

UNLOCKING THE PUZZLE: EXPLORING THE ROOTS OF SUPPLY CHAIN RESILIENCE CHALLENGES IN SMES AMIDST SRI LANKA'S ECONOMIC CRISIS IN COLOMBO

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1. Introduction

In the midst of economic constraints, the critical Sri Lankan construction industry, particularly Small and Medium Enterprises (SMEs) in Colombo, is faced with a fundamental issue: inadequate Supply Chain Resilience (SCR), or the ability to handle and recover from unexpected events effectively. This lack of SCR among SMEs is an urgent problem for small and medium-sized contractors. As the economy continues to struggle, the lack of this crucial resilience in such a vital industry becomes a significant problem. Accordingly, the main objective of this study is to explore the reasons for compromising the SCR in the construction industry by offering valuable insights for policymakers and industry stakeholders to enhance resilience and foster economic growth.

2. Research Methodology

The study utilized an interpretive research philosophy with an inductive approach. It adopted a qualitative, exploratory method with a phenomenological research strategy. Conducting ten interviews, a mix of telephone and face-to-face interviews, data were gathered from contractors who are in SMEs, using convenience sampling. The study employed a thematic analysis to analyze data.

3. Findings and Discussion

The research revealed the specific reasons for compromising supply chain resilience in Sri Lanka's construction industry, including issues related to collaboration, agility, reengineering, and risk management culture. Comparing these findings with existing frameworks, the study highlights reasons that are both aligned and unique, which are the Short-term connection, changing suppliers, limited resources, no alternative suppliers, material, labor, cash flow issues, no government support, short-term focus, and poor communication, to the industry.

4. Conclusion and Implications

This study concludes that the construction industry in Sri Lanka faces significant challenges in achieving supply chain resilience (SCR). Theoretical implications highlight the need to customize SCR frameworks to include industry-specific elements. Practical implications suggest that industry stakeholders should focus on enhancing collaboration, agility, and information sharing while addressing disruptions and barriers to improve SCR in this vital sector of the economy.

Keywords: Construction Industry, SME, Supply Chain Disruptions, Supply Chain Resilience.