



ELSEVIER

Contents lists available at ScienceDirect

Journal of Purchasing & Supply Management

journal homepage: www.elsevier.com/locate/pursup

Can I read your mind? Perception gaps in supply chain relationships

Yi-Su Chen*, Hung-Chung Su, Young K. Ro

College of Business, University of Michigan-Dearborn, 19000 Hubbard Dr. Dearborn, MI 48126, United States

ARTICLE INFO

Article history:

Received 1 March 2015

Received in revised form

27 May 2016

Accepted 10 June 2016

Keywords:

Perception difference

Scenario-based experiment

Buyer-supplier relationship

Matched-scenarios experimental vignette

Dyadic research

ABSTRACT

A buyer-dominant perspective in the existing buyer-supplier relationship literature reflects a common yet implicit “bilateral expectation” assumption. However, dyadic studies have revealed that the parties in a relational exchange may possess divergent views on many issues, which violates the bilateral expectation assumption and motivate this research. In contrast to existing dyadic scholarship, which focuses on divergent buyer and supplier views of the same event or phenomenon, this study examines gaps between what the supplier thinks the buyer’s perspective is vs. what the buyer’s perspective actually is. Specifically, this study examines gaps between the buyer’s stated relational outcomes (regarding opportunism and relationship continuance) and the supplier’s expectation of the buyer’s actual behavior. The study uses a scenario-based experiment with mirrored vignettes to elicit data from both sides of the relational exchange. The results suggest that in general, the supplier tends to overestimate the buyer’s desire to continue an existing relationship. Moreover, when making relationship continuance decisions, the buyer tends to value relational norms more than dependence, which is counter to supplier expectations (i.e., the supplier would expect that the buyer values dependence more). The findings have important implications for how managers can effectively navigate supply chain relationships in general, and suppliers’ interactions with buyers in particular.

© 2016 Elsevier Ltd. All rights reserved.

1. Introduction

Opportunism and relationship continuance outcomes are often used to evaluate how successful firms manage their buyer-supplier relationships (e.g., Conner and Prahalad, 1996; Morgan and Hunt, 1994; Sako and Helper, 1995). Opportunism and relationship continuance can be examined across varied buyer-supplier contexts and scholarship on these outcomes is long-standing (Carson et al., 2006; Conner and Prahalad, 1996; Heide and John, 1992; Morgan et al., 2007; Noordewier et al., 1990). Since the manner in which firms manage buyer-supplier relationships (e.g., selecting and monitoring suppliers, creating contracts, developing or dissolving partnerships) is critical to firms’ operational efficiencies and future profitability, safeguarding firm relationships from opportunism and promoting relational continuance are important strategic issues in today’s business environment.

To better manage opportunism and ensure relationship continuity, relational norms (Heide and John, 1992) and dependence (Stern and El-Ansary, 1992) are two widely discussed relational mechanisms, each of which is rooted in social exchange theory (Thibaut and Kelley, 1959). Relational norms are the principles

agreed upon by exchange partners concerning what is considered suitable behavior in a relationship (e.g., Heide and John, 1992). Dependence refers to the cost of replaceability (Heide and John, 1988) when one party in a dyadic relationship terminates the relationship and switches to an alternative partner (Joshi and Arnold, 1997).

The effectiveness of relational norms and dependence can differ for the buyer and supplier, which can create perception differences between the buyer and supplier regarding the extent of opportunism or continuance. For instance, under the same relational norms, the buyer may perceive the norms as effective and tend not to behave opportunistically—although the supplier may perceive these same relational norms as less effective and still expect the buyer to take advantage of the supplier. Similar dynamics can also occur for relationship continuance. Such perception differences between a buyer and supplier can “have serious repercussions on behavioral intentions and need to be further explored” (Geiger et al., 2012:82). Despite diverging buyer and supplier views on various aspects of exchange (e.g., Ellram and Hendrick, 1995; Forker and Stannack, 2000; Geiger et al., 2012; Kim et al., 1999 and, 2010; Nyaga et al., 2010), few studies examine the perception differences regarding relationship outcomes.

To fill this gap, this research examines perception differences between a buyer and a supplier concerning two relationship outcomes: buyer opportunism and relationship continuance. Specifically, this research examines differences between a supplier’s

* Corresponding author.

E-mail addresses: yisuchen@umich.edu (Y.-S. Chen), hcsu@umich.edu (H.-C. Su), yro@umich.edu (Y.K. Ro).

expectation of the buyer's opportunism (relationship continuance) and the buyer's *actual* stated opportunism (relationship continuance). To better understand these perception differences, this paper presents a scenario-based experiment, which allows manipulations of relational norms, buyer dependence, and business role (either a buyer or supplier).

Experiments on perception differences offer several advantages over existing survey-based studies. First, a buyer and supplier in the same relationship often perceive the extent of relationship characteristics differently (e.g., [Forker and Stannack, 2000](#); [Kim et al., 1999 and 2010](#)). Such incongruent views in a dyad compromise the validity of survey data—particularly data for sentiment variables such as norms of exchange ([John and Reve, 1982](#)). Since existing literature has documented divergent views of norms ([John and Reve, 1982](#)) and dependence ([Ambrose et al., 2010](#)), collecting data using surveys should be avoided. Experiments remedy the validity challenges that arise from differing perceptions because the prescribed vignettes allow researchers to manipulate variables of interest and yield higher degrees of homogeneity ([Campbell and Stanley, 1963](#)). Moreover, experiments allow researchers to observe and assess the *effects* of manipulations on outcomes, which leads to more accurate assessments ([Campbell and Stanley, 1963](#)). Altogether, experiments are useful for examinations of perception differences because they allow greater precision and yield larger effect sizes than surveys ([Crosno and Dahlstrom, 2008](#)).

This paper makes several contributions to the buyer-supplier relationship literature, a few of which follow. First, the study introduces scenario-based experiments as a particularly useful and effective way to examine perception differences between the two sides of a dyad. These experiments collect data with matched scenarios, which addresses the internal validity concerns resulting from differing supplier and buyer views ([John and Reve, 1982](#))—and allows researchers to explicate these differences. Second, the bulk of existing dyadic research has focused mostly on the perception differences that buyers and suppliers hold of a given event and/or relationship characteristic (i.e., the difference between (a) and (d) in [Fig. 1](#)).¹ This specific study, however, differs from and extends this research by examining differences between the buyer's view and the supplier's perception of the buyer's view (i.e., the difference between (a) and (b) in [Fig. 1](#)). Finally, this research provides insights as to whether buyer and supplier perceptions of relationship outcomes differ—and identifies potential sources of such differences. Knowing where perception gaps exist regarding buyer opportunism and relationship continuance facilitates better decision-making for buyers and suppliers.

The paper proceeds as follows. The first section presents a literature review on social exchange theory—which is the overarching theoretical foundation of the study—and scholarship on the two relational mechanisms and potential perception differences. Next, hypotheses are developed. Then, the scenario-based experiment methodology is discussed—including how this design is useful for overcoming problems involved in examining dyads. The overall conclusion, theoretical and managerial implications

¹ Dyadic research refers broadly to research that examines perception differences between the two sides of a buyer-supplier dyad. Dyadic differences include (1) perception differences that buyers and suppliers hold of a given event and/or relationship characteristic, and (2) perception differences between the buyer's (supplier's) view and the supplier's (buyer's) perception of the buyer's (supplier's) view. Existing dyadic research has preliminarily focused on the first type of difference with [Anderson and Weitz \(1992\)](#) as a notable exception. Unlike this study that focuses on manufacturer-industrial supplier dyads, a different type of buyer-supplier dyad, i.e., manufacturer (supplier)-distributor (buyer) dyads, was examined in [Anderson and Weitz \(1992\)](#) wherein perception differences of both types were included.

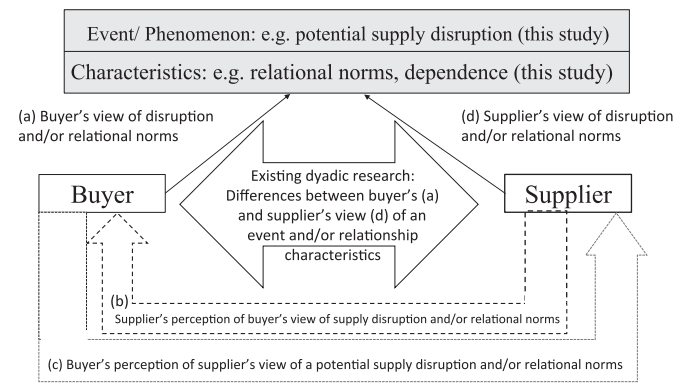


Fig. 1. This is the focus of existing dyadic research. (2) Differences between the buyer's view and the supplier's perception of the buyer's view of an event and/or relationship characteristics, i.e., the differences between (a) and (b). This gauges whether a supplier can read the buyer's mind correctly and is also the focus of the current study. (3) Differences between the supplier's view and the buyer's perception of the supplier's view of an event and/or relationship characteristics, i.e., the differences between (c) and (d). This gauges whether a buyer can read the supplier's mind correctly. This could be one future research direction to complement the existing dyadic research. (4) Differences between the supplier's perception of the buyer's view of an event and/or relationship characteristics and the buyer's perception of the supplier's view of an event and/or relationship characteristics, i.e., the differences between (b) and (c). Though implicit, this type of game-theoretic research is typically based on the premise that each player will decide a strategy after evaluating an opponent's available options, potential acts and the subsequent implications of one's payoffs. This evaluation of an opponent's options is reflected by the buyer's (or supplier's) perception of the supplier's (or buyer's) view of an event and/or relationship characteristics in the figure. Sources of Dyadic Differences. In light of future research, our methodological approach opens the door to four distinct research extensions, based on the four sources of the dyadic differences proffered by our research: (1) Differences between the buyer's view and the supplier's view of an event and/or relationship characteristics, i.e., the differences between (a) and (d).

along with methodological suggestions for dyadic research are presented in the discussion and conclusion sections.

2. Literature review

2.1. Perception differences between buyers and suppliers

Much scholarship on buyer-supplier relationships takes a buyer's perspective. [Terpend et al. \(2008\)](#) reviewed 151 empirical studies on buyer-supplier relationships and found only six that included both the buyer and supplier perspectives. This pervasive buyer perspective is problematic because suppliers do not always share the same views as their buyer counterparts on a number of important matters. Indeed, research has found substantial differences in perspective on topics such as ethical practices ([Carter, 2000](#)), quality management ([Forker and Stannack, 2000](#)), communication and risk-sharing ([Kim et al., 1999](#)), and overall satisfaction with the exchange relationship ([Barnes et al., 2007](#)).

2.2. Relational norms and dependence: A social exchange perspective

According to social exchange theory ([Thibaut and Kelley, 1959](#)), mechanisms that govern social interactions are important in facilitating relationship success as firms are embedded in broader systems of social relations ([Granovetter, 1985](#)). When applying social exchange theory to buyer-supplier relationship contexts, researchers often suggest two specific relationship governing mechanisms. The first, relational norms, refers to the behavioral expectations that are shared among exchange partners regarding what is deemed appropriate behavior in a relationship ([Gibbs,](#)

Download English Version:

<https://daneshyari.com/en/article/5110216>

Download Persian Version:

<https://daneshyari.com/article/5110216>

[Daneshyari.com](https://daneshyari.com)