

Supply Chain Network (SCN) Structure and Firm Resilience in the U.S. Agriculture Industry

Abstract

Understanding the supply chain network (SCN) of the focal firm is increasingly important for improving organizational performance and managing the risk of disruptions. In this research, we provide one of the earliest studies that examine the focal firm's resilience concerning its structural position within the SCN in the U.S. agriculture industry. Building upon the law of diminishing returns (LDR), we offer two complementary theoretical perspectives on the relationship between the focal firm's centrality measures and its financial resilience. We examine the relationship between two measures of focal firm centrality (degree centrality and betweenness centrality) and demonstrate that measures of network centrality exhibit an inverted U-shaped effect on firm resilience, supporting the LDR. Additionally, we explore the effect of the supply network and demand network on the focal firm's financial resilience and find that the demand network is a much stronger predictor of the focal firm's financial resilience in the agriculture industry. We discuss the implications of these findings for theory and practice.