The Impact of Digitalization on Supply Chain Integration and Performance: A Comparison Between Large Enterprises and SMEs

Kam Pui Liu, Hong Kong Metropolitan University, Hong Kong
Weisheng Chiu, Hong Kong Metropolitan University, Hong Kong
Jie Chu, Xi’an Jiaotong-Liverpool University, China*
Leven J. Zheng, Hong Kong Metropolitan University, China

ABSTRACT

The purpose of this paper is to investigate the relationships between digitalization, supply chain integration, and firm performance. Data are analyzed by the partial least square structural equation modeling (PLS-SEM). The results revealed that both digitalization in the supply chain and supply chain external integration positively affected company performance. Further, supply chain external integration partially mediated the relationship between supply chain digitalization and firm performance. In addition, it was found that financial performance is enhanced through different paths for large enterprises and SMEs. Large enterprises improve financial performance through supply chain integration after efforts spent on the digitalization of their supply chain, while SMEs improve financial performance directly through supply chain digitalization. These findings provide insights for managers and policymakers of large enterprises and SMEs in formulating appropriate implementation strategies for digital transformation.

KEYWORDS
Digitalization, Firm Size, Integration, Performance, Supply Chain

INTRODUCTION

Digitalization, which is identified as the top trend in next-generation supply chain development, facilitates the distribution of products, increases organizational flexibility to changing demand or supply situations, and boosts the efficiency of the supply chain (McKinsey, 2016). Later studies confirm that emerging digital technologies can improve the performance not only of firms (Dubey et al., 2019; Lal & Bharadwaj, 2020; Samuel Fosso et al., 2019; Sultana et al., 2021) but also of supply chains around the globe (Barreto et al., 2017; Björkdaahl, 2020; Chen et al., 2020; Uniyal et al., 2021). For instance, big data analytics favors increased customer customization and, together with sensors, cloud solutions, and additive manufacturing (3D printing), enables a competitive business model that shortens the distance and responsive time to target markets, thereby benefitting relatively smaller
and more responsive businesses (Organization for Economic Co-Operation and Development, 2019). Furthermore, almost 90% of respondents believe companies can gain a competitive advantage in the supply chain through digitalization in the next five years; however, 70% of firms are unclear about the context embedded in the supply chain digitalization (SupplyChainDigest, 2016). A substantial percentage of senior maritime Singaporean executives responding to a poll expressed doubt about a digital future for the sector (Tan, 2018). Additionally, some firms are struggling with the development of their digital strategies due to several challenges and barriers (Pereira et al., 2020), and the digital strategies of many other firms are failing (Bughin et al., 2018). Mixed trends are evident in the digitalization journey of small and medium-sized enterprises (SMEs) in Germany (Zimmermann, 2021). Enterprises that are not ready to leverage the advancements from these digital and technological improvements are likely to go out of business (Saxena, 2016).

Both researchers and practitioners have given ample attention to the process of digital transformation. Focusing on the physical movement of products and related processes, traditional businesses have been disrupted and have begun the digital transformation journey in the last few years (Queiroz Maciel et al., 2019). Since the global outbreak of the COVID-19 pandemic in late 2019, leveraging digital supply chain technologies to diversify and minimize supply chain risks and disruptions has become crucial for companies to build a resilient supply chain (Zouari et al., 2021). The latest HSBC Navigator survey of 3,000 businesses in the Asia-Pacific region reveals that companies expecting considerable business growth are increasing their investment in sustainability to boost resilience through digitalization (e.g., implementation of data science and AI, cloud-based software, automation, and robotics in business operations; HSBC, 2021).

Supply chain management (SCM), with the emphasis of satisfying customer needs by integrating different functional processes within a firm into an entire supply chain (Min & Mentzer, 2004), is considered strategic assets and sources of competitive advantage of a firm (Min et al., 2019). This perspective is mostly grounded in resource-based theory (RBV; Hunt & Davis, 2008, 2012), in which SCM-related activities and practices are considered important resources in the creation of a firm’s capabilities to improve business performance (Blome et al., 2013; Narasimhan & Schoenherr, 2012). Supply chain integration is viewed as an essential attribute of modern SCM (Childerhouse & Towill, 2011; Som et al., 2019; Zhao et al., 2013) and is considered the key to obtaining a competitive advantage in the global environment (Rosenzweig et al., 2003). Through a high level of integration among partners in supply chains, firms can be more responsive to volatile customer demand because of increased supply chain information visibility (Kim, 2006). Furthermore, a highly integrated supply chain with external partners is likely to reduce the operational costs and the total costs to customers (Swink et al., 2007).

The Assessment of Excellence in Procurement (AEP) study by A. T. Kearney identified external supply chain integration with supply chain partners as a crucial element in gaining competitive advantages (Kearney, 2014). Business strategies have extended from a traditional firm-level focus to wider relationships with external parties across the supply chains (Trebilcock & Sandor, 2015). Previous studies generally support that external supply chain integration contributes to firm performance (Frohlich & Westbrook, 2001; Mora-Monge et al., 2019; Zhao et al., 2013). Moreover, the 2020 A. T. Kearney AEP survey indicates that among top-performing firms, collaboration across enterprises, together with a defined digital strategy, contributes to team excellence (Kearney, 2020).

The literature generally supports that supply chain digitalization and supply chain integration contribute to firms’ benefits (Björkdahl, 2020; Frohlich & Westbrook, 2001; Gimenez, 2006); however, how supply chain digitalization is linked up with supply chain integration for improving firm performance remains ambiguous (Stank et al., 2019). Therefore, further understanding of how the business interfaces with other entities in the supply chain in the digital age is necessary. Empirical evidence supporting the relationship between supply chain digitalization and supply chain integration is also scarce (Abdirad & Krishnan, 2020; Büyüközkan & Göçer, 2018; Tian et al., 2019). Liu and Chiu (2021) have clarified this relationship by providing support to the idea that supply chain
digitalization positively moderates the relationship between internal supply chain integration and firm performance for companies in China, but their study is limited to internal integration without considering external entities in the supply chain.

This study investigates the relationship between supply chain digitalization, supply chain integration, and firm performance. Specifically, a theoretical model is established, which links the supply chain digitalization and supply chain integration with measures of supply chain performance and financial performance. Based on the proposed model, different hypotheses are developed. A survey instrument is then generated to collect the data from supply chain practitioners on the adoption of digital technologies in their transactions with suppliers and customers, as well as the implementation of supply chain integration strategies in various supply chain activities. The analysis results suggest that supply chain digitalization and supply chain integration have a positive influence on supply chain performance and financial performance.

BACKGROUND

SCM has become a crucial element of strategic management to enhance the competitive advantage of companies in global business (Hult et al., 2007). Grounded in the resource-based view (RBV; Barney, 1991), SCM develops companies’ agility, adaptability, and alignment across the supply chain (Dubey et al., 2018). In order to improve performance and achieve competitiveness in the business, firms have managed their efforts toward relationships and collaboration with supply chain partners (Xu et al., 2014).

Since the outbreak of the COVID-19 pandemic, supply chain disruptions and shortages of inventories have substantially impacted company performance (Shih, 2020; van Hoek, 2020). Leveraging digital supply chain technologies to diversify and minimize supply chain risks and disruptions has become crucial to building a resilient supply chain (Zouari et al., 2021). Hence, a research model guiding this study is developed in Figure 1.

**Figure 1. Research model and hypotheses**

H7a: Supply chain digitalization has a stronger impact on supply chain performance and financial performance for SMEs.

H7b: Supply chain integration has a stronger impact on supply chain performance and financial performance for large enterprises.
SUPPLY CHAIN DIGITALIZATION

Digitalization has attracted significant interest from academics and practitioners since it can benefit companies and improve their performances (Barreto et al., 2017; Dubey et al., 2019). Supply chain digitalization is the application of digital technologies to make plans and process transactions, communicate, and perform supply chain activities (Sanders & Swink, 2020). The digital technologies in the scope of the supply chain can include the application of the big data analytics technique in forecasting, cloud computing, advanced robotics in warehousing automation, advanced tracking technologies in transportation management, and additive manufacturing (e.g., 3D printing; Ivanov et al., 2019).

Previous research has revealed that the application of digital technologies plays a key role in integrating processes in a supply chain (Gautr, 2020; Mukhopadhyay & Kekre, 2002). Srinivasan et al. (1994) identified that the use of electronic data interchange (EDI) provides benefits to the company by integrating the information across the supply chain processes and significantly cutting down the number of shipping mistakes. Rai et al. (2006) indicated that the application of ERP and CRM digital transformational tools facilitates process integration in a supply chain, which can generate improvement in firm performance. Gautr (2020) reinforced this argument, claiming that digitalization favors integration across the different departments of a firm to facilitate teams moving toward common goals. Khajavi & Holmström (2015) investigated how various digital manufacturing technologies (e.g., additive manufacturing and 3D printing production techniques) enhance the visibility and efficiency of the production systems, thus enabling the highly integrated global supply chains. Deepu & Ravi (2021) pointed out the importance of the adoption of value-added shared information systems, through which enhanced supply chain capabilities and performance can be achieved. Although these studies seem to support that digitalization enables supply chain integration for better firm performance, Stank et al. (2019) have raised the research need to further examine how a firm interfaces with other entities in the supply chain in the digital age. Therefore, the following hypothesis is suggested.

H1: Supply chain digitalization has a positive influence on supply chain integration.

Many prior studies have examined the impact of digitalization on firm performance; however, the research work on how digitalization would affect firm performance in the scope of the supply chain is still deficient (Björkdahl, 2020; Rai et al., 2006). With regard to firm performance, different studies have adopted various measurements, which can be mainly divided into operational measures and business-related measures (Abdallah & Al-Ghwayeen, 2020; Flynn et al., 2010; Germain & Iyer, 2006). In this study, two important indicators for measuring firm performance are considered, namely, supply chain performance and financial performance. In terms of supply chain performance, the application of digital technologies in the supply chain improves the efficiency of business processes, for example, by reducing production costs, improving inventory turnover, promptly billing customers, and promptly paying suppliers. (Mukhopadhyay & Kekre, 2002). Enterprises can increase their production output and reduce breakdown occurrences by applying more digital technologies (Björkdahl, 2020). Digitalization in supply chain activities is chiefly regarded to benefit firms (Barreto et al., 2017; Gorbach, 2017; Loske & Klumpp, 2020). In terms of financial performance, digitalization and technology-based solutions enable firms to achieve more cost-efficient operations through effective resource allocation and transparent and accurate information that flows inside and outside the firm’s networks (Baird & Raghu, 2015; Opresnik & Taisch, 2015). In addition, advanced digital capabilities, such as cloud technology, the Internet of things (IoT), 3D visualization, and advanced robotics, integrated into manufacturing and service processes will enhance a firm’s competitive advantage in the market and therefore generate higher long-term profit (Westerman et al., 2014). Thus, the digitalization strategy presents a strong correlation with the financial performance of a firm. Following this rationale, the following hypotheses are proposed.
H2: Supply chain digitalization has a positive influence on supply chain performance.
H3: Supply chain digitalization has a positive influence on financial performance.

SUPPLY CHAIN INTEGRATION

Supply chain integration is viewed as an essential attribute of modern SCM (Childerhouse & Towill, 2011; Som et al., 2019; Zhao et al., 2013). It is commonly classified into internal and external integration (Flynn et al., 2010; Frohlich & Westbrook, 2001). External integration is the integration of a firm’s logistics activities with its customers and suppliers across boundaries (Frohlich & Westbrook, 2001), whereas internal integration is the extent to which a firm can align its organizational practices and procedures into processes in unison to satisfy customer needs (Kahn & Mentzer, 1996).

The existing literature generally supports the positive influence of external integration and internal integration on firm performance. However, various studies report mixed findings (Ada et al., 2021; Flynn et al., 2010; Leuschner et al., 2013). For instance, external integration is not shown to be significantly correlated with supply chain performance (Flynn et al., 2010). No significant relationship between supplier integration and flexibility performance is observed by Jayaram and Xu (2013). In their meta-analysis study, Leuschner et al. (2013) demonstrated no significant relationship between supply chain integration as a whole and firm financial performance. Som et al. (2019) surprisingly showed the negative effect of relational integration with supply chain partners on supply chain performance in Ghana’s manufacturing industries.

A few studies have highlighted internal supply chain integration as a pre-condition for external supply chain integration (Errassafi et al., 2019; Zhao et al., 2011). Internal integration and external integration are apparently two distinct dimensions embedded in supply chain integration. The intensifying competition in the global market has prompted many firms to create cooperative and mutually beneficial partnerships with supply chain partners (Mofokeng & Chinomona, 2019; Wisner & Tan, 2000). Firms strive to collaborate and build close relationships with external parties in a supply chain to improve performance and survive in a competitive environment (Xu et al., 2014). External integration with supply chain partners is the focus of this study. From the performance perspective, the supply chain integration allows for a higher level of information sharing within the supply chain network, thus enabling the supply chain to operate in a more responsive and agile manner and create a sustained competitive advantage for all the supply chain partners (Jajja et al., 2018). Meanwhile, the manufacturing and other supply chain operations can be effectively coordinated through supply chain integration to avoid cost of capital on the excess inventories (Yu et al., 2013). Based on these arguments, the following hypotheses are proposed.

H4: Supply chain integration has a positive influence on supply chain performance.
H5: Supply chain integration has a positive influence on financial performance.

SUPPLY CHAIN PERFORMANCE AND FINANCIAL PERFORMANCE

The measurement of supply chain performance covers operational and logistical performance, including improvements undertaken by a firm in response to the changing competitive environment, the rate at which a firm can modify a product to meet customer requirements, and the capacity of a firm to promptly deliver products to major customers (Flynn et al., 2010; Mofokeng & Chinomona, 2019). The fact that supply chain managers heavily focus on maximizing the daily supply chain performance is not surprising; nonetheless, managers should be aware of the impact of daily operations on the overall financial performance of the firm (Elgazzar et al., 2012). The literature also provides evidence that supply chain performance positively influences financial performance via the improved fulfillment of customer requirements (Germain & Iyer, 2006; Inman et al., 2011). In this case, the
measurement items of growth in sales, profit, market share, and return on investment are adopted in financial performance (Germain & Iyer, 2006; Narasimhan & Kim, 2002). Therefore, the following hypothesis is proposed.

H6: Supply chain performance has a positive influence on financial performance.

**THE DIFFERENCE BETWEEN LARGE ENTERPRISES AND SMES**

Recent studies have suggested that large enterprises differ from SMEs in the level of digitalization in the supply chain (Kergroach, 2020; Sven-Vegard et al., 2021). SMEs mostly lag behind in their supply chain digitalization efforts compared to large enterprises due to continual shortages in management, communication, or problem-solving skills that are crucial for innovation and technology adoption in small firms (Kergroach, 2020). In addition, significant financial investments that are required for collaborating with vendors in terms of the implementation and operation of new technologies may explain the lag in the supply chain digitalization of SMEs (Sven-Vegard et al., 2021). Therefore, the impact of supply chain digitalization on supply chain integration and performance may differ between large enterprises and SMEs.

Moreover, the extant literature has also indicated that supply chain integrative efforts differ between large enterprises and SMEs. Compared with SMEs, firms with a larger size denote a higher level of deployment in resources, investment, technology, and expertise, thereby positively affecting the plans for improving performance; furthermore, the size of an organization affects supply chain practices (Jabbour et al., 2011; Tortorella et al., 2017). This disparity might be due to the bigger budgets of large enterprises and differences in the power they exert in these supply chain relationships with external supply chain partners (Jabbour et al., 2011; Villena et al., 2009).

However, as previously stated, the mixed findings on supply chain integration and firm performance have left unanswered questions for both research and practice (Leuschner et al., 2013). That is, the role of supply chain integration in firm performance (i.e., supply performance and financial performance) is still unclear between large enterprises and SMEs. It should be noted that an enhanced understanding of the relationship between supply chain integration and firm performance is thus necessary, including the circumstances in which supply chain integration has the largest effect on performance (Mackelprang et al., 2014). Therefore, given the different characteristics of large enterprises and SMEs, this study predicted that the relationships in the proposed research model would differ between large enterprises and SMEs. Hence, the following hypothesis is proposed.

H7a: Supply chain digitalization has a stronger impact on supply chain performance and financial performance for SMEs.

H7b: Supply chain integration has a stronger impact on supply chain performance and financial performance for large enterprises.

**METHODS**

**Participants and Data Collection**

The data was collected through practitioners in the supply chain industry in mainland China. China has rapidly become a trade titan in the past three decades (Nicita & Razo, 2021). More recently, China has become a global manufacturing center and a considerably important player in the supply chain; the latter status is especially evident during the COVID-19 pandemic, notwithstanding some criticisms regarding over-dependency on sourcing in China (García-Herrero, 2020). In particular, practitioners in the supply chain industry were recruited via an online survey platform, Wenjuanxing (www.wjx.cn), a Chinese online survey company functioning similarly to Amazon Mechanical Turk and Qualtrics.
Data were obtained from more than 260 million registered members in Wenjuaxing’s sample pool with diverse demographics (e.g., gender, age, region, and occupation). To control the reliability and validity of data, a series of strict quality control mechanisms was employed during data collection to target a specific population and remove invalid responses via an automatic or manual inspection. Furthermore, one attention check question was used in the online survey to avoid inauthentic responses and ensure data quality (Chmielewski & Kucker, 2019; Hauser & Schwarz, 2016).

A total of 264 completed questionnaires were collected. Data screening was subsequently conducted to identify the multivariate outliers based on the Mahalanobis distance (Hair et al., 2010), but 27 outliers were then identified and removed, resulting in 237 responses from 237 firms for further data analysis. The detailed respondent characteristics are reported in Table 1. The majority of respondents (78.9%) have been in their position for more than three years, indicating adequate knowledge about the survey items.

Table 1. Characteristics of respondents (N = 237)

| Industry Type                                | Number | Percentage |
|----------------------------------------------|--------|------------|
| Operations and manufacturing                 | 189    | 79.7       |
| Traders, wholesalers, distributors, and retailers | 34    | 14.3       |
| Logistics or other service providers         | 13     | 5.5        |
| Other                                        | 1      | 0.4        |
| Position                                     |        |            |
| Top management                               | 20     | 8.4        |
| Middle management                            | 84     | 35.4       |
| General staff                                | 133    | 56.1       |
| Years in the Current the Position            |        |            |
| < 3 years                                    | 50     | 21.1       |
| 3–5 years                                    | 80     | 33.8       |
| 5–10 years                                   | 84     | 35.4       |
| > 10 years                                   | 23     | 9.7        |
| Number of Employees in the Firm              |        |            |
| < 101                                        | 34     | 14.3       |
| 101–500                                      | 116    | 48.9       |
| 501–1000                                     | 45     | 19.0       |
| > 1000                                       | 42     | 17.7       |
| Annual Sales Revenue (RMB)                   |        |            |
| < 50 million                                 | 67     | 28.3       |
| 50 million – 100 million                     | 75     | 31.6       |
| 100 million – 500 million                    | 64     | 27.0       |
| > 500 million                                | 31     | 13.1       |
SURVEY INSTRUMENT

The survey instrument was generated based on an extensive literature review to identify valid measures for related constructs; in addition, existing measurement scales were adapted. It covered four sections, namely supply chain digitalization, supply chain integration, supply chain performance, and financial performance. First, the scale of supply chain digitalization (seven items) was adapted and modified from previous studies (Xue, 2014; Xue et al., 2013) to capture the extent to which firms implement SCM systems to electronically connect and conduct transactions with their suppliers and customers in the supply chain. Second, supply chain integration (six items) was adapted from previous studies on customer integration (three items) and supplier integration (three items; Flynn et al., 2010; Germain & Iyer, 2006; Mofokeng & Chinomona, 2019). Third, the scale of supply chain performance (six items) was adapted and modified from previous studies (Flynn et al., 2010; Mofokeng & Chinomona, 2019). Fourth, the scale of financial performance (four items) was obtained and modified from previous studies (Germain & Iyer, 2006; Narasimhan & Kim, 2002). Both supply chain performance and financial performance were subjectively evaluated compared to major industry competitors. All the indicators were measured using a seven-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree).

As the scales drawn from the literature were in English, the back-translation approach Brislin (1970) was employed to translate the initial questionnaire developed in English into Chinese. The questionnaire items were carefully reviewed by a panel of academic scholars and practitioners to verify the appropriateness of the contents of the questionnaire and ensure its fitness for the purpose.

DATA ANALYSIS

The partial least squares structural equation modeling (PLS-SEM) using SmartPLS 3.0 (Ringle et al., 2015) was performed for data analysis. Prior to the PLS-SEM analysis, common method bias was examined due to the single-survey data (Craighead et al., 2011; Podsakoff et al., 2003). The examination of common method bias was conducted by evaluating variance inflation factors (VIFs) in the full collinearity test. According to Kock (2017), the VIF values should be lower than 3.3 to eliminate the problem of common method bias. All the VIF values for all the items and constructs were found to be lower than 3.3, indicating the absence of common method bias in this study.

Prior to PLS-SEM, the sample size requirement was examined. In the research model, there are three antecedents directing to an outcome variable (i.e., financial performance), and therefore, 103 observations are necessary for this study to achieve the statistical power of 80% for detecting a minimum $R^2$ equal to 0.10 at a 5% level of significance (Hair et al., 2022). As such, the sample size ($N = 237$) was deemed appropriate for this study.

PLS-SEM was conducted in two phases to assess the measurement model (i.e., internal consistency reliability, convergent validity, and discriminant validity) and the structural model (i.e., hypotheses; Hair et al., 2022). In addition, a multi-group analysis was performed to explore the differences between large enterprises and SMEs in the hypothesized model. In accordance with the recommendations from (Jabbour et al., 2011; Tortorella et al., 2017), this study categorized the firm based on the number of employees. Firms with more than 500 employees were regarded as large enterprises ($n = 87$), and firms with less than 500 employees were considered SMEs ($n = 150$). In accordance with the recommendations from (Jabbour et al., 2011; Tortorella et al., 2017), firm size in this study is categorized based on the number of employees: large firms (i.e., more than 500 employees) and small firms (less than 500 employees).
RESULTS

Measurement Model Assessment

The initial assessment showed that one item of supply chain performance (SCP) had a low factor loading (i.e., < .40), resulting in inadequate construct reliability and validity. Therefore, this item was removed to improve the reliability and validity without compromising the meaning of the construct (Hair et al., 2022). As reported in Table 2, internal consistency reliability was established because all the CR values and Cronbach’s alpha coefficients were above the cut-off value (.70; Hair et al., 2022). Moreover, convergent validity was supported because all the factor loadings exceeded the criterion (.70), and the AVE values were higher than the recommended value of .50 (Hair et al., 2022). In addition, discriminant validity was examined by the heterotrait–monotrait ratio of correlations (HTMT) proposed by (Henseler et al., 2015). In this study, discriminant validity was established, as the HTMT scores of all the constructs needed to be lower than the suggested criterion of .85 (see Table 3).

Table 2. Summary of constructs and items adopted in the model

| Constructs and Items | λ |
|----------------------|---|
| Supply chain digitalization (M = 5.50, SD = .83, α = .89, CR = .91, AVE = .60) |  |
| Digital technologies are constantly applied within the company. | .700 |
| Digital technologies are adopted in transactions with high percentages of suppliers in the company. | .732 |
| Digital technologies are adopted in a high percentage of transactions with suppliers in the company. | .784 |
| Digital technologies are always applied to transact with suppliers in general. | .806 |
| Digital technologies are adopted in the transactions with a high percentage of customers in the company. | .801 |
| Digital technologies are adopted in a high percentage of transactions with customers in the company. | .759 |
| Digital technologies are always applied to transact with customers in general. | .835 |
| Our company works with customers to develop a joint sales forecast that is used as the basis for replenishment. | .657 |
| Our company exchanges point-of-sale information with customers to drive both replenishment and billing activities from actual sales data. | .737 |
| Customers notify us about planned promotions and exchange with us information on activities against a promotion. | .685 |
| Our company and our major suppliers share information on the available inventory. | .734 |
| Our company and our major suppliers share production schedules. | .680 |
| Our company helps our major supplier to improve the latter’s process to improve the fulfillment of our needs. | .775 |
| Supply chain performance (M = 5.65, SD = .70, α = .89, CR = .91, AVE = .60) |  |
| Our company can quickly modify products to meet our major customer’s requirements. | — |
| Our company can rapidly introduce new products to the market. | .769 |
| Our company can swiftly respond to changes in market demand. | .728 |
| Our company has an outstanding record of on-time delivery to our major customer. | .694 |
| Our company’s lead time for fulfilling customer orders is short. | .625 |
| Our company provides a high level of customer service to our major customers. | .731 |
| Financial performance (M = 5.12, SD = .92, α = .878, CR = .916, AVE = .731): “Compared to the major competitors in your industry, the performance of ________ is better.” |  |

Table 2 continued on next page
HYPOThESIS TESTING

The structural model was assessed via PLS algorithm procedures to examine the hypothesized relationship by determining the path coefficients and significance level (.05). As shown in Table 4, supply chain digitalization had a positive impact on supply chain integration \( (\beta_{SCD \rightarrow SCI} = .61, t = 10.59, p < .001) \), supply chain performance \( (\beta_{SCD \rightarrow SCP} = .21, t = 2.90, p = .003) \), and financial performance \( (\beta_{SCD \rightarrow FP} = .17, t = 2.38, p = .021) \), hence supporting H1, H2, and H3. Moreover, supply chain integration positively affected supply chain performance \( (\beta_{SCI \rightarrow SCP} = .52, t = 7.58, p < .001) \) and financial performance \( (\beta_{SCI \rightarrow FP} = .17, t = 2.00, p = .045) \); therefore, H4 and H5 were supported. Finally, supply chain performance had a positive influence on financial performance \( (\beta_{SCP \rightarrow FP} = .32, t = 5.00, p < .001) \).

Table 4. Summary results of the hypothesized model testing

| Hypotheses     | Standardized Coefficient (\( \beta \)) | Standard Deviation | t-Value  |
|----------------|----------------------------------------|--------------------|----------|
| H1: \( SCD \rightarrow SCI \) | .61                                    | .05                | 10.59*** |
| H2: \( SCD \rightarrow SCP \)   | .21                                    | .07                | 2.90**   |
| H3: \( SCD \rightarrow FP \)    | .17                                    | .07                | 2.38*    |
| H4: \( SCI \rightarrow SCP \)   | .52                                    | .07                | 7.58***  |
| H5: \( SCI \rightarrow FP \)    | .17                                    | .08                | 2.22*    |
| H6: \( SCP \rightarrow FP \)    | .32                                    | .07                | 5.00***  |

Note: SCD = supply chain digitalization, SCI = supply chain integration, SCP = supply chain performance, FP = financial performance, *** means \( p < .001 \), ** means \( p < .01 \), and * means \( p < .05 \).
MULTI-GROUP ANALYSIS

The partial least squares multi-group analysis (PLS-MGA) was conducted to determine whether the path coefficients vary between large enterprises \((n = 87)\) and SMEs \((n = 150)\) in the proposed model. Prior to PLS-MGA, measurement invariance of composites (MICOM) was assessed by three steps recommended by Henseler et al. (2016): (1) configural invariance, (2) compositional invariance, and (3) quality of composite mean values and variances. As a result, only configural invariance and compositional invariance were established in this study, indicating the partial measurement invariance and feasibility of performing PLS-MGA in the research model. In PLS-MGA, the differences are examined by comparing two groups’ bootstrap estimates for the same parameter (Sarstedt et al., 2011). As demonstrated in Table 5 and Figure 2, two paths showed significant differences between the two groups. More specifically, the coefficient of the path from supply chain digitalization to financial performance was significantly higher for SMEs \((p = .014)\), supporting H7a. Additionally, the impact of supply chain integration on financial performance \((p = .015)\) was significantly stronger for large enterprises. Therefore, H7b was supported.

Figure 2. Results of PLS-MGA between large enterprises and SMEs

Table 5. Results of PLS-MGA between large enterprises and SMEs

| Paths          | Path Coefficient \((t\)-Value) | Path Coefficient Differences | \(p\)-Values | Remarks                      |
|----------------|--------------------------------|-----------------------------|--------------|------------------------------|
|                | Large Enterprises \((n = 87)\) | SMEs \((n = 150)\)          |              |                              |
| SCD ® SCI      | .61 (6.99*** )                 | .61 (8.65*** )              | .00          | .997                         |
| SCD ® SCP      | .30 (2.15* )                   | .17 (2.08* )                | -.13         | .427                         |
| SCD ® FP       | -.08 (.70 )                    | .28 (3.68*** )             | .36         | .014 SMEs > Large enterprises|
| SCI ® SCP      | .47 (3.50*** )                 | .56 (7.04*** )             | .09         | .563                         |
| SCI ® FP       | .42 (3.71*** )                 | .04 (.38 )                 | -.38        | .015 Large enterprises > SMEs|
| SCP ® FP       | .35 (3.40*** )                 | .36 (4.60*** )             | .01         | .942                         |

Note. SCD = Supply chain digitalization, SCI = supply chain integration, SCP = supply chain performance, FP = financial performance, *** means \(p < .001\), ** means \(p < .01\), and * means \(p < .05\).
CONCLUSION

The primary objective of this study is to understand the relationships among supply chain digitalization, supply chain integration, and firm performance. The conceptualized research model is established based on the extant literature. Seven hypotheses (H1–H7) are consequently formulated. Based on the empirical results, all seven hypotheses are statistically supported and found to be significant. With firm size as a moderator in this study, the results provide researchers and businesses with theoretical and practical implications.

THEORETICAL IMPLICATIONS

The findings contribute to the extant literature in several aspects. First, supply chain digitalization has shown a strong and positive influence on external supply chain integration (H1), which is consistent with Song et al. (2021)’s latest finding in omnichannel retailing that digitalization benefits the process integration with supply chain partners. This result also addresses the query from Stank et al. (2019) regarding the issue of how a firm interfaces with other entities in the supply chain in the digital age. It also provides empirical support to Iddris (2018) and Büyüközkan and Göçer (2018)’s argument that digitalization is highly associated with supply chain integration with external parties. Moreover, this finding offers additional evidence to generalize Björkdahl’s (2020) in-depth case studies with 26 sample firms that digitalization boosts supply chain integration with customers and suppliers by facilitating the traceability of products, easing the access to customers’ production systems and inventory management systems, and improving the control over materials and components with the firms’ suppliers.

Second, supply chain digitalization has shown a positive influence on supply chain performance (H2), which is consistent with Loske’s and Klumpp’s (2020) empirical study on the retail industry. This finding provides empirical support to Barreto et al. (2017) and Björkdahl (2020)’s viewpoint that the implementation of digital technologies can shorten the lead time for the delivery of products to customers; reduce the time to respond to an unforeseen event; increase the agility, transparency, and efficiency of the supply chain; and improve customer satisfaction (Gorbach, 2017). Supply chain digitalization has also demonstrated a positive influence on financial performance (H3), which is generally consistent with Barua et al. (2004) study on customer and supplier-side digitization efforts to improve financial performance. However, when classifying firms into larger and smaller sizes, the result reveals that supply chain digitalization is positively correlated with financial performance for SMEs only but not for large enterprises.

Firm size thus moderates the relationship between supply chain digitalization and financial performance (H7). This outcome can be partly explained by the fact that SMEs mostly lag behind in their supply chain digitalization efforts (Kergroach, 2020; Sven-Vegard et al., 2021) compared to large enterprises that exhibit a significantly higher level of digitalization (Byung-Gak et al., 2021; Sven-Vegard et al., 2021). Moreover, slight enhancements in digitalization for SMEs can contribute to significant marginal returns to their financial performance, which is in line with the top priority of the Organization for Economic Co-Operation and Development (OECD) in boosting SME digitalization (OECD, 2019). The findings provide practical implications for SMEs that intend to undertake a digitalization journey.

Third, supply chain integration has shown a strong and positive impact on supply chain performance (H4), which is consistent with the extant literature (Errassafi et al., 2019; Flynn et al., 2010; Germain & Iyer, 2006). This finding shows that integration with supply chain partners can improve the responsiveness to customer demand, delivery performance, and customer service level. In addition, supply chain integration has demonstrated a positive impact on financial performance (H5), which is consistent with Flynn et al. (2010), although no significant correlation between supply chain integration and financial performance is found in Leuschner et al. (2013). An in-depth analysis
of the relationship between supply chain integration and financial performance shows significant differences between larger and SMEs. The result indicates that supply chain integration is positively correlated with financial performance for large enterprises only but not for SMEs.

In other words, firm size moderates the relationship between supply chain integration and financial performance (H7). This outcome can be explained by the fact that a larger firm size denotes a higher level of deployment in resources, investment, technology, and expertise, which positively affects the plans for improving performance; after all, the size of an organization affects its supply chain practices (Jabbour et al., 2011; Tortorella et al., 2017). This finding helps to explain why mixed findings were reported in the past studies; it also provides support to meta-analyses by Leuschner et al. (2013) and Mackelprang et al. (2014) regarding supply chain integration and firm performance that the inconsistencies and mixed findings might be due to the study’s heterogeneous factors and unknown moderators (e.g., type of company, industry).

Fourth, supply chain performance has shown a positive impact on financial performance (H6), which is consistent with previous studies (Abdallah & Al-Ghwayeen, 2020; Germain & Iyer, 2006; Zacharia et al., 2009). The result indicates that improving a firm’s daily operational performance enhances its financial performance.

PRACTICAL IMPLICATIONS

The findings of this study provide significant justification for firms to pursue the digitalization of their supply chains. Companies that are not ready to leverage digital and technological transformation are likely to be lagging behind in the business competition (Saxena, 2016). Most firms believe that digitalization efforts in their supply chain can benefit their business, although they are unclear about how and where digitalization can benefit their supply chains (SupplyChainDigest, 2016). Furthermore, ROI is typically considered a hindrance to digitalization (Gorbach, 2017). Based on the results of this study, the application of digital technologies, including EDI, RFID, cloud technology, 3D printing, and big data analytics, can simplify the processes of seamlessly sharing real-time information and closely collaborating with supply chain partners, thereby facilitating a high level of external supply chain integration and eventually reaching high levels of supply chain performance and financial performance.

Specifically, the findings indicate that financial performance is enhanced through different paths for large enterprises and SMEs. Large enterprises improve financial performance through supply chain integration after efforts spent on the digitalization of their supply chain, while SMEs improve financial performance directly through supply chain digitalization. These findings provide insights for managers and policymakers of large enterprises and SMEs in formulating appropriate implementation strategies for the digital transformation journey, although firms generally believe digitalization can boost a resilient supply chain and business growth by investing in digitalization (HSBC, 2021).

In particular, the finding has shown that digitalization positively influences financial performance for SMEs only. This outcome can be explained by the fact that SMEs mostly lag behind in their supply chain digitalization efforts (Kergroach, 2020) compared to large enterprises that demonstrate a significantly higher level of digitalization (Byung-Gak et al., 2021; Sven-Vegard et al., 2021). This finding indicates that slight enhancements in digitalization for SMEs can substantially contribute to their financial performance. The result provides insights for SMEs (e.g., SMEs) that they might even gain more advantages compared to large enterprises in this digitalization journey. The finding can offer additional support to the latest OECD agenda that SME digitalization has become a top policy priority in OECD countries (OECD, 2021).

With regard to the relationship between supply chain integration and financial performance, a positive correlation is found for large enterprises only but not for SMEs. This result might be due to the fact that large enterprises have more integrative resources (e.g., people, technology) to be deployed for collaboration with external parties in contrast to smaller companies where the resources are limited.
(Villena et al., 2009). This finding implies that large enterprises should undertake further digitalization efforts with their external supply chain partners. Compared to SMEs, large enterprises may be in a better position to achieve performance gains due to their scale efficiencies in information sharing and possession of more resources to develop inter-organizational integration efforts (Villena et al., 2009).

LIMITATIONS AND FUTURE RESEARCH

This study carries some limitations as in any research, and at the same time, it opens opportunities for future research. First, the number of samples collected in this study was relatively small due to the difficulty of obtaining a large number of responses from various organizations. Future studies could classify the data from different industries and perform the comparison of the results between various industries. Moreover, the survey was conducted during the outbreak of the COVID-19 pandemic, which might have affected the responses of the participants. The impact of the COVID-19 pandemic on the supply chain industry may be explored in future research.

ACKNOWLEDGMENT

The authors thank the Editors and the three anonymous reviewers for their valuable comments that help improve the paper substantially. This work was partially supported by the National Natural Science Foundation of China [Grant No. 72101208], and by the Innovation and Entrepreneurship Program of Jiangsu Province [Grant No. JSSCBS20210763].
REFERENCES

Abdallah, A. B., & Al-Ghwayeen, W. S. (2020). Green supply chain management and business performance: The mediating roles of environmental and operational performances. *Business Process Management Journal, 26*(2), 489–512. doi:10.1108/BPMJ-03-2018-0091

Abdirad, M., & Krishnan, K. (2020). Industry 4.0 in logistics and supply chain management: A systematic literature review. *Engineering Management Journal, 1*–15.

Ada, E., Sagnak, M., Kazancoglu, Y., Luthra, S., & Kumar, A. (2021). A framework for evaluating information transparency in supply chains. *Journal of Global Information Management, 29*(6), 1–22. doi:10.4018/JGIM.20211101.oa45

Baird, A., & Raghu, T. (2015). Associating consumer perceived value with business models for digital services. *European Journal of Information Systems, 24*(1), 4–22. doi:10.1057/ejis.2013.12

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*(1), 99–120. doi:10.1177/014920639101700108

Barreto, L., Amaral, A., & Pereira, T. (2017). Industry 4.0 implications in logistics: An overview. *Procedia Manufacturing, 13*, 1245–1252. doi:10.1016/j.promfg.2017.09.045

Barua, A., Konana, P., Whinston, A. B., & Yin, F. (2004). An empirical investigation of net-enabled business value. *Management Information Systems Quarterly, 28*(4), 585–620. doi:10.2307/2518656

Björkdahl, J. (2020). Strategies for digitalization in manufacturing firms. *California Management Review, 62*(4), 17–36. doi:10.1177/0008125620920349

Blome, C., Schoenherr, T., & Rexhausen, D. (2013). Antecedents and enablers of supply chain agility and its effect on performance: A dynamic capabilities perspective. *International Journal of Production Research, 51*(4), 1295–1318. doi:10.1080/00207543.2012.728011

Brislin, R. W. (1970). Back-translation for cross-cultural research. *Journal of Cross-Cultural Psychology, 1*(3), 185–216. doi:10.1177/135910457000100301

Bughin, J., Catlin, T., Hirt, M., & Willmott, P. (2018). Why digital strategies fail. *The McKinsey Quarterly.*

Büyüközkan, G., & Göçer, F. (2018). Digital supply chain: Literature review and a proposed framework for future research. *Computers in Industry, 97*, 157–177. doi:10.1016/j.compind.2018.02.010

Byung-Gak, S., Kim, H., Hur, D., & Subramanian, N. (2021). The dark side of supply chain digitalisation: Supplier-perceived digital capability asymmetry, buyer opportunism and governance. *International Journal of Operations & Production Management, 41*(7), 1220–1247. doi:10.1108/IJOPM-10-2020-0711

Chen, Y., Duan, L., & Zhang, W. (2020). Effect of user involvement in supply chain cloud innovation: A game theoretical model and analysis. *Journal of Global Information Management, 28*(1), 23–38. doi:10.4018/JGIM.2020010102

Childerhouse, P., & Towill, D. R. (2011). Arcs of supply chain integration. *International Journal of Production Research, 49*(24), 7441–7468. doi:10.1080/00207543.2010.524259

Chmielewski, M., & Kucker, S. C. (2019). An MTurk crisis? Shifts in data quality and the impact on study results. *Social Psychological & Personality Science, 11*(4), 464–473. doi:10.1177/1948550619875149

Craighed, C. W., Ketchen, D. J., Dunn, K. S., & Hult, G. T. M. (2011). Addressing common method variance: Guidelines for survey research on information technology, operations, and supply chain management. *IEEE Transactions on Engineering Management, 58*(3), 578–588. doi:10.1109/TEM.2011.2136437

Deepu, T. S., & Ravi, V. (2021). Supply chain digitalization: An integrated MCDM approach for inter-organizational information systems selection in an electronic supply chain. *International Journal of Information Management Data Insights, 1*(2), 100038. doi:10.1016/j.jjimei.2021.100038

Dubey, R., Altay, N., Gunasekaran, A., Blome, C., Papadopoulos, T., & Childre, S. J. (2018). Supply chain agility, adaptability and alignment. *International Journal of Operations & Production Management, 38*(1), 129–148. doi:10.1108/IJOPM-04-2016-0173
Dubey, R., Gunasekaran, A., Childe, S. J., Papadopoulos, T., Luo, Z., Wamba, S. F., & Roubaud, D. (2019). Can big data and predictive analytics improve social and environmental sustainability? *Technological Forecasting and Social Change, 144*, 534–545. doi:10.1016/j.techfore.2017.06.020

Elgazzar, S. H., Tipi, N. S., Hubbard, N. J., & Leach, D. Z. (2012). Linking supply chain processes’ performance to a company’s financial strategic objectives. *European Journal of Operational Research, 223*(1), 276–289. doi:10.1016/j.ejor.2012.05.043

Errassafi, M., Abbar, H., & Benabbou, Z. (2019). The mediating effect of internal integration on the relationship between supply chain integration and operational performance: Evidence from Moroccan manufacturing companies. *Journal of Industrial Engineering and Management, 12*(2), 254–273. doi:10.3926/jiem.2794

Flynn, B. B., Huo, B., & Zhao, X. (2010). The impact of supply chain integration on performance: A contingency and configuration approach. *Journal of Operations Management, 28*(1), 58–71. doi:10.1016/j.jom.2009.06.001

Frohlich, M. T., & Westbrook, R. (2001). Arcs of integration: An international study of supply chain strategies. *Journal of Operations Management, 19*(2), 185–200. doi:10.1016/S0272-6963(00)00055-3

García-Herrero, A. (2020). Epidemic tests China’s supply chain dominance. Bruegel Blog Posts.

Gautr, R. (2020, February 29). Digitization in supply chain: Digital technologies in chemical industries. *Chemical Industry Digest.*

Germain, R., & Iyer, K. N. S. (2006). The interaction of internal and downstream integration and its association with performance. *Journal of Business Logistics, 27*(2), 29–52. doi:10.1002/jbl.2058-1592.2006.tb00216.x

Gimenez, C. (2006). Logistics integration processes in the food industry. *International Journal of Physical Distribution & Logistics Management, 36*(3), 231–249. doi:10.1108/09600030610661813

Gorbach, G. (2017). The great digitization of industry. *Supply Chain Management Review,* (September–October), 24–29.

Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis* (7th ed.). Prentice Hall.

Hair, J. F., Hult, G. T. M., Ringle, C., & Sarstedt, M. (2022). *A primer on partial least squares structural equation modeling (PLS-SEM)* (3rd ed.). Sage Publications.

Hauser, D. J., & Schwarz, N. (2016). Attentive Turkers: MTurk participants perform better on online attention checks than do subject pool participants. *Behavior Research Methods, 48*(1), 400–407. doi:10.3758/s13428-015-0578-z PMID:25761395

Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science, 43*(1), 115–135. doi:10.1007/s11747-014-0403-8

Henseler, J., Ringle, C. M., & Sarstedt, M. (2016). Testing measurement invariance of composites using partial least squares. *International Marketing Review, 33*(3), 405–431. doi:10.1108/IMR-09-2014-0304

HSBC. (2021). Asia-Pacific: Investing in tech, sustainability and supply chains to boost business. https://www.business.hsbc.com/en-gb/insights/growing-my-business/asia-pacific-investing-to-boost-business

Hult, G. T. M., Ketchen, D. J., & Arrfelt, M. (2007). Strategic supply chain management: Improving performance through a culture of competitiveness and knowledge development. *Strategic Management Journal, 28*(10), 1035–1052. doi:10.1002/smj.627

Hunt, S. D., & Davis, D. F. (2008). Grounding supply chain management in resource-advantage theory. *The Journal of Supply Chain Management, 44*(1), 10–21. doi:10.1111/j.1745-493X.2008.00042.x

Hunt, S. D., & Davis, D. F. (2012). Grounding supply chain management in resource-advantage theory: In defense of a resource-based view of the firm. *The Journal of Supply Chain Management, 48*(2), 14–20. doi:10.1111/j.1745-493X.2012.03266.x

Iddris, F. (2018). Digital supply chain: Survey of the literature. *International Journal of Business Research and Management, 9*(1), 47–61.
Inman, R. A., Sale, R. S., Green, K. W. Jr, & Whitten, D. (2011). Agile manufacturing: Relation to JIT, operational performance and firm performance. *Journal of Operations Management, 29*(4), 343–355. doi:10.1016/j.jom.2010.06.001

Ivanov, D., Dolgui, A., & Sokolov, B. (2019). The impact of digital technology and Industry 4.0 on the ripple effect and supply chain risk analytics. *International Journal of Production Research, 57*(3), 829–846. doi:10.1080/00207543.2018.1488086

Jabbour, A. B. L. S., Filho, A. G. A., Viana, A. B. N., & Jabbour, C. J. C. (2011). Relationships between company size, production system and supply chain. *Journal of Advances in Management Research, 8*(1), 30–52. doi:10.1108/09727981111129291

Jaija, M., Chatha, K., & Farooq, S. (2018). Impact of supply chain risk on agility performance: Mediating role of supply chain integration. *International Journal of Production Economics, 205*, 118–138. doi:10.1016/j.ijpe.2018.08.032

Jayaram, J., & Xu, K. (2013). The relative influence of external versus internal integration on plant performance in China. *International Journal of Production Economics, 146*(1), 59–69. doi:10.1016/j.ijpe.2013.03.024

Kahn, K. B., & Mentzer, J. T. (1996). Logistics and interdepartmental integration. *International Journal of Physical Distribution & Logistics Management, 26*(8), 6–14. doi:10.1108/09600039610182753

Kearney, A. (2014, October 15). Leading company procurement organizations generate twice the average measurable cost reduction according to global A.T. Kearney study: Their success formula uses procurement as a catalyst to drive durable business performance through excellence in managing categories, suppliers and teams. *U.S. Newswire*. https://www.proquest.com/wire-feeds/leading-company-procurement-organizations/docview/1611567089/se-2

Kearney, A. (2020). *Assessment of excellence in procurement survey*. https://www.kearney.com/procurement/article/?a/the-power-of-third-party-economics

Kergroach, S. (2020). Giving momentum to SME digitalization. *Journal of the International Council for Small Business, 1*(1), 28–31. doi:10.1080/26437015.2020.1714358

Khajavi, S. H., & Holmström, J. (2015, September). Manufacturing digitalization and its effects on production planning and control practices. *IFIP International Conference on Advances in Production Management Systems, 179–185*. doi:10.1007/978-3-319-22756-6_22

Kim, S. W. (2006). The effect of supply chain integration on the alignment between corporate competitive capability and supply chain operational capability. *International Journal of Operations & Production Management, 26*(10), 1084–1107. doi:10.1108/01443570610691085

Kock, N. (2017). Common method bias: A full collinearity assessment method for PLS-SEM. In H. Lataa & R. Noonan (Eds.), *Partial least squares path modeling: Basic concepts, methodological issues and applications* (pp. 245–257). Springer International Publishing. doi:10.1007/978-3-319-64069-3_11

Lal, P., & Bharadwaj, S. (2020). Understanding the drivers of cloud-based service adoption and their impact on the organizational performance: An Indian perspective. *Journal of Global Information Management, 28*(1), 56–85. doi:10.4018/JGIM.2020010104

Leuschner, R., Rogers, D. S., & Charvet, F. F. (2013). A meta-analysis of supply chain integration and firm performance. *The Journal of Supply Chain Management, 49*(2), 34–57. doi:10.1111/jscm.12013

Liu, K. P., & Chiu, W. (2021). Supply Chain 4.0: The impact of supply chain digitalization and integration on firm performance. *Asian Journal of Business Ethics, 10*(2), 371–389. doi:10.1007/s13520-021-00137-8

Loske, D., & Klumpp, M. (2020). Verifying the effects of digitalisation in retail logistics: An efficiency-centred approach. *International Journal of Logistics Research and Applications, 25*(2), 203–227. doi:10.1080/13675567.2020.1815681

Mackelprang, A. W., Robinson, J. L., Bernardes, E., & Webb, G. S. (2014). The relationship between strategic supply chain integration and performance: A meta-analytic evaluation and implications for supply chain management research. *Journal of Business Logistics, 35*(1), 71–96. doi:10.1111/jbl.12023

McKinsey. (2016, October 27). *Supply Chain 4.0: The next-generation digital supply chain. McKinsey Insights*. 17
Min, S., & Mentzer, J. T. (2004). Developing and measuring supply chain management concepts. *Journal of Business Logistics, 25*(1), 63–100. doi:10.1002/jbl.2158-1592.2004.tb00170.x

Min, S., Zacharia, Z. G., & Smith, C. D. (2019). Defining supply chain management: In the past, present, and future. *Journal of Business Logistics, 40*(1), 44–55. doi:10.1111/jbl.12201

Mofokeng, T. M., & Chinomona, R. (2019). Supply chain partnership, supply chain collaboration and supply chain integration as the antecedents of supply chain performance. *South African Journal of Business Management, 50*(1). Advance online publication. doi:10.4102/sajbm.v50i1.193

Mora-Monge, C., Quesada, G., Gonzalez, M. E., & Davis, J. M. (2019). Trust, power and supply chain integration in Web-enabled supply chains. *Supply Chain Management, 24*(4), 524–539. doi:10.1108/SCM-02-2018-0078

Mukhopadhyay, T., & Kekre, S. (2002). Strategic and operational benefits of electronic integration in B2B procurement processes. *Management Science, 48*(10), 1301–1313. doi:10.1287/mnsc.48.10.1301.273

Narasimhan, R., & Kim, S. W. (2002). Effect of supply chain integration on the relationship between diversification and performance: Evidence from Japanese and Korean firms. *Journal of Operations Management, 20*(3), 303–323. doi:10.1016/S0272-6963(02)00008-6

Narasimhan, R., & Schoenherr, T. (2012). The effects of integrated supply management practices and environmental management practices on relative competitive quality advantage. *International Journal of Production Research, 50*(4), 1185–1201. doi:10.1080/00207543.2011.555785

Nicita, A., & Razo, C. (2021). *China: The rise of a trade titan*. Retrieved from https://unctad.org/news/china-rise-trade-titan

Opresnik, D., & Taisch, M. (2015). The value of big data in servitization. *International Journal of Production Economics, 165*, 174–184. doi:10.1016/j.ijpe.2014.12.036

Organization for Economic Co-Operation and Development. (2019). *OECD SME and entrepreneurship outlook 2019*. OECD.

Organization for Economic Co-Operation and Development. (2021). *The digital transformation of SMEs: OECD studies on SMEs and entrepreneurship*. OECD.

Pereira, D. I. O., de Lima, E. P., Machado, C. G., & da Costa, S. G. (2020). Assessing challenges, barriers, practices and capability towards digitalization. *IIE Annual Conference Proceedings*, 1–6.

Podsakoff, P. M., MacKenzie, S. B., Lee, J.-Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *The Journal of Applied Psychology, 88*(5), 879–903. doi:10.1037/0021-9010.88.5.879 PMID:14516251

Queiroz Maciel, M., Pereira Susana Carla, F., Telles, R., & Machado Marcio, C. (2019). Industry 4.0 and digital supply chain capabilities: A framework for understanding digitalisation challenges and opportunities. *Benchmarking, 19*(5), 1761–1782.

Rai, A., Patnayakuni, R., & Nainika, S. (2006). Firm performance impacts of digitally enabled supply chain integration capabilities. *Management Information Systems Quarterly, 30*(2), 225–246. doi:10.2307/25148729

Ringle, C. M., Wende, S., & Becker, J. M. (2015). *SmartPLS 3*. SmartPLS. Retrieved from http://www.smartpls.com

Rosenzweig, E. D., Roth, A. V., & Dean, J. W. Jr. (2003). The influence of an integration strategy on competitive capabilities and business performance: An exploratory study of consumer products manufacturers. *Journal of Operations Management, 21*(4), 437–456. doi:10.1016/S0272-6963(03)00037-8

Samuel Fosso, W., Akter, S., & de Bourmont, M. (2019). Quality dominant logic in big data analytics and firm performance. *Business Process Management Journal, 25*(3), 512–532. doi:10.1108/BPMJ-08-2017-0218

Sanders, N., & Swink, M. (2020). Digital supply chain transformation: Visualizing the possibilities. *Logistics Management, 59*(3), 42–48, 50–53.
Sarstedt, M., Henseler, J., & Ringle, C. M. (2011). Multigroup analysis in partial least squares (PLS) path modeling: Alternative methods and empirical results. *Advances in International Marketing, 22*, 195–218. doi:10.1108/S1474-7979(2011)000022012

Saxena, P. (2016). *Technology trends for the digital supply chain*. Manufacturing Business Technology.

Shih, W. C. (2020). Global supply chains in a post-pandemic world: Companies need to make their networks more resilient. Here’s how. *Harvard Business Review, 98*(5), 82–89.

Som, J. O., Cobblah, C., & Anyigba, H. (2019). The effect of supply chain integration on supply chain performance. *IUP Journal of Supply Chain Management, 16*(4), 7–38.

Song, S., Shi, X., Song, G., & Huq, F. A. (2021). Linking digitalization and human capital to shape supply chain integration in omni-channel retailing. *Industrial Management & Data Systems, 121*(11), 2298–2317. doi:10.1108/IMDS-09-2020-0526

Srinivasan, K., Kekre, S., & Mukhopadhyay, T. (1994). Impact of electronic data interchange technology on JIT shipments. *Management Science, 40*(10), 1291–1304. doi:10.1287/mnsc.40.10.1291

Stank, T., Esper, T., Goldsby, T. J., Zinn, W., & Autry, C. (2019). Toward a digitally dominant paradigm for twenty-first century supply chain scholarship. *International Journal of Physical Distribution & Logistics Management, 49*(10), 956–971. doi:10.1108/IPDLM-03-2019-0076

Sultana, S., Akter, S., Kyriazis, E., & Wamba, S. (2021). Architecting and developing big data-driven innovation (DDI) in the digital economy. *Journal of Global Information Management, 29*(3), 165–187. doi:10.4018/JGIM.2021050107

SupplyChainDigest. (2016). *SCDigest supply chain digitization benchmark survey*. http://www.scdigest.com/assets/reps/Supply_Chain_Digitization_2016_Survey_Data.pdf

Sven-Vegard, B., Jo Wessel, S., Semini, M., & Strandhagen, J. O. (2021). The digitalization of manufacturing: Investigating the impact of production environment and company size—IMS. *Journal of Manufacturing Technology Management, 32*(3), 621–645.

Swink, M., Narasimhan, R., & Wang, C. (2007). Managing beyond the factory walls: Effects of four types of strategic integration on manufacturing plant performance. *Journal of Operations Management, 25*(1), 148–164. doi:10.1016/j.jom.2006.02.006

Tan, H. H. (2018, April 24). Industry still moving slowly on digitalisation: Significant percentage of poll respondents unsure if it’s really worth the effort. *The Business Times*. https://www.proquest.com/newspapers/industry-still-moving-slowly-on-digitalisation/docview/2029529888/se-2

Tian, N. M., Zarkasyi, A. F., Pramono, M. F., Yoyok, S. A., & Murriyatmoko, D. (2019). ASEAN’s regional business innovation through digitization of supply chain. European Alliance for Innovation.

Tortorella, G. L., Miorando, R., & Tlapa, D. (2017). Implementation of lean supply chain: An empirical research on the effect of context. *The TQM Journal, 29*(4), 610–623. doi:10.1108/TQM-11-2016-0102

Trebilcock, B., & Sandor, J. (2015). How they did it: Supplier relationship management at Raytheon. *Supply Chain Management Review, 19*(2), 18–23.

Uniyal, S., Mangla, S., Sarma, P., Tseng, M., & Patil, P. (2021). ICT as “knowledge management” for assessing sustainable consumption and production in supply chains. *Journal of Global Information Management, 29*(1), 164–198. doi:10.4018/JGIM.2021010109

van Hoek, R. (2020). Research opportunities for a more resilient post-COVID-19 supply chain—Closing the gap between research findings and industry practice. *International Journal of Operations & Production Management, 40*(4), 341–355. doi:10.1108/IJOPM-03-2020-0165

Villena, V. H., Gomez-Mejia, L. R., & Revilla, E. (2009). The decision of the supply chain executive to support or impede supply chain integration: A multidisciplinary behavioral agency perspective. *Decision Sciences, 40*(4), 635–665. doi:10.1111/j.1540-5915.2009.00245.x

Westerman, G., Bonnet, D., & McAfee, A. (2014). *Leading digital: Turning technology into business transformation*. Harvard Business Review Press.
Wisner, J. D., & Tan, K. C. (2000). Supply chain management and its impact on purchasing. The Journal of Supply Chain Management, 36(4), 33–42. doi:10.1111/j.1745-493X.2000.tb00084.x

Xu, D., Huo, B., & Sun, L. (2014). Relationships between intra-organizational resources, supply chain integration and business performance. Industrial Management & Data Systems, 114(8), 1186–1206. doi:10.1108/IMDS-05-2014-0156

Xue, L. (2014). Governance–knowledge fit and strategic risk taking in supply chain digitization. Decision Support Systems, 62, 54–65. doi:10.1016/j.dss.2014.03.003

Xue, L., Zhang, C., Ling, H., & Zhao, X. (2013). Risk mitigation in supply chain digitization: System modularity and information technology governance. Journal of Management Information Systems, 30(1), 325–352. doi:10.2753/MIS0742-1222300110

Yu, W., Jacobs, M., Salisbury, W., & Enns, H. (2013). The effects of supply chain integration on customer satisfaction and financial performance: An organizational learning perspective. International Journal of Production Economics, 146(1), 346–358. doi:10.1016/j.ijpe.2013.07.023

Zacharia, Z. G., Nix, N. W., & Lusch, R. F. (2009). An analysis of supply chain collaborations and their effect on performance outcomes. Journal of Business Logistics, 30(2), 101–IX. doi:10.1002/jbl.2158-1592.2009.tb00114.x

Zhao, L., Huo, B., Sun, L., & Zhao, X. (2013). The impact of supply chain risk on supply chain integration and company performance: A global investigation. Supply Chain Management, 18(2), 115–131. doi:10.1108/13598541311318773

Zhao, X., Huo, B., Selen, W., & Yeung, J. H. Y. (2011). The impact of internal integration and relationship commitment on external integration. Journal of Operations Management, 29(1/2), 17–32. doi:10.1016/jjom.2010.04.004

Zimmermann, V. (2021). SME Digitalisation Report 2020: Digitalisation activity fell before Corona, ambivalent development during the crisis. Retrieved from https://www.proquest.com/wire-feeds/kfw-sme-digitalisation-report-german-sector-sees/docview/2500060668/se-2

Zouari, D., Ruel, S., & Viale, L. (2021). Does digitalising the supply chain contribute to its resilience? International Journal of Physical Distribution & Logistics Management, 51(2), 149–180. doi:10.1108/IJPDLM-01-2020-0038

K. P. Liu received his DBA degree in supply chain management. His current research interests include digitalization and optimization in supply chain operations, ERP implementation, and logistics management.

Weisheng Chiu is an associate professor of sport management in the Lee Shau Kee School of Business and Administration at the Hong Kong Metropolitan University. Prior to joining HKMU, he was on the Faculty at Keimyung University and The University of Suwon, South Korea. He earned his PhD degree from Yonsei University, South Korea, and an MED from the Graduate Institute of Sport and Leisure Management at the National Taiwan Normal University. His research interests primarily involve exploring psychological variables affecting consumer behavior within sports marketing and sports tourism.

Jie Chu is an assistant professor in the International Business School Suzhou (IBSS) at Xi’an Jiaotong-Liverpool University in China. He received his PhD degree from McMaster University in Canada. His research interests include operations management and supply chain management.

Leven J. Zheng is the assistant professor in Management at the Department of Global Business and Marketing, Hong Kong Metropolitan University (HKMU). He obtained his PhD from the University of Liverpool (UoL) in July 2021, where he focused his research on the growth of entrepreneurial firms from the entrepreneurially private to newly public stages. He also obtained a master of research in management degree from the UoL and a MSc in international business from Queen’s University, Belfast, as well as a bachelor’s degree in economics. His research interest focuses on innovation and entrepreneurship as well as the sustainable growth of firms.