

Increasing competitive markets, technological modernization, discerning customers and short product life cycles lead to the fact that now competition is between supply chains not between companies anymore. In addition to it, supply chain management is of vital importance in terms of resource dependency, strategy development and also stakeholder's relationship management. This demands effective supply chain management and integration of the product flow processes both internally as well as externally for sustainable competitive advantage. The present study aims at investigating empirically the level of internal integration and its antecedents; the relationship between internal and external integration and its impact on the supply chain performance and overall performance in the context of the Petroleum companies of Pakistan. The study also investigated the effect of Socialization and Organization Culture as a moderator of relationship between internal and external integration i.e. with customer and supplier.

A cross-sectional study design was employed utilizing a questionnaire in a non-contrived study settings. A Stratified proportionate random sample of 234 managers from Petroleum companies was used. Nineteen hypothesized relationships were tested using Structural Equation modeling technique through AMOS software (Version 20) and are accepted. Each of the antecedents of internal integration i.e. Job rotation ($r=0.40$), Interdepartmental trainings ($r=0.38$), Intraorganizational knowledge sharing ($r=0.44$), Management Commitment ($r=0.54$), Supporting Information Technologies ($r=0.37$) and Strategic Consensus ($r = -0.59$) were found significantly correlated with the internal integration. Results further revealed that these integration practices have stronger effect on internal integration when they are aligned than when each of these practices are considered independently. Modeling fit as co-variation approach using SEM was used to confirm this alignment which demonstrated the importance of implementing these practices holistically i.e. integration of new practices with existing practices instead of implementing them in a piecemeal fashion.

Furthermore internal integration was found to be significantly related with external integration (i.e. Customer and Supplier integration). All three dimensions of Supply chain Integration i.e. internal, customer and supplier integration were found significantly related to supply chain performance which consequently leads to organization performance. Results further concluded that both customer and supplier integration partially mediate the relationship between internal integration and Supply chain performance. This reiterates the fact that there is not only the need to ensure the optimum level of internal integration to exploit the output of the organization but such efforts also need to be linked with integration practices with customers and suppliers as well for enhancing the output i.e. performance of the supply chain.

Using multiple-group SEM, moderating role of Socialization and Organization culture was investigated and found that organizations with better internal integration %N will have more external integration when the level of Supply Chain Socialization is high as well as if it possesses high levels of market and adhocracy type of organization culture.

The findings of the study offer useful insight for the management of the companies which can help them ensure optimal output by giving due importance to internal as well as external integration. Internal integration is prerequisite for external integration and the later can be achieved in a better way if company invests in socialization activities as well as extends its focus on external positioning and maintains fit with external environment. In nutshell, this study provides significant insight for integration-performance relationships