



Séminaire du CIRRELT

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THE EFFECT OF COERCIVE POWER ON SUPPLY CHAIN INVENTORY REPLENISHMENT DECISIONS AND PERFORMANCES

Abstract: Supply chains often consist of stakeholders with different power levels collaborating with each other in order to meet the customer demands. This imbalance of power along the supply chain is a critical factor that affects its short and long-term behavior, as well as its overall stability and efficiency. The role and the impacts of power in distribution channels have been explored quite extensively in Marketing, but far less so with regard to power in the context of supply chains.

In this talk, results of a recent experimental study will be presented. The study aims at exploring the effect of power on supply chain functioning by focusing on a specific power type i.e. coercive power. More specifically, the impact of power and power awareness on inventory replenishment human decision-making is investigated. An experimental approach with unknown market demand and local information availability is implemented so as to provide a controlled environment for decision-making. Three different treatments are applied in order to create situations of balanced power, imbalanced power without awareness and imbalanced power with awareness. Results show that power awareness does play a significant role in the way coercive power is exercised. In particular, a significant increase of the size and variability of ordered quantities and ordering time intervals is observed in the case of imbalanced power with awareness. Furthermore, the global supply chain profit is reduced and its sharing gets unequal when power is exercised. Globally it is observed that power imbalance is detrimental in a decentralized supply chain.

JEUDI

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15h00

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