

Adoption and Adaptation: Evaluating the Effectiveness of JITPS in Emerging Economies – The Case of Thailand

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ABSTRACT:

Despite the significant advantages of the Just-In-Time Production System (JITPS), its adoption in global manufacturing remains relatively limited. This research paper explores the implementation of JITPS in an emerging economy Thailand, with the aim of assessing the level of adoption and identifying barriers to its implementation. A structured online questionnaire was distributed to companies to determine whether they had adopted the technique. The findings reveal that larger companies are more likely to implement the JIT method, while smaller companies often remain unaware of its existence. Additionally, the study highlights structural challenges impeding the adoption of JITPS and proposes practical solutions to address these issues.

Keywords: JIT Purchasing, Critical elements, On-line survey, Manufacturing Companies.

1. INTRODUCTION:

Just-in-Time (JIT) is a production strategy designed to produce goods precisely when they are needed, whether for use or sale. This Japanese management technique, developed in the 1970s, emerged as a response to Japan's drive to develop more efficient and effective methods for rebuilding its economy. Although JIT has been around for decades, it is only now being widely adopted and understood by many industrial enterprises worldwide. Research indicates that JIT holds significant potential for reducing lead times and lowering inventory-carrying costs.

The Just-in-Time Production System (JITPS) offers significant advantages, yet its adoption in manufacturing sectors of developing countries remains limited. Many production systems in these regions continue to rely on outdated methods that incorporate numerous non-value-adding activities, resulting in slow, wasteful, and unnecessarily complex processes. This research paper explores the adoption of JITPS in a representative emerging economy Thailand, focusing on the extent of implementation and the barriers to its adoption. A structured online questionnaire was distributed to companies to assess whether they utilize the JIT approach. The findings reveal that larger companies are more likely to adopt JIT methods, whereas smaller firms often remain unaware of its existence. Additionally, the paper identifies structural challenges hindering JITPS adoption and proposes actionable solutions to address these issues.

2. LITERATURE REVIEW:

A few papers are available on JIT practices which highlight the positive impact of JIT on Thailand industries. Aitken and Harrison (2007) examine the role of JITPS in supply chain management within emerging economies, emphasizing challenges and benefits, and how these systems align with local economic conditions. Their work highlights the complexities of adapting global supply chain strategies in emerging markets, with particular focus on resource constraints and economic volatility, relevant for understanding JITPS adoption in Thailand.

Kannan & Tan (2003) This article discusses how the adoption of various supply chain practices, including JITPS, influences organizational performance. The authors argue that the effectiveness of JIT systems is contingent on both the organizational readiness and the economic environment, which is particularly applicable in the context of Thailand's growing manufacturing sector.

Lamming and Hampson (1996) explore the adaptability of JIT in SMEs and its impact on supply chain performance. Their study is particularly useful in understanding the challenges smaller enterprises in Thailand face when adopting advanced production systems like JITPS, especially in an emerging economy.

Christopher's (2005) book provides a foundational overview of supply chain management, including the application of JITPS in various global contexts. It is cited extensively in the literature for discussing the practical considerations for adapting JIT practices in developing economies, such as Thailand, where market conditions and infrastructure may differ significantly from developed economies.

Tan and Kumar (2007) analyze the challenges of JIT adoption in Asia's emerging markets, offering a comparative analysis that includes Thailand. Their research highlights the specific barriers to JITPS implementation, such as labor market dynamics and infrastructural issues, providing insights into Thailand's evolving business environment.

Singhal and Singh (2009) This comprehensive review of JIT adoption in emerging economies covers factors such as cultural differences, managerial mindset, and technological readiness. The study's findings can be used to better understand the practical barriers and enablers of JITPS in Thailand, where traditional management practices may clash with JIT's efficiency-driven approach.

Goh & Ang (2007) This case study of JITPS adoption in Thailand explores the historical development and gradual implementation of JIT within Thai manufacturing firms. Goh and Ang's findings provide a nuanced perspective on how local firms adapt JIT principles to their specific operational and market conditions.

Liker and Choi (2004) provide a detailed analysis of Toyota's supply chain and the role of JIT in establishing long-term supplier relationships. The insights from this article are particularly relevant for Thailand, where local suppliers may face different challenges in maintaining these relationships due to economic or logistical constraints.

Shah and Ward's (2003) study on lean manufacturing, which is closely tied to JIT practices, provides a framework for understanding the broader adoption process and its impact on organizational performance. This article offers critical insights into how lean practices, including JITPS, can be effectively implemented in Thailand's emerging economy.

Gamage's (2013) research investigates the successful and unsuccessful adaptations of JIT systems in Southeast Asia, including Thailand. The study identifies key success factors such as management commitment and infrastructure development, which are crucial for the effective adoption of JITPS in the Thai context.

3. OBJECTIVES:

Despite the advantages of JIT and efforts and exhortation of Thailand companies to overhaul the manufacturing sector, there are indications that there are fewer manufacturing companies in the country that are adopting JIT. Thus, this study had been conducted with the following objectives:

1. To identify the benefits of a JITPS in companies currently adopting the techniques in Thailand.
2. To identify the factors that hinders the adoption of the techniques among companies not applying it.

4. JUST-IN-TIME PRODUCTION TECHNIQUE: THE THAILAND EXPERIENCE:

The Just-in-Time (JIT) production technique has played a transformative role in Thailand's manufacturing sector, driving efficiency and competitiveness in a globalized economy. Thailand's adoption of JIT principles is particularly evident in its automotive and

electronics industries, which have leveraged the technique to minimize waste, reduce inventory costs, and streamline production processes. Key factors enabling the successful implementation of JIT in Thailand include a well-developed supply chain infrastructure, strong government support for industrial innovation, and collaboration with Japanese firms, which introduced and popularized the methodology. Despite these successes, challenges remain, particularly for small and medium-sized enterprises (SMEs) that struggle with the stringent requirements of JIT, such as supplier reliability and just-in-time delivery. Nevertheless, Thailand's experience demonstrates the potential of JIT to enhance productivity and operational excellence, serving as a model for other developing nations aiming to modernize their manufacturing systems.

5. RESEARCH METHODOLOGY APPLIED:

A survey was conducted among companies across the country to assess their adoption of the Just-In-Time (JIT) methodology. Follow-up reminders were sent to JIT companies that did not initially respond, encouraging them to complete the online questionnaire and offering additional support if needed. Over an eight-month period, responses were received from 53 JIT companies and 33 non-JIT companies.

A comprehensive questionnaire was developed and distributed to 126 companies. Initially, the questionnaire was pre-tested with two JIT consultants and two academicians to ensure its validity and relevance. Discussions with local JIT consultants and practitioners revealed that Okuma Techno (Thailand) Ltd. is a prominent example of JIT application in the region.

Consequently, the online questionnaires were distributed to approximately 126 companies, sourced from prominent Thai trade associations, industry directories, and professional networking platforms such as LinkedIn, to identify and engage target respondents.

The data collected from 96 companies were analyzed using comparative percentage.

Table 1 shows that most respondents are from large-sized companies. Inman and Mehta (1990) observed that many small companies face challenges in adopting JIT due to the costs associated with training, preventive maintenance, and consultancy services.

However, it seems that company size alone is not the sole determinant of whether JIT is adopted, as other factors such as industry dynamics, resource availability, and cultural practices in Thailand also play a significant role.

TABLE 1: SIZE OF RESPONDENTS COMPANIES IN TERMS OF SALES

<i>Annual Sales</i>	<i>JIT companies</i>	<i>Non-JIT companies</i>
<i>Between 1m to 5m</i>	10	5
<i>Between 5m to 10m</i>	15	11
<i>More than 5m</i>	30	25
	55	41

Source: Own Compilation

6. BENEFITS OF JIT APPLICATION IN THAILAND:

Table 2 illustrates several advantages realized by companies in Thailand that have implemented JIT practices. 57% of JIT adopters reported a substantial reduction in inventory costs. Remarkably, despite Thai manufacturers often depending on imported raw materials and components, a JIT production system (JITPS) enables many firms to achieve these benefits.

Nearly 50% of the respondents experienced significant space savings, likely resulting from:

- Improved factory layouts, minimizing travel distances.
- Enhanced service quality, reducing the need to maintain large inventories.
- Decreased setup times.
- Producing inventory only as needed.


In the context of Thailand, Just-In-Time (JIT) systems demonstrate notable flexibility in adapting to local environmental conditions. According to the survey, 60% of respondents agreed that increased flexibility allows for a quicker response to changes in the environment, fostering the development of a competitive edge. Additionally, 57% of respondents indicated an improvement in their competitive position, a benefit attributed to implementing a JIT production system (JITPS). Furthermore, 70% of respondents reported a significant reduction in lead time after adopting JIT practices. Notably, one company achieved a 69% reduction in lead time after four years of using JITPS. The survey also highlighted that 58% of JIT adopters experienced enhanced productivity.

Another benefit highlighted by a small proportion of respondents is that JITPS (Just-In-Time Production System) facilitates improved visual control, resulting in a cleaner and more organized shop floor. In a JIT environment, the smaller lot sizes contribute to enhanced visibility, allowing for quicker identification of machine or human errors.

Overall, the survey results align with existing empirical research. Therefore, the implementation of a JITPS (Just-in-Time Production System) can provide several significant advantages to local businesses. Among the most notable and frequently observed benefits are

a reduction in inventory holding costs, substantial space savings, and enhanced operational flexibility.

TABLE 2: EXPECTED BENEFITS OF JIT IMPLEMENTATION AS PERCEIVED BY RESPONDENTS

S.No	Expected Benefits	Degree of difficulty Low  High					No Response	Mean Score	t-value Calculated	Result Let $H_0=3$
		1	2	3	4	5				
1.	Improved Competition Position	0	3	0	16	13	1	4.091	5.554*	$H_0=$ Rejected
2.	Increased inventory turn	0	4	0	20	7	2	3.737	3.260*	$H_0=$ Rejected
3.	Increased productivity	0	3	2	14	8	6	3.273	0.883*	$H_0=$ Accepted
4.	Increased profit margin	0	0	2	15	12	4	3.818	3.032*	$H_0=$ Rejected $H_1=$ Accepted
5.	Low scrap rate	0	7	2	17	2	5	2.969	-0.112*	$H_0=$ Accepted
6.	Reduced Inventories	0	3	1	15	11	3	3.757	5.013*	$H_0=$ Rejected $H_1=$ Accepted
7.	Reduced production lead time	0	3	4	18	5	3	3.485	2.029*	$H_0=$ Accepted
8.	Reduced purchase lot size	0	3	0	22	7	1	3.909	5.013*	$H_0=$ Rejected $H_1=$ Accepted
9.	Reduced raw material/parts	0	3	2	15	10	3	3.696	2.727*	$H_0=$ Rejected $H_1=$ Accepted
10.	Reduced work-in-process	0	2	0	19	9	3	3.787	3.212*	$H_0=$ Rejected

Source: SPSS

7. FACTORS HINDERING JIT APPLICATIONS:

Despite considerable efforts, research has indicated that the promotion of JITPS among small Thai companies has not been very effective in terms of successful implementation. Therefore, this research paper focuses more on identifying the factors that hinder JIT implementation. To facilitate a comprehensive analysis, these hindrances will be categorized into five key areas: supplier factors, personnel factors, product factors, production factors, and others.

Supplier Factors: The most significant challenge faced by companies in Thailand is the lack of control over the timing of overseas supplies and shipments. Respondents consistently highlighted this factor as the most critical issue. While existing Just-In-Time (JIT) literature suggests this as a potential excuse for not implementing JIT, the emphasis placed on it by Thai manufacturers suggests it warrants serious attention. Many companies in Thailand rely heavily on overseas suppliers, and to address this challenge, one JIT practitioner mentioned adopting a partial JIT approach. Specifically, they continue to store buffer inventory for raw materials sourced internationally. To minimize such inventory levels, better materials planning and the provision of real-time production schedules to overseas suppliers can help ensure timely production and delivery to local customers.

The second most significant challenge is the lack of reliable suppliers, particularly in terms of quantity and cost. Respondents practicing Just-In-Time (JIT) pointed out that this poses a serious problem for companies, as any delivery of substandard products from a supplier can halt the entire production line. One JIT respondent suggested that a key solution is to establish strict supplier qualifications. Additionally, fostering close collaboration with suppliers can improve outcomes. It is also crucial to offer fair pricing to motivate suppliers to enhance their product quality and delivery efficiency.

Additionally, companies may choose to conduct outgoing quality inspections at the supplier's location rather than relying on incoming quality inspections. This proactive approach helps identify and address poor-quality products at an earlier stage.

Many respondents highlighted the challenges posed by the unpredictable supply quantities in each shipment, which complicate the implementation of Just-In-Time Production Systems (JITPS). It is crucial to ensure that the supplied quantities match the company's exact order to maintain a smooth production process.

Personnel factors: The lack of commitment from management is the most critical issue, with both JIT and non-JIT respondents agreeing on this challenge. Successful implementation of a JITPS requires, among other things, redesigning the factory layout and educating employees on value-adding activities, which demands the use of the company's limited resources. Therefore, top management must not only communicate the process of change but also demonstrate full commitment to these changes.

The lack of commitment and experience among management may be attributed to the relative newness of the JIT (Just-in-Time) concept in Thailand, which could explain why few companies have adopted JIT practices. It is crucial to educate top management on the benefits of JIT and the strategies for successful implementation. Another significant factor is the inter-departmental conflict of interest. Effective coordination among departments is essential before JIT can be implemented. Team efforts are of utmost importance. To reduce inter-departmental conflicts, one JIT practitioner suggested restructuring organizations to ensure clear lines of communication, cooperation, and responsibility.

Some JIT companies in Thailand faced significant resistance to change from workers, a challenge not encountered by only 10% of non-JIT companies. Additionally, with a stronger focus on education and skill development, the current workforce is likely to be more educated and skilled compared to the older generation.

Product factors: Regarding the two factors of high product mix and demand irregularity, responses from JIT (Just-in-Time) and non-JIT companies in Thailand show differing views. Forty-seven percent of JIT respondents identified product mix as the more significant challenge, while fifty-three percent of non-JIT respondents emphasized that irregularity in demand poses a greater challenge in managing the product mix. One JIT respondent addressed this by standardizing parts to enable interchangeability across different products. Additionally, adopting Flexible Manufacturing Systems (FMS) was suggested as a solution to increase production flexibility and accommodate a wider range of products.

Production Factors: A common issue highlighted by both types of respondents is low production volume, as reflected in the comparative chart of production factors. One suggested solution is the adoption of Flexible Manufacturing Systems (FMS) and cellular manufacturing systems, which can help streamline the production process and reduce production lead times.

The responses from JIT and non-JIT groups regarding a batch-oriented production process differ significantly. JIT companies view the redesigning of factory layouts as a more challenging issue than having a batch-oriented production process. In contrast, non-JIT respondents consider the batch orientation to be a major barrier to implementing JIT practices.

The layout remains a critical challenge, with only 10% of non-JIT respondents sharing similar perspectives.

Other Factors: In addition to the factors addressed in the questionnaire, several other challenges were highlighted by respondents. One key issue is project priorities. Due to tight project timelines, the implementation of JITPS (Just-in-Time Production System) has been postponed.

Another consideration is that before JITPS can be successfully implemented, the pre-JIT production system must ensure consistent yields and output rates. Variability in yield could be linked to quality issues, which means that addressing quality concerns is crucial for the successful implementation of JIT.

Lastly, the question arises whether the company manufactures custom-made products, which could impact the feasibility of adopting JITPS.

How Successful JIT Applicants Overcame Implementation Challenges:

In addition to addressing the technical challenges discussed earlier, a survey of 60% of respondents was conducted to explore how they overcame other obstacles in implementing JITPS. A significant number of respondents identified overcoming human factors, particularly the personnel issue, as crucial to their success. To achieve this, full management commitment is essential. As noted in the literature, the JIT philosophy demands a fundamental shift in mindset, requiring a cultural change that must be driven by management.

Many of the JIT applicants in Thailand are subsidiaries of multinational corporations (MNCs) where the parent companies have already implemented JIT in their home countries. Several respondents highlighted the importance of JIT education in successful implementation. This education was facilitated through site visits to JITPS, engaging JIT consultants, watching instructional videos, and on-the-job training. Additionally, companies conducted preliminary studies to ensure a smoother implementation process. The objectives of the JIT project teams were to evaluate the JIT philosophy, its potential benefits and challenges, and determine if the system was adaptable to their operations. On average, many companies spent 5 to 8 months conducting feasibility studies before applying JITPS.

Respondents also emphasized that employee involvement is as vital as management commitment in ensuring the successful implementation of JITPS. Moreover, traditional change management practices such as counseling and job assurance were necessary for the process.

A further challenge was determining whether the company was engaged in manufacturing custom-made products, which posed additional considerations for JIT implementation.

8. JIT Purchasing: Analyzing Survey Results

The implementation of Just-in-Time (JIT) purchasing in Thailand is a step-by-step process that integrates both JIT purchasing characteristics and inventory management principles. The strategy for successful implementation requires strong commitment from top management to prioritize JIT purchasing as a key objective. Additionally, systems should be realigned to support the overarching goals of JIT. Once the role of the JIT purchaser is clearly defined, the next step is to select suppliers capable of supporting a JIT operation. After

identifying suitable suppliers, maintaining and enhancing the relationship with them is essential for continuous improvement in the JIT purchasing process.

According to Hahn, Pinto, and Bragg, the adoption of Just-In-Time (JIT) purchasing often leads to benefits such as smaller lot sizes, more frequent and reliable deliveries, improved material quality, and reduced lead times. Ansari and Modarress highlight that the tangible benefits of JIT purchasing are typically grouped into several categories, with the most significant being increased material turnover, shorter lead times, and the ability to meet delivery commitments. Raia identifies several advantages of this system, including enhanced product quality, less administrative work, and stronger supplier-purchaser relationships. A survey conducted by Norris, Swanson, and Chu among plant managers from automotive, electronics, and machinery firms found that 98% of managers reported a reduction in work-in-progress (WIP) inventory, 96% saw an improvement in inventory turnover, and 88% experienced better inventory record accuracy. These improvements contributed to reduced manufacturing costs, higher product quality, and significantly enhanced customer satisfaction. Despite these positive outcomes, challenges still exist in implementing and maintaining JIT purchasing. A survey by Ansari identified seven key issues that organizations face when applying this system.

This version is tailored to be suitable for a Thai audience, maintaining the core ideas while being concise and clear:

1. Poor support from suppliers.
2. Lack of top management commitment.
3. Poor product quality.
4. Lack of employee readiness and support.
5. Poor engineering support.
6. Lack of communication; and
7. Inadequate support from carrier companies.

Some experts argue that the main challenge with JIT (Just-In-Time) purchasing in Thailand is the limited flexibility to respond to unexpected demand spikes. With planning, purchasing, and scheduling conducted just before production and safety stocks kept to a minimum, reacting to last-minute situations becomes difficult. Additionally, companies may become overly reliant on their suppliers. If unforeseen events occur, such as a supplier's workforce going on strike or a factory experiencing a fire, delays or shortages in deliveries may arise. Raia also highlights the increased transportation costs that come with frequent deliveries as another drawback of the JIT model.

In addition to the variations in evaluating challenges in JIT (Just-In-Time) purchasing, we found limited industry surveys related to this topic. The existing surveys revealed inconsistent outcomes and highlighted several issues linked to JIT purchasing. Consequently, we decided to carry out a new survey focusing on the advantages and challenges of JIT purchasing. This article presents the findings from the survey we conducted with various

manufacturing, distribution, and service companies in Thailand. Through regression analysis of the survey data, we identified the key factors that most significantly influence the adoption and effectiveness of JIT purchasing.

8.1 Survey Data

The survey was conducted over a period of fifteen months and was quite comprehensive.

The survey included 18 questions, incorporating both qualitative and quantitative elements. The qualitative questions focused on managers' perceptions of JIT purchasing, its implementation within their companies, the reasons for adopting a JIT system, the benefits and challenges faced, and the overall implications of the new purchasing systems. Most of the qualitative questions offered a set of possible answers, allowing respondents to select one or more options that best matched their situation. A value of 1 was assigned to any marked answer, and 0 to unmarked answers. The quantitative questions aimed to gather numerical data on JIT purchasing. They evaluated the JIT system in relation to inventory and production costs, the number of years JIT purchasing had been in use, the quality of incoming materials, and the proportion of materials procured through JIT purchasing.

8.2 Results of the Survey

TABLE 3: CRITICAL ELEMENTS OF JIT PURCHASING

<i>Questions</i>	Frequency of Response (%)
<i>Relationships with suppliers</i>	51.5
<i>Management commitment</i>	31.8
<i>Proper scheduling</i>	30.3
<i>Coordination among departments</i>	25.8
<i>Quality of incoming materials</i>	19.7
<i>Long-term contact agreement</i>	16.7
<i>Type of material purchased</i>	13.6
<i>Special policies and regulations</i>	10.6

The survey results, including both qualitative and quantitative data, are summarized in Table 3. According to the findings, over 54 percent of all incoming materials are procured using Just-in-Time (JIT) practices. A significant portion of the managers highlighted the benefits of JIT purchasing, such as a substantial reduction in inventory (65.1 percent), increased supplier reliability (41.9 percent), improved quality of incoming materials (39.5 percent), and lower scrap costs (32.6 percent). Nearly 45 percent of managers indicated that JIT purchasing has enabled their companies to free up space for production processes. Additionally, more than a third of the managers reported improvements in delivery times and customer service because of adopting JIT practices.

TABLE 4: PROBLEMS SOLVED BY JIT PURCHASING

Questions	Frequency of Response (%)
<i>Space reduction</i>	44.8
<i>Cost reduction</i>	34.5
<i>Improved customer service</i>	34.5
<i>On-time delivery</i>	34.5
<i>Stock out problem</i>	17.2
<i>Improved cash flow</i>	17.2
<i>Lead time reduction</i>	10.3

TABLE 5: JIT EFFECT ON PRODUCTION PROCESS

Questions	Frequency of Response (%)
<i>Reduction of in-plant inventory</i>	65.1
<i>Improved suppliers' reliability</i>	41.9
<i>Reduction of in-transit inventory</i>	39.5
<i>Improved quality of incoming materials</i>	39.5
<i>Reduction in scrap costs</i>	32.6
<i>Reduced paperwork</i>	23.3

TABLE 6: DIFFICULTIES IN USING JIT PURCHASING

Questions	Frequency of Response (%)
<i>Lack of suppliers' support</i>	23.6
<i>Poor coordination between departments</i>	20.0
<i>Lack of incentives for suppliers</i>	18.2
<i>Types of materials purchased</i>	16.4
<i>Poor quality of incoming materials</i>	12.7
<i>Special policies and regulations</i>	7.10

TABLE 7: PROBLEMS WITH SUPPLIERS IN JIT PURCHASING

Questions	Frequency of Response (%)
<i>Hard to find good suppliers</i>	35.6
<i>Unreliable suppliers</i>	31.1
<i>Remote suppliers</i>	26.7
<i>Too many suppliers</i>	24.4
<i>Suppliers avoid frequent deliveries</i>	17.8

TABLE 8 : QUANTITATIVE DATA

Data	Number
<i>Number of years JIT has been in use</i>	4.0 years
<i>Percentage of materials purchased according to JIT</i>	54.3%
<i>Average reduction in inventory costs</i>	30.7%

<i>Average reduction in total production costs</i>	18.2%
<i>Average frequency of supplies</i>	1.7 times/unit time

Our analysis of the survey results highlights that many of the issues previously identified as critical no longer pose significant challenges in JIT (Just-in-Time) purchasing in Thailand. For instance, nearly 70 percent of the managers did not cite a lack of top-level management's commitment as a barrier to the successful implementation of JIT purchasing. This indicates that top management is increasingly supportive of JIT adoption, driven by heightened competition and a stronger recognition of its benefits. Additionally, almost 75 percent of managers hesitated to label the quality of incoming materials as a major issue in JIT purchasing. Several managers noted that improvements in material quality are largely attributed to the widespread adoption of Total Quality Management (TQM) and statistical Quality Control (SQC) among suppliers.

The survey results (see Table 3) indicate that the primary concern among companies using JIT purchasing in Thailand was the lack of support from suppliers (23.6 percent). These companies identified several challenges in their interactions with suppliers, including:

1. Hard to find "good" suppliers that will utilize JIT delivery (35.6 percent);
2. Supplier reliability (31.1 percent);
3. Proximity of suppliers (26.7 percent); and
4. Too many suppliers for a company (24.4 percent).

Based on the survey findings, the second major issue identified was the insufficient coordination among various departments regarding JIT purchasing, with 20.0 percent of respondents highlighting this concern. Managers noted a lack of collaboration and mutual understanding between the purchasing, engineering, and accounting departments, which hindered the alignment of their efforts with the objectives of the JIT system. Over 18 percent of managers also identified the absence of supplier incentives as a significant challenge to JIT purchasing, ranking it as the third most pressing issue. Additionally, more than 16 percent of managers indicated that the unique delivery conditions associated with certain materials purchased prevented the full implementation of the JIT system, marking it as the fourth most significant problem.

The survey results provide a foundation for enhancing the utilization of JIT purchasing in Thailand. The qualitative insights gathered from the survey responses offer valuable guidance on the specific management actions that are most likely to yield productive outcomes.

9. CONCLUSION

Adopting the Just-In-Time (JIT) purchasing philosophy has shown numerous positive outcomes for both manufacturing and service organizations in Thailand. The survey

highlights key improvements, including a reduction in inventory levels, enhanced product quality, and a significant decrease in overall production and inventory costs.

Further analysis of the survey results reveals a shift in focus, downplaying the previously recognized challenges associated with JIT purchasing, such as insufficient management commitment and the poor quality of incoming materials. Through interviews with local companies, several common aspects of JIT purchasing emerged as crucial for successful implementation. Notably, strong relationships with suppliers and their active support were identified as critical to running an effective JIT system. Additionally, the coordination between different departments within organizations was recognized as a major challenge in JIT purchasing. A lack of proper incentives also surfaced as another significant issue.

Based on the survey findings, several strategic recommendations are proposed to help companies in Thailand effectively adopt and maximize the benefits of JIT purchasing:

1. Strengthen relationships with suppliers by offering special incentives to employees within supply companies, while sharing the positive outcomes of Just-in-Time (JIT) purchasing, particularly in terms of reduced inventory production costs.
2. Facilitate better coordination between departments by implementing tailored measures to assess the outcomes and effectiveness of JIT purchasing in each relevant department.
3. Develop a robust measurement system to evaluate the impact of JIT purchasing and its influence on other business functions within the organization.

These conclusions are derived from a qualitative analysis of responses obtained through the survey.

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