be integrated with other functions, internally, to achieve that success, as well as externally with suppliers. Before introducing the papers included in the forum, the authors provide thoughts on operations strategy research, drawing from the past and looking forward.

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1. Introduction

Operations management research has evolved from its more siloed beginnings as an area of inquiry focused largely on the inner workings of manufacturing processes, techniques, and quality control approaches to a much broader and increasingly interdisciplinary domain. Over the past decade, the acceleration of globalization and its consequent impact on offshoring and the critical role of supply chain management have accentuated and elevated the role that operations management plays in enabling and even driving the overall organizational strategy.

As predicted by early operations strategists (Skinner, 1969; Hayes and Wheelwright, 1984), operations capabilities have become a cornerstone of competitive advantage in many organizations. For example, Reliance Industries, the Indian petrochemical giant, owes its competitive advantage to its operational abilities. Much of its advantage in the cost-sensitive commodities business depends on its ability to dynamically manage alternative input feedstocks, reduce cycle time, and eliminate waste along the process. Relying on its operations prowess, the company has created a world-class plant with processes that have become the envy of its global competitors. Along similar lines, many of the consumer products companies such as Procter and Gamble have been able to build on their knowledge management systems expertise using a combination of information technology, distributed offshore operations, and smart analytics to drive predictive models of consumer behavior on a global basis. Global giants such as Wal*Mart, Apple, Toyota, and Unilever have been able to leverage significant strengths in supply chain management, an operations competency, to deliver sustainable competitive advantage. These are but a few of many

examples where leadership in operations has delivered tangible results in organizational performance and competitive advantage.

Despite these examples of companies implementing operations strategies that enable competitive capabilities, anecdotal evidence suggests that the implementation of strategy through operations initiatives that provide new enabling technologies is neither straightforward nor routinely successful. In his 2007 paper (p. 330), Skinner notes that he still sees a conflict between a “company’s competitive strategic situation” and its manufacturing policies at 95% of the companies he visits (Skinner, 2007). We contend that the time to bridge the gap between operations strategy and competitive advantage is at hand. By highlighting how well-selected and well-implemented operations initiatives, often involving cross-functional or supply-chain capabilities, can truly enhance overall competitive advantage, operations management researchers will be better positioned to influence top management strategic planning within organizations. To bridge the gap between operations management research and practice, we positioned this special issue to focus more on “how” than on “what.” How do we separate yet another operations project from a strategic operations initiative that will be transformational in its ability to enable competitive advantage? How do we implement the initiative to ensure positive results? How does operations management thinking dovetail with competing imperatives across functions to allow the organization to achieve quantum leaps in strategic performance?

It is axiomatic that one’s perspective is colored by one’s vantage point in evaluating the challenges. Thus, while a finance manager may tend to see an operations problem in financial terms, or an HR manager might see it in behavioral terms, it is clear that successful implementation of strategic initiatives requires

multiple lenses. Like the fable of the blind men and the elephant, it is impossible to gain insights into these transformational initiatives without the benefit of a multidisciplinary approach. Digging deeper into the operations management silo is unlikely to yield the kind of rich prescriptions that would be of value to practicing managers who have to contend with multiple perspectives as they implement strategic initiatives. Transformational initiatives often involve the integrated effort of several functions as well as external stakeholders such as suppliers, customers, and regulatory agencies. Thus, investigating such complex strategic operations implementation challenges calls for a multidisciplinary approach that includes operations management, leadership, strategic management, global business management, and cross-cultural communications. The interdependencies and intersections across organizational functions and the supply chain are indeed the most fertile areas where considerable insights into these implementation challenges can be sharpened.

Our call for papers was in line with [Hayes and Wheelwright's \(1984, p. 41\)](#) still relevant assertion that “manufacturing should take a more proactive role in defining the [firm's] competitive advantage.” We adopted a broad definition of operations management to include project management, industrial engineering and supply chain management, and called for cross-disciplinary efforts. We wanted to see research that not only investigated how operations and the supply chain could bring operational capabilities into alignment with the firm's competitive strategies, but how it could even lead the way to new sources of competitive advantage. To that end, we invited research that was multi-disciplinary, empirical and/or focused on building the theory.

The call for papers generated 64 submissions. Six papers passed through the process and are presented in this special issue.¹ The papers in this special issue include both survey and case research. While some researchers collected survey data in the USA, others were involved in multi-national efforts spanning Asia, Europe and North America. The case research was conducted primarily at companies in the USA and Germany.

The papers focus on a wide array of topics including:

- The time constraints faced by operations executives and the contingency based tradeoffs they must make to contribute to firm performance;
- How management accounting personnel can help operations managers achieve lean manufacturing;
- How companies that achieve competitive advantage through quality can sustain that advantage;
- How firms can develop a supplier integrative capability to enhance operational performance;
- How operations may contribute to strategy formation from a bottom-up as well as a top-down perspective; and
- How the tension between strategic flexibility and operational efficiency can be addressed through operational dexterity.

Collectively, these papers provide insight into how important operations can be to a company's success, while also reinforcing how important it is for operations to be integrated with other functions, internally, to achieve that success, as well as externally with suppliers. Further, while companies still struggle to successfully align manufacturing and business strategies ([Skinner, 2007](#)),

managers may not fully understand the key levers to achieve integration within the operations function, which is key to achieving that alignment. Collectively, these papers also provide direction for future research in a number of avenues.

Focusing on operations executives, [Demeester, de Meyer, and Grahovac's](#) paper, “The Role of Operations Executives in Strategy Making,” investigates tradeoffs these executives face in spending their time, and who they spend it with, within the context of the firm's competitive environment. The first tradeoff involves the time they spend on strategy making versus all other tasks. The second tradeoff is between time spent on functional deliberations (e.g., aligning functional resources to the firm's competitive strategy) and time they spend on top-level inter-functional communication with their peers (i.e., keeping executive-peers and superiors informed about the status and direction of the operations function's capabilities). The authors link the specific role operations executives can play in contributing, and even leading, to the creation of sustainable competitive advantage for their organizations. Further, by adopting a contingency approach, the study emphasizes the context-specificity of the role of operations executives. Taken together, these findings suggest that organizational mechanisms that seek to coordinate and integrate operations functions to other functional areas within the firm, need to be flexible enough to provide for a differential emphasis depending on the environments confronted.

[Hayes and Wheelwright \(1984, p. 41\)](#) argued that unless operations “seek[s] collaborative relationships with other functions,” it will not “become a competitive weapon.” The paper by [Fullerton, Kennedy and Widener](#), entitled “Lean Manufacturing and Firm Performance: The Incremental Contribution of Lean Management Accounting Practices,” examines the role of lean management accounting practices in supporting a holistic lean enterprise strategy rather than a more isolated application of lean within the operations function. Specifically, they question whether the successful application of lean is strictly a shop floor effort, or whether success requires coordination with management accounting personnel. Findings demonstrate that integrating lean manufacturing and lean management accounting practices can positively affect operations performance by providing more relevant, visual, and actionable information. This integration can further enhance lean as a source of competitive advantage for firms pursuing holistic lean strategies.

While a primary goal for companies is to achieve competitive advantage, [Su, Linderman, Schroeder, and Van de Ven](#) examine how and why so many companies achieve high quality as a competitive advantage, yet seem incapable of sustaining it. Their paper, “A Comparative Case Study of Sustaining Quality as a Competitive Advantage,” focuses on developing a theoretical understanding of the critical success factors of organizations that maintain their edge. Using a comparative case study approach, and incorporating interesting quotes from managers, they provide evidence of three capabilities that together form a dynamic capability, and distinguish firms that are capable of sustaining quality: meta-learning, which involves both first and second-order learning; the ability to sense weak signals from operations, customers and the environment; and building resilience against quality disruptions which speaks to how adapt to environmental change. The case analysis reveals that meta-learning helps sustain a high level of quality performance, while sensing weak signals and resilience improve the consistency of quality performance.

Traversing buyer-supplier organizational boundaries, [Vanpoucke, Verecke and Wetzels'](#) paper, “Developing Supplier Integration Capabilities for Sustainable Competitive Advantage: A Dynamic Capabilities Approach,” empirically examines the firm's ability to reconfigure the supply chain to adapt to changing environments. *Like Su et al.*, they borrow from the literature on dynamic

¹ We are grateful to the reviewers, who completed the manuscript evaluations in a timely and professional manner. Their names appear in [Appendix 1](#).

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