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The Influence of Supply Chain Strategies on Performance of South African Manufacturing SMES: The Mediating Effects of Supply Chain Resilience

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Abstract

In South Africa, small and medium enterprises (SMEs) are acknowledged as a major contributor to national GDP and employment creation. Manufacturing SMEs are among the most dominant forms of SMEs in South Africa. However, their success is hamstrung by numerous challenges that affect their growth and sustainability. The main challenges facing SMEs in South Africa include leadership, marketing, management, social, political, human resources, and financial matters. Lack of supply chain management (SCM) strategies has been identified as the outstanding challenge contributing to the failure of many manufacturing SMEs in the country. The primary aim of this study was to explore the influence of SCM strategies on resilience and performance of South African manufacturing SMEs. The study followed a quantitative survey approach and a non-probability sampling method. A questionnaire was distributed to a purposively sampled 407 managers, owners and supply chain management (SCM) professionals drawn from 120 manufacturing SMEs in the Gauteng, Free State and North-West provinces of South Africa. The collected data were analysed using the Statistical Package for the Social Sciences (SPSS version 27.0). Hypotheses were tested using structural equation modelling (SEM) based on the SMART partial least squares (PLS) technique. The results reveal that reverse logistics (RL) and supply chain traceability (SCT) as forms of SCM strategies impacted positively on supply chain resilience (SCR), the latter of which, in turn, is linked to improved supply chain agility (SCA). However, SCR negatively impacted supply chain reliability (SCL), supply chain responsiveness (SR) and customer satisfaction (CS). Further, SCR significantly mediated the relationships between RL, SCT and supply chain performance. The study suggests that the implementation of supply chain strategies is vital in influencing SCR. This study contributes to SCM literature as it is one of the few studies exploring SCM strategies, resilience, and performance in the context of the South African manufacturing SMEs.

Key words: Small, medium and enterprises (SMEs), manufacturing, supply chain strategies, resilience, performance