Trust in Supply Chain: Expectations and Reality of Smes in Emerging Economies

Pawel Capik

University of The West of England, UK

Emilia Manfredi

UK

The paper explores the process of trust-building between SMEs' supply chain partners in turbulent times in emerging economies. It focuses on the role of environmental information exchange in strengthening relationships and improving responsiveness to overcome uncertainty while understanding and adapting to the changing environmental realities. A case study of an SME in Argentina was conducted to obtain insights regarding the experiences, perceptions and opinions about how achieving trust acts as an instrument of partners' support during uncertain time. To collect empirical data, a series of semistructured interviews were conducted in Argentina and China. Data were analysed to understand partners' mutual support and emergence of trust. The importance of supply chain partnership is that partners go to the market together, meaning that there are more opportunities to benefit from for each partner. The results demonstrate that it is incorrect to assume that an SME can prosper alone in an unknown landscape. However, because of their responsiveness and experience in operating in a turbulent working environment, decision-makers develop skills to rapidly adapt to uncertainty. Information sharing is at the core of establishing successful long-term relationships, which can serve to overcome uncertainties while transforming them into opportunities.

Keywords: Emerging Economies, Information Sharing, SMEs, Suppliers Relationships, Supply Chain Relationship Management, Trust-building, Uncertainty