



Contents lists available at ScienceDirect

## European Management Journal

journal homepage: [www.elsevier.com/locate/emj](http://www.elsevier.com/locate/emj)

# Power-based behaviors in supply chains and their effects on relational satisfaction: A fresh perspective and directions for research

Ismail Gölgeci <sup>a, \*</sup>, William H. Murphy <sup>b</sup>, David A. Johnston <sup>c</sup>

<sup>a</sup> Norwich Business School, University of East Anglia, Norwich Research Park, Norwich, Norfolk NR4 7TJ, UK

<sup>b</sup> Department of Management and Marketing, Edwards School of Business, University of Saskatchewan, Room 151, PotashCorp Centre, 25 Campus Drive, Saskatoon S7N 5A7, Saskatchewan, Canada

<sup>c</sup> Operations Management and Information Systems Area, Schulich School of Business, York University, Room S339, Toronto M3J 1P3, Ontario, Canada

## ARTICLE INFO

### Article history:

Received 17 August 2016

Received in revised form

6 March 2017

Accepted 28 March 2017

Available online xxx

### Keywords:

Cooperative strategies

Supply chain relationships

Power

Power-based behaviors

Relational satisfaction

Dependence

## ABSTRACT

Although the sources of a firm's power vis-à-vis upstream and downstream relationships in supply chains have been studied extensively, how a firm may act or react to power-based behaviors of its partners has not been sufficiently defined and discussed. To this end, we present three power-based behaviors: *dominance*, *egalitarian*, and *submissive*. From a cross-disciplinary reading of the relevant literature, we conceptualize and discuss the characteristics of these behaviors as manifested by dyads within supply chains. Three power-based behaviors are proposed to describe both initiating and responding behaviors used by partners, with these behaviors affecting relational satisfaction. This results in nine potential descriptors of the state of any supply chain relationship. We then discuss the opportunities to use our approach to better research the dynamics of power in supply chain relationships.

© 2017 Elsevier Ltd. All rights reserved.

## 1. Introduction

Firms employ various means to utilize relationships for competitive advantage by accessing, integrating, and leveraging external resources (Dyer & Singh, 1998). Within this realm, the importance of supply chain relationships for business is apparent. There are at least 28 review articles addressing various forms of interorganizational relationships (Parmigiani & Rivera-Santos, 2011), and a recent meta-analysis of interorganizational relationships included 149 empirical studies representing 33,051 relationships (Cao & Lumineau, 2015). Relationships are relevant across a myriad of relationship forms, including alliances, joint ventures, supply agreements, cross-sector partnerships, networks, and consortia (Parmigiani & Rivera-Santos, 2011). We focus specifically on supply chain relationships.

"Supply chain scholars have devoted much attention to inter-organizational relationships," focusing on both contractual and relational governance (Cao & Lumineau, 2015, p. 15). In the

present study, we attend to relational governance, which has been delineated as trust and relational norms. These norms are "shared expectations about the behaviors of each party" (Cao & Lumineau, 2015, p. 17). Specifically, we consider the effects of power-based behaviors on relational outcomes. Firms' behaviors toward their business partners vary in the direction, extent, and approach that power is exerted (Ganesan, 1993; Hingley, 2005; Meehan & Wright, 2013). Firms' choices of behaviors and strategies are affected by one another's capabilities and perceptions of power symmetry/asymmetry and dependence in embedded relationships (Bastl, Johnson, & Choi, 2013; Nyaga, Lynch, Marshall & Ambrose et al., 2013; Tate, Ellram, & Gölgeci, 2013). Each firm's strategy to wield and respond to power affects the evolution and outcomes of dyadic relationships. Some firms dominate their partners by demanding conformance. Other firms stress equitability, seeking to engage in shared problem solving and compromise. Still other firms focus on accommodation and compliance to partner' expectations. This interplay of action and reaction between partners shapes and reshapes supply chain relationships (Hingley, 2005), ultimately leading to relational satisfaction or dissatisfaction.

The discourse on power has persistently revolved around the power construct in terms of its sources, bases, and forms (Benton &

\* Corresponding author.

E-mail addresses: [i.golgeci@uea.ac.uk](mailto:i.golgeci@uea.ac.uk) (I. Gölgeci), [wmurphy@edwards.usask.ca](mailto:wmurphy@edwards.usask.ca) (W.H. Murphy), [djohnston@schulich.yorku.ca](mailto:djohnston@schulich.yorku.ca) (D.A. Johnston).

Maloni, 2005; Cowan, Paswan, & Van Steenburg, 2015; Gaski, 1984; Leonidou, Talias, & Leonidou, 2008; Turker, 2014), often focusing on the wielders of power (Cox, 2001; Gaski, 1984; Hingley, 2005; Hunt & Nevin, 1974). Over time, the language has become quite familiar. Well-worn terms include coercive and noncoercive power forms (Hunt & Nevin, 1974) and exercised and unexercised power sources (Gaski & Nevin, 1985), with effects of power on various outcomes including conflict (Lusch, 1976) and, notably, satisfaction (Benton & Maloni, 2005; Lai, 2007), which are often discussed.

The large and ever-growing body of power and dependence literature provides crucial understandings of how partners influence and/or react to one another. It could be felt that power research has run its course, with little remaining to be investigated. Even so, Bastl et al. (2013), Nyaga et al. (2013), and Sturm and Antonakis (2015), among others, continue to speak of the importance of gaining a greater understanding of this pervasive and complex phenomenon affecting supply chain relationships. Thus, in addition to earlier calls for the need to better understand the nature of behaviors associated with the exercise of and response to power in supply chain relationships (Benton & Maloni, 2005; Hingley, 2005), there remains a need for more studies related to the types of interaction between partners (Nyaga et al., 2013). We go further and observe that there is a deficit in the literature on the role of power in supply chain relationships, in that it focuses on power only as a construct that is an antecedent position or a factor in manifesting a supply chain behavior such as opportunism (Johnston, McCutcheon, Stuart & Kerwood et al., 2004).

Perspectives on power and dependence found in supply chain management and channels of distribution literature, as well as negotiations (specifically, the dual concern model, Pruitt & Carnevale, 1993), lead us to propose that using the terms *dominance*, *egalitarianism*, and *submissiveness* and their potential effects on relational satisfaction is an effective way to frame the discourse. The relevance of relational satisfaction is apparent as it affects interfirm functioning in meeting customer needs (Benton & Maloni, 2005) and supply chain performance. This is not to dismiss other outcomes, ranging from cohesiveness (Kabanoff, 1991), to cooperation (Bonoma, 1976), to conflict (Lusch, 1976), among others. However, here we focus on relational satisfaction as it has often been viewed as a pivotal reflection of the success of relationships.

In sum, we contribute to the literature on supply chain relationships by introducing the three power-based behaviors and discussing how partners may use these as initiating and response behaviors. We present the argument that power is a complex set of behaviors in of itself that should have its own descriptive language. This provides richer insights as to why firms in supply chain relationships encounter the problems and opportunities when working together. In addition, we provide expectations as to why combinations of these behaviors by supply chain partners with varying sources of power and dependence result in different effects on relational satisfaction. By doing so, we advance the literature by describing the power-based behavioral choices available to dyads within supply chains and explaining behaviors and conditions through which firms may use power in expected or unexpected ways.

Next, relevant theoretical background related to power and dependence is provided. With this as a basis, we define and discuss the three power-based behavioral archetypes: dominance, egalitarian, and submissive behaviors. These behaviors are discussed in a framework depicting nine pairings of the initiating and response behaviors and the anticipated effects of these combinations on relational satisfaction. We conclude with implications for supply chain relationships while giving scholars several ideas for future research.

## 2. Theoretical background of power/dependence in business dyads

Following foundational works by French and Raven (1959) and Emerson (1962), power and dependence were recognized as core elements affecting behaviors in interorganizational relationships. As Emerson aptly claimed, the ability of a firm to have power over another partly relies on the dependence a partner has on it. It has spawned valuable theory, including the resource dependence theory, whose basis rests on the realization that “central to (actions taken to reduce uncertainty and dependence) is the concept of power, which is the control over vital resources” (Hillman, Withers, & Collins, 2009, p. 1404). The supply chain and channels literature follows in this tradition, with numerous conceptual and empirical works attesting that power and dependency are important constructs in describing the behavior of transacting firms (e.g., Ireland & Webb, 2007).

Power is an innately relational concept (Zhao et al., 2016). Sturm and Antonakis (2015, p. 139) provide an apt definition of *power* as “having the discretion and the means to asymmetrically enforce one's will over entities.” Supply chain partners are influenced by the effects of exercised coercive and noncoercive power sources by a partner (Hunt & Nevin, 1974) and by perceptions of the other partner's power position even if power sources are not exercised (Gaski, 1984; Hingley, 2005). Consistent with past literature (Heide & John, 1988; Scheer, Miao, & Palmatier, 2015), dependence plays an important role in our conceptualization of how power-based behaviors are chosen by supply chain partners. In the present study, *dependence* is defined as the extent to which one partner needs the other for its business purposes (Scheer et al., 2015), which is driven by scarcity such as the number of available alternative partners with the requisite skills, products, and/or services. Power-dependence dynamics have an effect on supply chain partner' actions/responses, including the granting of rewards and/or inflicting punishments (Leonidou et al., 2008), along with decisions to submit to, resist, or reject partner' behaviors. Thus, the dependence positions of partners are among the key factors in supply chains, affecting choices of power-based behaviors and responses to these behaviors.

For power-based behaviors to matter to a supply chain dyad, relationships must move beyond the spot market, where price is a major consideration and the firm maintains “arm's length” (cf. Dyer & Singh, 1998) links by having several suppliers/customers as near-equivalents for business needs. At the same time, once relationships have moved even slightly past the spot market, and there is any element of asset specificity, relative power/dependence affects dominance, egalitarian, and acquiescence tendencies between the parties. Throughout this paper, we use the term supply chain partners. In so doing, we are focused on dyads within a supply chain, and we use the Benton and Maloni (2005) perspective that “emphasize a direct, long-term association” (p. 3).

The following discussion is particularly relevant in the actions and reactions by supply chain partners in early stage relationships as partners are establishing power/dependence-based norms of behavior toward one another through learning loops. This is the time that a firm lacks history as to how their partner tends to initiate and respond to behaviors. Over time, the actions and reactions of partners lead to behavioral norms which, in turn, facilitate or erode the functioning of the dyad. There is also relevance for established relationships since, consistent with the complexity view (Brown & Eisenhardt, 1997) and contingency theory (Flynn, Huo, & Zhao, 2010), behaviors are emergent and relative power/dependence changes. The fact is that, through time, events conspire to lead supply chain partners to make demands on one another that may or may not be consistent with norms for the dyad.

Download English Version:

<https://daneshyari.com/en/article/7423596>

Download Persian Version:

<https://daneshyari.com/article/7423596>

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