

**AN INVESTIGATION INTO SUPPLY CHAIN RISK
MANAGEMENT IN SRI LANKA**

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Degree of Master of Business Administration in Supply Chain
Management

Department of Transport & Logistics Management

University of Moratuwa

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Thesis submitted in partial fulfilment of the requirements for the
Degree Master of Business Administration in Supply Chain Management

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The candidate has carried out research for the Master of Business Administration (SCM) Degree under my supervision

Name of the supervisor: Dr. Ranil Sugathadasa

Signature of the supervisor..... Date:

ABSTRACT

Supply chains are inherently vulnerable not only to individual organisational risks but also to the risks created by organisational inter-connections as well as the external environments in which they operate. On top of this, in recent years supply chains have been made more susceptible to disturbances by adoption of contemporary supply chain strategies such as global sourcing, outsourcing, lean manufacturing, high customisation of products, short product life cycles etc. As a result supply chain risk management and supply chain resilience have gained significant attention both in the industry and in academia all around the globe.

Main objective of this research was to serve as a foundational study into supply chain risk management landscape in Sri Lanka as prevalent in mid-2019. In order to achieve this objective, an investigation on the maturity of supply chain risk management processes at Sri Lankan organisations was carried out during the month of June in 2019. Study further extended to explore the practitioner perception on supply chain vulnerability and to examine the relationship among supply chain vulnerability, supply chain risk management maturity and supply chain resilience for the Sri Lankan context.

Focus of the study extended to cover Sri Lanka as a whole. Therefore, the population for this research was comprised of all individuals who were directly involved in supply chain risk management process at all Sri Lankan organisations. In order to suitably represent this population, graduates and students of the MBA in Supply Chain Management programme offered by University Moratuwa were selected as the primary sample for data gathering. An online questionnaire was sent out to 60 respondents representing the selected primary sample and requested them to forward the same to other potential respondents. Altogether 42 responses were received of which 39 were considered for analysis that comprised of a confirmatory factor analysis to validate the adopted theoretical model.

At the completion of the research it could be concluded that Sri Lankan supply chain professionals perceive vulnerability of Sri Lankan supply chains as being moderate. It could be further concluded that overall supply chain risk management process maturity in Sri Lanka is at a 'proactive' level where individual firms have succeeded in adopting formal standalone processes to counteract supply chain risks while failing to achieve significant integration across end-to-end supply chain. Finally it could be concluded that supply chain risk management process maturity positively influences supply chain resilience in the Sri Lankan context.

Keywords – supply chain risk management, supply chain risk management process maturity, supply chain resilience, supply chain vulnerability

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