

**THE IMPACT OF BIG DATA ANALYTICS
CAPABILITIES ON SUPPLY CHAIN PERFORMANCE
IN MANUFACTURING SECTOR OF PAKISTAN**



SHAHBAZ SULTAN
Registration No. 01-396191-010

A thesis submitted in fulfilment of the
requirements for the award of the degree of
MS (Supply Chain Management)

Department of Management Sciences

BAHRIA UNIVERSITY, ISLAMABAD

OCTOBER 2020

**SUBMISSION FORM OF THESIS FOR HIGHER RESEARCH DEGREE
BAHRIA UNIVERSITY, ISLAMABAD**

Candidate Name: Shahbaz Sultan

I submit 02 Copies of thesis for examination for the degree of MS (SCM), Thesis Titled: The Impact of Big Data Analytics on Supply Chain Performance in Manufacturing Sector of Pakistan

Candidate Signature: _____ Date: October 09, 2020

Certificate of Principal Supervisor

I **Dr. Sabeen Hussain Bhatti** being the principal Supervisor for the above student, certify that thesis is in a form suitable for examination and that the candidate has pursued his course in accordance with the Rules of the University.

Signature: _____ Date: _____

Recommendation for Examination

I recommend that the thesis be examined.

Principal Supervisor: Dr. Sabeen Hussain Bhatti Date: _____

Not Recommended for Examination

I recommend that the thesis be examined.

Principal Supervisor: Dr. Sabeen Hussain Bhatti Date: _____

Co-Supervisor: _____ Date: _____

Statement by the Head Faculty/Department

I support the submission of the thesis of the above-named student for examination under the University Rules for higher degrees.

Signature: _____ Date: _____

BAHRIA UNIVERSITY, ISLAMABAD

APPROVAL SHEET
SUBMISSION OF HIGHER RESEARCH DEGREE THESIS

Candidate's Name: **Shahbaz Sultan**

Discipline: **MS, Supply Chain Management (MS SCM)**

Faculty/Department: **MANAGEMENT STUDIES**

I hereby certify that the above candidate's work, including the thesis, has been completed to my satisfaction and that the thesis is in a format and of an editorial standard recognized by the faculty/department as appropriate for examination.

Signature(s): _____

Principal Supervisor: **Dr. Sabeen Hussain Bhatti**

Date: _____

The undersigned certify that:

1. The candidate presented at a pre-completion seminar, an overview and synthesis of major findings of the thesis, and that the research is of a standard and extent appropriate for submission as a thesis.
2. I have checked the candidate's thesis and its scope, format; editorial standards are recognized by the faculty/department as appropriate.

Signature(s):

Dean/Head of Faculty/Department: _____

Date: _____



Bahria University
Discovering Knowledge

MS-13

Thesis Completion Certificate

Student's Name: Shahbaz Sultan

Registration No. 62547

Programme of Study: MS Supply Chain Management (MSSCM)

Thesis Title: **“The Impact of Big Data Analytics on Supply Chain Performance in Manufacturing Sector of Pakistan”**

It is to certify that the above student's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for Evaluation. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at 15% that is within the permissible limit set by the HEC for the MS/MPhil degree thesis. I have also found the thesis in a format recognized by the BU for the MS/MPhil thesis.

Principal Supervisor's Signature: _____

Date: _____

Name: _____



Bahria University
Discovering Knowledge

MS-14A

Author's Declaration

I, **Shahbaz Sultan** hereby state that my MS thesis titled **“The Impact of Big Data Analytics on Supply Chain Performance in Manufacturing Sector of Pakistan”** is my own work and has not been submitted previously by me for taking any degree from this university, **Bahria University, Islamabad (BUIC)** or anywhere else in the country/world.

At any time if my statement is found to be incorrect even after my Graduate the university has the right to withdraw/cancel my MS degree.

Name of student: **Shahbaz Sultan**

Date: **July 31, 2020**



Bahria University
Discovering Knowledge

MS-14B

Plagiarism Undertaking

I, solemnly declare that research work presented in the thesis titled **“The Impact of Big Data Analytics of Supply Chain Performance in Manufacturing Sector of Pakistan”** is solely my research work with no significant contribution from any other person. Small contribution / help wherever taken has been duly acknowledged and that complete thesis has been written by me.

I understand the zero-tolerance policy of the HEC and Bahria University towards plagiarism. Therefore, I as an Author of the above titled thesis declare that no portion of my thesis has been plagiarized and any material used as reference is properly referred / cited.

I undertake that if I am found guilty of any formal plagiarism in the above titled thesis even after award of MS degree, the university reserves the right to withdraw / revoke my MS degree and that HEC and the University has the right to publish my name on the HEC / University website on which names of students are placed who submitted plagiarized thesis.

Student / Author’s Sign: _____

Name of the Student: Shahbaz Sultan

Dedicated to my late father who had always been very passionate about continuous pursuit of knowledge, beloved mother, spouse daughter; Fatima Shahbaz & son; Ibraheem Mohammad Bin Shahbaz for their endless love, support, encouragement & sacrifices

Acknowledgements

“In the name of Allah, the Most Gracious and the Most Merciful”

The completion of this thesis is a dream come true. Today when I look back, I owe everything to no-one else but to ALLAH SWT Who gave me the strength to undergo this arduous struggle throughout my academic journey. Managing family, work and writing my dissertation was never an easy task and nothing less than keeping too many balls in the air simultaneously.

My supervisor Dr. Sabeen Hussain Bhatti role has always been instrumental in every manner during this journey. This feat was possible only because of the unconditional support provided by her. She’s been a person with a very amicable and positive disposition all the times and was always available to support and guide despite her busy schedule - Thank you, Ma’am, for all your help and being great support.

I must mention my mother for all her prayers & best wishes & my late father Basharat Ahmad Kayani who has been a constant source of inspiration to me throughout my life which has kept me motivated to always be on the learning spree. My wife for her all-out support and for bearing me out throughout the highs & lows over the course of my academic journey and research work. She not only looked after my young ones during this tenure but also continuously provided me motivation, inspiration and care without which this research work wouldn’t have been possible. I am also grateful to my children for their love, patience and sacrifice of play time during the entire journey. I am very optimistic that sometimes down the lane they will be surely cherish these moments and feel proud of their father’s achievement.

My heartiest gratitude to my employer Hashoo Group for demonstrating flexibility despite extreme work pressure situations due to which my study was made less obstacle ridden.

I once again thank ALLAH Almighty for countless blessings and all these important people from the bottom of my heart for all that they have done for me to enable me to complete my thesis work. I feel deeply obliged and indebted.

Abstract

The big data is gaining great attention in the current day in age especially in the field of supply chain in the manufacturing organizations however, the collection of big data itself is not enough for the them to compete with other players in the marketplace. The big data can be greatly useful when an organization has a capability to convert it into a useable and important information for making informed decision instead of making decision on basis of gut feel or past experiences. The capabilities of transforming data into useful information are known as big data analytic capabilities. This study is focused on exploring the impact of big data analytic capabilities in the supply chain performance but big data analytic capabilities alone are not enough for making performance better unless the organizations have the required capabilities to leverage the huge volume of data which is available to them through different sources. Many other factors may also affect the organizational & supply chain performance therefore the moderating role of environmental dynamism and a mediating role of supply chain agility have also been accounted for truly understanding the impact of it on supply chain performance in particular. This study is made on the manufacturing industry of Pakistan with the data is collected from 398 firms through questionnaire to analyze the impact of big data analytic capabilities on the supply chain performance. It was found that, the capability of big data analytics greatly impacts the supply chain performance of an organization. The mediating impact of supply chain agility between big data analytic capabilities and supply chain performance and moderating role of environmental dynamism is also found positive which indicates that developing and maintaining the big data analytics capabilities can be very helpful to the managers who wish to improve their supply chain performance while being agile in a highly volatile business environment especially similar of Pakistan which is always faced up with highly volatile external environment in terms of competition, regulatory changes, social, economic & political volatility in addition to high degree of law & order uncertainty. This study is also helpful in understanding that it is equally important for Supply Chain professionals to focus on developing and sustaining the big data analytics capabilities in addition to investing in such expensive and complex technologies.

Keywords: Big data, big data analytics, big data analytic capabilities, supply chain agility, environmental dynamism, supply chain performance

List of Tables

Tables	Page Numbers
Table 1: Missing Value Analysis	28
Table 2: Descriptive Statistics	28
Table 3: Outlier Analysis	29
Table 4: Descriptive Statistics	31
Table 5: Multi-Collinearity Analysis	32
Table 6: Description of Sample	33
Table 7: IBE Scales	34
Table 8: Discriminant Validity Model - Constructs	35
Table 9: Model Fitness	37
Table 10: Model Fitness and Their Thresholds	39
Table 11: Herman Single Factor Test	43
Table 12: Final Structural Model	45
Table 13: Direct Hypothesis Paths	49
Table 14: Mediation Analysis	49
Table 15: Moderation Analysis	50

List of Figures

Figures	Page No
Figure 1: Structural Equation Model.....	23
Figure 2: Initial Measurement Model	40
Figure 3: Common Latent Factor	44
Figure 4: Moderation Analysis	50

List of Abbreviations

BDAC	Big Data Analytic Capabilities
ED	Environmental Dynamism
SCP	Supply Chain Performance
RBV	Resource Based View
CFI	Comparative Fit Index
RMSEA	Root Mean Square of Error Approximation
CLF	Common Latent Factor
CMB	Common Method Bias
CV	Average Variance Extracted
DV	Discriminant validity
GFI	Goodness of Fit Index
IFI	Incremental Fit Index
SCP	Supply Chain Performance
SEM	Structural Equation Modeling
TLI	Trucker Lewis Index

Table of Contents

<i>Thesis Submission Form</i>	ii
<i>Thesis Approval Sheet</i>	iii
<i>Thesis Completion Certificate</i>	iv
<i>Author's Declaration</i>	v
<i>Plagiarism Undertaking</i>	vi
<i>Dedication</i>	vii
<i>Acknowledgements</i>	viii
<i>Abstract</i>	ix
<i>List of Tables</i>	x
<i>List of Figures</i>	xi
<i>List of Abbreviations</i>	xii
Chapter 1 Introduction	1
1.1 Background of the Study	1
1.2 Problem Statement	3
1.3 Research Gap	3
1.4 Research Question	4
1.5 Research Objectives	4
1.6 Significance of the Research	4
Chapter 2 Literature Review	6
2.1 Theoretical Development	6
2.1.1 Resource Based View (RBV)	6
2.1.2 Organizational Information Processing Theory (OIPT)	7
2.1.3 Dynamic Capabilities (DC)	8
2.2 Big Data Analytic Capabilities	11
2.2.1 Big Data	11
2.2.2 Big Data Analytic Capabilities	13
2.2.3 Big Data Analytic Capabilities and Supply Chain Performance	16
2.3 Supply Chain Agility (SCA) and Supply Chain Performance	18
2.3.1 Supply Chain Agility	18
2.3.2 Big Data Analytic Capabilities, Supply Chain Agility and Supply Chain Performance	19
2.4 Environmental Dynamism and Supply Chain Performance	20

2.4.1	Environmental Dynamism	20
2.4.2	The Moderating Role of Environmental Dynamism.....	21
2.5	FrameworkChapter 3 Research Methodology	23
3.1	Research Philosophy.....	24
3.2	Research Design	24
3.3	Population and Sample.....	25
3.4	Data Collection Procedure	25
3.5	Research Instrument	26
Chapter 4	Data Analysis and Results	27
4.1	Data Screening	27
4.2	Missing Value Analysis.....	27
4.3	Aberrant Value	28
4.4	Outlier’s Analysis.....	29
4.5	Normality.....	30
4.6	Multicollinearity Analysis	31
4.7	Descriptive Statistics	32
4.7.1	Sample Demographics	32
4.7.2	Scale Description.....	34
4.8	Structural Equation Modeling (SEM)	35
4.8.1	Measurement Model	36
4.8.2	Initial Measurement Model Specification.....	36
4.9	Reliability.....	36
4.10	Validity.....	36
4.11	Model Fitness.....	37
4.11.1	CMIN/DF	41
4.11.2	Goodness of Fit Index (GFI)	41
4.11.3	Adjusted Goodness of Fit Index (AGFI).....	41
4.11.4	Comparative Fit Index (CFI).....	41
4.11.5	Root Mean Square Error of Approximation (RMSEA).....	41
4.11.6	Normed Fit Index (NFI)	41
4.11.8	Incremental Fit Index (IFI).....	41
4.11.9	PCLOSE	42
4.12	Common Method Biasness (CMB).....	42
4.12.1	Practical Remedies.....	42
4.12.2	Using Multiple Data Sources.....	42

4.12.3	Confidentiality.....	42
4.12.4	Analytical Techniques	42
4.12.5	Harman Single Factor Test.....	43
4.13	Common Latent Factor (CLF)	43
4.14	Structural Equation Modeling (SEM).....	44
4.15	Hypothesized Model Specification.....	44
4.16	Exogenous Variables.....	45
4.17	Endogenous Variables	45
4.18	Model Fitness.....	45
4.19	R ² Model	48
4.20	Hypothesis Testing.....	48
4.20.1	Direct Hypothesis Testing.....	48
4.20.2	Mediation and Moderation Hypothesis Testing.....	49
Chapter 5	Discussion and Conclusion	51
5.1	Discussion	51
5.2	Theoretical Implications.....	52
5.3	Practical Implications.....	53
5.4	Research Limitations and Future Research Directions.....	54
Appendix – I		62