

Figure 1: Transitions leading to supply chain partnership (Spekman *et al*, 1998)

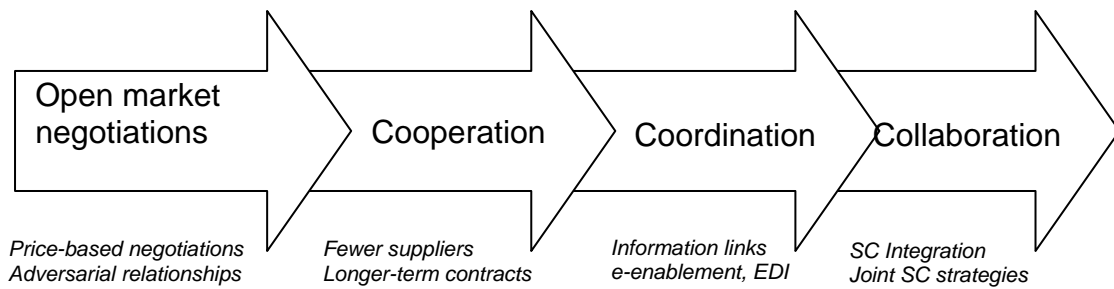
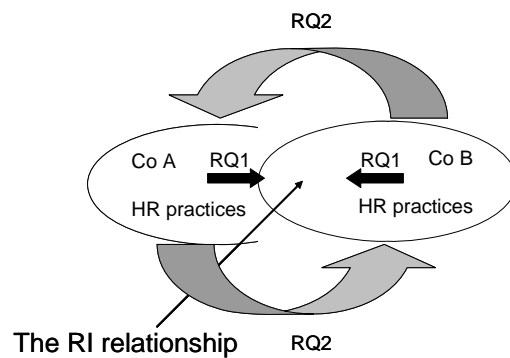


Figure 2: Research questions



RQ1: How do HR practices influence the shape of a reciprocally interdependent supply relationship?

RQ2: How do firms adapt their HR practices as a result of a reciprocally interdependent supply relationship?

Figure 3 Wheatco Chemco process

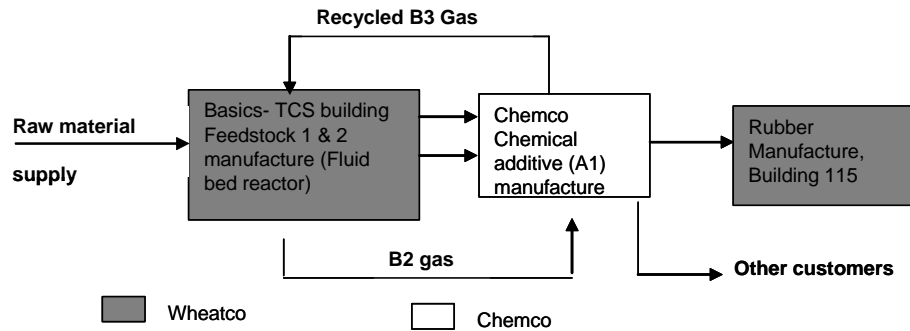


Table 1 Details of informant sampling (48 interviews in total with some informants interviewed at different times)

| | Wheatco TCS | Chemco | Wheatco rubber | Total |
|------------|-------------|--------|----------------|-------|
| Operators | 2 | 4 | 1 | 7 |
| Engineers | 6 | 10 | 2 | 18 |
| Management | 4 | 3 | 2 | 9 |
| Corporate | 1 | 1 | | 2 |
| Total | 18 | 18 | | 36 |

Table 2 HR practices within Wheatco-Chemco: influence on shape of relationship

| Set of HR practices | HR practice within Wheatco-Chemco: Influence on "shape" of the relationship |
|---------------------|---|
| Staffing | <p><i>Negative impact of high operator turnover at TCS: perception by the Chemco operator of a lack of competence from their counterparts and a lack of priority assigned to the relationship.</i></p> <p>Direct link established between the quality of the people assigned to work on the relationship and the priority given to the relationship. <i>Imbalance when there is a difference across both firms.</i> No consensus as to whether working within an external relationship requires specific skills. The individual person makes a difference within the relationship.</p> <p>Organisational change at Chemco (appointment of quality person) has been influenced by an input from a Wheatco manager. At Chemco, hiring of a former Wheatco employee as dedicated resource for Wheatco.</p> |
| Job design | <p><i>Lack of understanding of the other firm's job design: similar title, different roles; Wheatco job design more structured because of the unionised context. Perceived negative impact of the "cross-training" of TCS operators</i> Hence, need to specifically communicate to explain the difference in job design.</p> <p>Jobs involving an external contact may be more interesting and motivating as well as unique.</p> <p>No influence of CH on the WTC decision to implement a cross-training practice at TCS. Priority given to internal work organisation at overall plant level.</p> |
| Appraisals | <p>A lot of informal assessment of the counterpart, both in terms of competence and relational capabilities. Shared local operational goals are translated into individual people's objectives. No formal mechanism for giving feedback but informal discussions. External feedback as influencing factor but ultimate decision is internal.</p> |
| Rewards | <p><i>Rewards as a source of tension: CH Bonus scheme has a direct link into the relationship results, and WTC's bonus does not. Perception of imbalance with some attempts to influence the partner's practice.</i></p> <p>Attempt from CH management to influence WTC to adopt a performance plan for TCS, more directly related to the TCS performance process is not successful.</p> <p><i>"No joint cash payments are envisaged, but desire to reward cooperation".</i> A main barrier is WTC as an unionised site.</p> |

| Set of HR practices | HR practice within Wheatco-Chemco: Influence on "shape" of the relationship |
|----------------------|--|
| Training | <p><i>No record keeping of operator visits across the manufacturing units; hence they are not part of a formal training plan.</i> Learning about the supply relationship through informal process driven by tacit rather than explicit processes. Induction of new people, who can disrupt the relationship through a lack of understanding. Learning has to take place at all levels of interaction.</p> <p>"Team Day" as a formal training for the three manufacturing units. Disappointment over cancellation</p> <p>Understanding about the other plant is more an issue of informal "on the job" learning rather than formal training.</p> <p>SPC joint training has created a common language.</p> |
| Socialisation | <p>"Face-to-face" as a key practice, in particular at operator level. Link between the perception of the working relationship and the amount of physical contact between the people. <i>Poor understanding of the other plant. Short visits do not improve understanding. Absence of socialization associated with an estrangement and contributes to the opacity of the process.</i> Effect of socialization is relational with possibly some impact on the technical process. Positive impact of the Monday operator meeting, as a way to develop a shared knowledge through deep probing: need to alternate sites to allow symmetry. <i>Desired:</i> more formal programme of interaction at shop floor level. Learning associated with an extended exposure to the other firm.</p> <p>Barriers to socialisation: resources, justification of cost/benefit ratio, WTC employee relations (unionised site)</p> |
| Communication | <p>Limited communication or education from corporate about the relationship emergent process? Informal process of "educating" about the relationship (CH).</p> <p>Matching the internal "vertical" communication with the "horizontal" relationship levels to avoid conflicting messages. <i>Frustration with corporate. Issue of eliciting better communications between global and corporate.</i> Steering committee charter as a vertical communication tool.</p> <p>Importance of communication at shop floor level. Communication about the relationship is necessary with regional hierarchy (CH)</p> |

Table 3 Summary of HR practices as "together" and "separate"

| HR practice | "Together" | "Separate" |
|---------------|--|---|
| Staffing | Good calibre of people assigned to the relationship | High people turnover |
| Job design | - | Lack of understanding of the other firm's job design |
| Appraisal | Informal assessment and feedback | - |
| Rewards | - | Rewards as a source of tension |
| Training | Joint SPC training and informal processes | Cancellation of "Team Day" |
| Socialisation | Monday operator meeting helps develop shared knowledge through deep probing. | Poor understanding of the other plan. Absence of socialisation associated with estrangement and contributing to opacity of process. |
| Communication | Joint leadership communication | Communication at shop floor level |

Table 4 Summary of HR practices as "adaptation" and "insulation"

| HR practice | "Adaptation" | "Insulation" |
|-------------|---|--|
| Staffing | <p>Chemco hires an ex-Wheatco employee to manage the relationship</p> <p><i>Influences job change at Chemco</i></p> | Main selection criteria are internal |
| Job design | Dedicated roles (Chemco); Broader roles (Wheatco-Chemco) | <p>Chemco fails to influence Wheatco's decision to implement cross training practice.</p> <p>Internal needs drive job design</p> |

| HR practice | “Adaptation” | “Insulation” |
|---------------|---|--|
| Appraisal | Feedback from the other firm as input for appraisal (Wheatco and Chemco). <i>Influences job change at Chemco</i> | Ultimate decision is internal |
| Rewards | Chemco’s rewards based on joint process performance | Wheatco’s rewards based on overall site goals. Wheatco resists Chemco’s attempt to influence reward system |
| Training | Some “on the job” training but not part of formal training plan | Other types of internal training |
| Socialisation | ‘Monday operator meetings’ are set up; quality issues prompt more interaction | Little interaction at operator level: Evolution: <u>more interaction at later stage</u> |
| Communication | Some joint communication at management (Steering Committee) level | Site communication is internal |

Normal script = enabling the relationship, *italic* = *inhibiting the relationship*

The pervasive human resource picture in interdependent supply relationships

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