

The scientific objective of the research project is to explore the effects of network governance on achieving and sustaining the competitive advantage of contemporary supply chains. The proposal is based on two key theoretical pillars, including the concept of network governance and the network competitive advantage. The combination of these two facets will provide theoretical grounds to develop a conceptual framework. The highly abstractive framework will undergo statistical analysis. The empirical study, carried out in American and European supply chains, will provide necessary data to estimate the research model.

The synthetic outcome of the project is to develop a conceptual framework which theoretically accounts for and empirically evidences the effects of network governance on achieving and sustaining the competitive advantage of contemporary supply chains.

There are many important scientific premises accounting for tackling the research problem raised in the study. These premises mostly stem from the theoretical foundations which still remain at the early stage of development, and the empirical gaps in past research.

First of all, the fundamental tenet of the legal imperative is omitted or left unsaid in a large portion of previous studies that use the lens of network governance to elaborate on joint ventures or equity-based alliances. These structures should not be considered as true networks because they involve equity ties and ownership of the companies. On the contrary, legally independent companies in supply chains as well as networks collaborate on the basis of purchase-sale agreements and are linked by the contractual relationships. In other words, the supply chains are nested within networks. Consequently, a supply chain concept provides an excellent environment for exploring innovative and original research on multidimensional aspects of network governance; however, there is paucity of the extant papers and empirical studies that address it. The extant publications are usually at a very general stage, as they boil down the issue of network governance in supply chains to a predominant reliance on a price mechanism, bureaucratic structures and socialization processes.

In addition, the prevailing share of prior studies has investigated governance based only on markets and hierarchies. As a consequence, it has paid only limited attention to the role of social capital within organizational context. Even if the previous studies considered the third construct of social capital, they have usually limited the scope of the analysis only to two out of three constructs. The proposed study intends to investigate the concept of network governance within supply chain framework which involves simultaneously all three constructs.

The extant studies do little to demonstrate how network governance resolves fundamental strategic problems. Particularly, there are no works which show the effects of network governance on gaining and sustaining the competitive advantage. It is mainly due to the fact that prior studies most often focus on dyadic relationships rather than on the network's overall architecture or performance. It makes impossible to investigate the network competitive advantage. Moreover, most of prior studies have focused on either governance or network of companies. None of them has combined these constructs to conduct an empirical analysis. The proposed study attempts to overcome the above shortfalls and involve the issues of network governance, competitive advantage and supply chains.