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Wearing many hats: Supply managers' behavioral complexity and its impact on supplier relationships

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ABSTRACT

Applying concepts from the behavioral complexity literature (Ashby, 1952; Denison et al., 1995) we examine if supply managers' multiple roles (behavioral repertoire) and the ability to shift among these roles (behavioral differentiation) are related to their interpersonal relationships with account executives of key suppliers. A series of interviews identified four roles that are enacted when managing supplier relationships: negotiator, facilitator, supplier's advocate, and educator. Survey data were gathered from 70 matched pairs of supply managers and key suppliers' account executives. Results show that a broader behavioral repertoire is positively related to interpersonal relationship quality but behavioral differentiation is negatively related to interpersonal relationship quality.

1. Introduction

Effectively managing supplier relationships is essential to achieving seamless and responsive supply chain operations. Maintaining cooperative relationships with key suppliers improves a buying organization's performance (e.g., Gao et al., 2005; Mukherji and Francis, 2008). Many studies have explored firm-level buyer–supplier relationships (cf. Cai et al., 2009; Kozan et al., 2006; Wagner, 2006) but interpersonal relationships across organizational boundaries are largely overlooked. Researchers observed that firm-level relationships depend upon individuals who cultivate and maintain individual-level relationships across organizations (Tanner, 1999). For example, adversarial interpersonal relationships between supply managers and their supplier counterparts can undermine well-intended strategic alliances (Wu and Choi, 2005). A recent survey of senior procurement officers of *Fortune-100* companies echoes this sentiment, listing supply managers' relational skills as one of their organizations' most critical assets (Giunipero et al., 2006).

Scholars have called for integrated investigation of individual behavior and organizational processes (cf. Lian and Laing, 2007; Perrone et al., 2003). A few researchers began to explore supply manager's relational skills. Specifically, general roles that supply managers enact were described (Hallenbeck et al., 1999; Knight and Harland, 2005). Only one study (Perrone et al., 2003) relates aspects of supply manager's roles, such as job autonomy, to changes in a relationship, such as trust between a supplier representative and supply manager. There is a lack of systematic understanding of the roles of supply managers. Moreover, little is known about how supply managers manage different roles, and how these roles may influence supplier relationships.

Supply management as a profession has experienced rapid changes over the past two decades. Supply managers have evolved from tactical buyers to strategic supply chain managers. They are at the forefront of significant developments in supply management practices such as total quality management, lean manufacturing and global outsourcing. As supply management becomes strategically important, understanding the effective interpersonal skills becomes more important in recruiting, mentoring, and training supply managers. Supply managers are gatekeepers shaping strategic buyer–supplier relationships, providing services to internal customers and suppliers and coordinating material and knowledge flows in supply chains.

In this research, through a series of interviews we explicitly identify the roles that supply managers perform in managing relationships across organizational boundaries. Then, we empirically test the theoretical relationship between supply managers' role management skills and their interpersonal relationships with suppliers. To do so, we draw upon the concept of behavioral complexity from role management literature (Denison et al., 1995; Hooijberg, 1996; Hooijberg et al., 1997).

In the following sections, we review studies on supply managers' roles, role management and behavioral complexity. Then we offer

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hypotheses, followed by a description of our empirical research method and results. We also discuss the implications for managers, limitations and opportunities for future research.

2. Conceptual foundation and hypotheses

2.1. Roles of supply managers

To the best of our knowledge, there are only two studies that examine the roles of supply managers. Specifically, Hallenbeck et al. (1999) examined general roles of supply managers and found six externally-oriented roles pertaining to information management: information gathering, filtering and transmitting, negotiation, being proactive by representing the organization to and building relationships with suppliers, and protecting the buying organization's interests. Knight and Harland (2005) identified six roles enacted by supply managers in the public health sector: innovation facilitator, coordinator of interorganizational activities, supply policy maker, advisor to a range of constituents, information broker, and network structuring agent. While there are some differences among the roles identified by these researchers, both studies found that supply managers assume multiple roles.

Supply managers span the boundary between the buyer's and supplier's organizations (Knight and Harland, 2005; Perrone et al., 2003). In closely-coupled supply chain operations, supply managers communicate internal customers' needs to the supplier and represent the expectations and ideas of each side to the other. Like other boundary spanners, supply managers face role conflict because their roles involve divergent and often incompatible demands (Ashforth and Mael, 1989; Friedman and Podolny, 1992; Kahn et al., 1964; Richter et al., 2006). Ashforth and Mael (1989) proposed that individuals sequence the enactment of competing roles to reduce cognitive tensions.

2.2. Cognitive complexity and behavioral complexity

While the role management tactics and strategies vary, individuals with strong cognitive complexity are more effective at managing role conflict. Cognitive complexity is defined as the number of independent dimensions of concepts that an individual brings to bear in describing a particular domain of phenomena (c.f. Scott, 1963). Individuals with cognitive complexity are able to live with ambiguity and paradoxical situations (Kreiner et al., 2006; Streufert and Streufert, 1978) and can transcend opposing demands and find integral solutions optimizing the gain for all parties. One concept closely related to cognitive complexity is behavioral complexity. While cognitive complexity focuses on information processing capability, behavioral complexity focuses on the ability to act and play multiple roles that call for diverse and even competing behaviors. Behavioral complexity is the manifestation of cognitive complexity that we can observe, evaluate and benchmark (Denison et al., 1995). Studying organizational leadership, Hooijberg (1996:919) defined behavioral complexity as the performance of a portfolio of functions that allow an individual to "respond to complex demands." Because behavioral complexity offers us a way to measure the ability of individuals to manage their requisite job roles, we focus on this construct instead of cognitive complexity. As Mintzberg (1973) pointed out, managers are not careful planners but under continuous pressure to act. Thus, it is the social behavior of the managers that matter in business operations.

Hooijberg (1996) distinguished two dimensions of behavioral complexity: behavioral repertoire and behavioral differentiation. Behavioral repertoire is defined as the portfolio of roles a manager performs. It is the ability to perform multiple roles and behaviors that circumscribe the requisite variety implied by organizational or environmental context. Denison et al. (1995) found that when organizational leaders enact multiple roles, they are better at handling role conflict and maintaining integrity and direction as they enact multiple roles.

To enact a portfolio of requisite roles, an individual needs to be able to adjust his/her relational approach to navigate through these roles. This is referred to as behavioral differentiation. Behavioral differentiation is defined as the ability to *switch* from role to role at appropriate times to handle paradoxes and contradictions mandated by one's job (Hooijberg, 1996). A behaviorally complex individual performs requisite roles with spontaneity as called for by different settings and relates two or more orthogonal dimensions to produce an outcome determined by the joint demands of each dimension, system or subsystem involved (Hooijberg, 1996; Streufert and Swezey, 1986).

2.3. Behavioral complexity and hypotheses

Extending the concept of behavioral complexity to supply management, we argue that to build a strong relationship with the supplier's account executive, a supply manager needs to excel in both behavioral repertoire and behavioral differentiation. First, a broader behavioral repertoire allows a supply manager to assume the roles needed to better manage the varying supply chain relationships involved. As boundary spanners, supply managers are responsible for interacting with people both inside and outside departments and organizations (Knight and Harland, 2005; Perrone et al., 2003; Williams, 2002). Supply managers must understand external customers as well as internal customers and suppliers. Supply managers influence relationships between the buyer and suppliers, and represent the expectations and ideas of each side to the other (Friedman and Podolny, 1992; Stanley and Wisner, 2001). More importantly, effective supply managers deal with paradoxical situations and engage different constituents to cooperate (Bass, 1960; Lawrence and Lorsch, 1967). This effort is accomplished by enacting multiple roles on behalf of different constituents (Ashforth and Mael, 1989; Gregersen and Black, 1992; Richter et al., 2006).

Different perspectives are gained when a supply manager takes on multiple roles. A supply manager can empathize with individuals in distinct groups within and outside the buying organization and understand stakeholder concerns and competing priorities. As supply managers engage with multiple stakeholders, they are likely to make more equitable decisions and thus build rapport with individuals across organizational boundaries (Hatfield et al., 1979). These individuals in turn may reciprocate and provide support to the supply manager.

A supply manager with a narrow behavioral repertoire may not employ all requisite roles when interacting with different constituent groups. For instance, a supply manager may choose to carry out a narrow set of roles by taking sides with one party so as to avoid the conflict inherent in these roles. By doing so, the supply manager is likely to pay little attention to the suppliers who count on the supply manager to advocate their needs and concerns to internal customers within the supply manager's organization. Trust of the supply manager is lower when the supplier's representative perceives that the supply manager is being influenced too strongly by the functional perspectives of internal customers (Perrone et al., 2003). When the supplier's needs are perceived to be ignored, it will be difficult for the supply manager to build a strong interpersonal relationship with the supplier's account executive. The supply manager may also do the opposite and become deeply embedded with suppliers, and may lose sight of the business interests of the buyer (Gregersen and Black, 1992). As internal customers question the supply manager's judgment and ability to protect the buyer's interests, they may withdraw their support. This in turn could hamper the supply manager's ability to effectively meet the needs of suppliers, which leads to frustration for the suppliers' account executives and potentially a strained interpersonal relationship between the supply manager and the account