

**POWER IN BUYER-SELLER  
RELATIONSHIPS: A CONCEPTUAL  
FRAMEWORK**

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# **ABSTRACT**

## **Power in Buyer-Seller Relationships: A Conceptual Framework**

This thesis provides a conceptual framework of power in buyer-seller relationships. Power as the potential to influence (or resist) the actions of others is an integral part of social reality yet its conceptual development is limited in the inter-organisational literature, which is dominated by descriptive empirical studies. Gaps in the extant literature relate to; what constitutes power in buyer-seller relationships, its underpinning ontological position, what buyers and sellers seek to influence and what motivates them to use their power.

To enable the complex nature of power to be empirically captured and to reduce ontological constraints, a mixed-method research design was used incorporating three phases. The first two phases were exploratory to allow the practitioner population to identify variables associated with the research questions. Based on these outputs a questionnaire was designed and used as the primary data collection method.

Through factor analysis, the results provide evidence that power is pluralistic and composed of multiple embedded realities. Power is held by individuals, organisations and relationships. The conceptual framework of power developed in this research underlines the importance of separating the various elements of power. Despite identifying some differences in attitudes between buyers and sellers, the results demonstrate considerable consistency of opinion between roles. Through this research, contributions are made to the conceptual development of power in buyer-seller relationships.

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## **DEDICATION**

**This thesis is dedicated to Kath Houghton – my Nan - who surely wins the award for  
the proudest Nan in the world!**



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# CHAPTER 1: INTRODUCTION

## 1.0 Introduction and Background

Power as the potential to influence (or resist) the actions of others (Emerson, 1962, Yukl, 1989) has long intrigued scholars across diverse disciplines. Popular business trends of outsourcing, strategic alliances and supply chain management are altering the nature and importance of inter-organisational relationships, fuelling interest in power as a determinant of their success (Leenders *et al.*, 1994, Harland, 1996, Spekman *et al.*, 1997, Christopher, 1998, Lummus and Vokurka, 1999, Yu *et al.*, 2001, Svensson, 2002).

On a personal level, power in buyer-seller relationships has captured my interest for over a decade. Before taking up an academic post with Liverpool John Moores University, I had worked in a variety of purchasing roles for a blue-chip industrial chemical manufacturer, from a Buying Officer position to Purchasing Development Manager, in a career spanning eleven years. Numerous commercial developments were experienced in this time, notably the introduction of Quality BS5750 standards, Partnership Sourcing, EDI and e-commerce. Both Purchasing and Sales also strived to be acknowledged as professions and to be recognised for their contribution to organisational success. As a backdrop to these initiatives, the global industrial chemical industry also experienced cyclical, turbulent change as it moved through peaks and troughs of high profitability and severe financial losses. As a result, there were a number of corporate divestments and mergers as organisations adapted to the changing environment.

Throughout my experience, these dynamic, external forces changed the competitive environment and the power dynamic of many buyer-seller relationships. However, outcomes contrary to the perceived power and position of the organisation were regularly observed. For example, some buyers could achieve high levels of influence despite their relatively weak commercial position. Conversely, in some situations where it appeared that the organisation had high bargaining power in competitive markets with global leveraged spend the commercial deals were sometimes relatively poor. These inconsistencies were also observed at an individual level so the answer did not

necessarily lie with the skills and experience of people. A buyer, for example, would not always achieve similar success across their range of relationships or even gain comparable results within the same relationship on different occasions. These observations interested me and raised my curiosity into the nature of power in buyer-seller relationships.

My interest in power was sparked again through my academic career, prompting this doctoral research project. The extant literature in the management domain has recognised power's critical role in inter-organisational relationships (Leenders *et al.*, 1994, Harland, 1996, Spekman *et al.*, 1997, Christopher, 1998, Lummus and Vokurka, 1999, Yu *et al.*, 2001, Svensson, 2002), although theoretical gaps exist in this body of knowledge. Much of the power research stems from the five-bases of power typology (French and Raven, 1959) and dependency theory (Emerson, 1962), yet these frameworks predate many of the current issues in modern buyer-seller relationships (Caldwell, 2003). Even the most recent of these two power models was developed four decades ago raising questions as to how accurately these models reflect modern practice.

Moreover, the specific research contexts of these previous studies present some methodological and ontological challenges, relating to whom or what holds power. Ontology is the nature or social reality of a phenomenon (Mason, 1996), in this instance, power. There are three dominant schools of thought on this. The first attributes power to organisations (Cox, 1999, Ratnasingam, 2000, Cox *et al.*, 2001, Esposito and Raffa, 2001, Cox, 2004, Cox *et al.*, 2004, Sanderson, 2004) and thus takes a rationally-orientated approach to power as the behaviour of individual buyers and sellers is not considered. In the second school of thought, power is seen as a property of an individual (Webster and Wind, 1972, Bonoma and Johnston, 1978, Fern and Brown, 1984, Zemanek and Pride, 1996, Giannakis and Croom, 2000, Wilson, 2000), which focuses on personality, yet can lack contextual boundaries. The final school of thought attributes power to individuals within relationships (Busch and Wilson, 1976, Ho, 1991, Nielson, 1998, Cheng *et al.*, 2001). These ontological positions are driven by the intellectual traditions of the domains from which these schools have developed.



This ontological debate is at the heart of power theory. Failure to identify where power lies threatens the validity and utility of research findings as if power is incorrectly attributed this may lead to spurious results. The ontological position taken also drives the research methods and epistemological interpretation of results. If researchers of power in buyer-seller relationships look only to the literature within their own domain rather than the wider power literature, the methodologies chosen and subsequent results run the risk of becoming self-fulfilling prophecies. The lack of consideration of ontological issues in the research design has to some extent predetermined the results of these studies, skewing them toward one of these schools of thought. In addition, recommendations made to the practitioner community based on these findings may therefore be unsuccessful in practise. This can be damaging to the credibility of the wider academic community.

Power is defined as the potential to influence (Emerson, 1962, Yukl, 1989). A natural question to be asked here is, 'the potential to influence what'? The existing body of knowledge lacks clarity over what buyers and sellers seek to have influence over. The implications of this gap in knowledge are significant to the conceptual development of the power construct. As buyer-seller relationships become increasingly critical to the competitive success of organisations, the breadth of potential influence widens, taking in operational, strategic and commercial issues. While the areas that buyers and sellers seek to influence are not captured, the concept of power will remain nebulous.

The differences between potential and exercised power are also not distinguished in the existing literature base leading to a gap in understanding of what motivates the use of power in specific circumstances. The significance of the gap is again related to the utility of research findings. Power, by its very definition, is a passive, potential to influence capacity (Rogers, 1974, Gaski, 1988), rather than an action-orientated output. This implies that the conceptual development of the use of power requires an extra dimension to be considered. The use of power may potentially be driven by numerous social, individual, relational or organisational factors. Identification of these factors will provide a significant contribution to the theoretical development of power in buyer-seller relationships.

## **1.1 Aims and Objectives**

The aim of this research is:

- **To develop a conceptual framework of the power construct in buyer-seller relationships.**

To meet this aim, five research objectives have been developed:

- **To identify the factors contributing to power and countervailing power in a two-sided study of buyers and sellers.**

This objective will locate the factors that form the construct of power in buyer-seller relationships. Implicit in this is a two-way testing of both buyers and sellers; i.e. are these factors consistent across buyer and seller roles in terms of self-perceived and countervailing power. The extant power literature across the management domain lacks conceptual breadth, largely attributed to the research methods used. In the supply chain and purchasing literature on power, the organisation or network is frequently enforced as a predetermined unit of analysis, leading to rational, economically-orientated bases of power. In contrast, research from negotiation studies and some marketing streams have focused on individuals or individuals within relationships, thus presenting a more relational picture of the origins of power. These different schools of thought also tend towards a one-dimensional view of power, from the perspective of either a buyer or seller. This objective looks to address these gaps through a two-sided study of both buyers and sellers. The robust research design broadens the ontological view to allow personal, behavioural and economic characteristics to be considered, thereby providing new insights into the origins of power.

- **To establish the ontological position on where power is located in buyer-seller relationships.**

Following on from the first objective, this objective seeks to establish the ontological position of power in buyer-seller relationships. Failure to consider this in previous research gives rise to a fundamental ontological debate on the social reality of power and



where it is located. The rational school of thought attributes power to organisations, or networks, rather than individuals or relational contexts. These positions have become further entrenched as power research has developed in discrete domains with little crossover of results or methodologies. Replication of research designs and the lack of consideration of ontological issues have to some extent predetermined the results of these studies, leading the results to become self-fulfilling prophecies. The lifting of ontological constraints in the research design allows the buyer-seller population to define the ontological reality of power in their relationships.

- **To identify what buyers and sellers seek to influence.**

Although there is consensus that power can be defined as the potential to influence (or resist) the actions of others (Emerson, 1962, Yukl, 1989), problems arise in the operationalisation of the construct. As power is a universal social phenomenon, it has a wide scope and thus requires explicit definitions for particular research contexts. Attempts to apply a broad, generic definition is problematic, particularly as power is inherently situational, dynamic and potentially unstable. Few studies of buyer-seller relationships define explicitly what each party has potential influence over. Given the complexity of buyer-seller relationships, this could range from operational issues of quality and delivery requirements to commercial details including prices and contractual terms, through to strategic issues of diversification, product development and competitive intelligence. The failure in previous studies to define the areas of influence impedes measurement and increases the threat of confounding variables obscuring genuine effects related to power. Although these research design issues were identified early in the development of power research, this has never been incorporated satisfactorily into the research agenda of the management domain.

- **To establish the factors contributing to the use of power by buyers and sellers.**

Having power is distinct from exercising it. If these distinctions are not made between potential and exercised power in research construct validity could be threatened. Problems are further heightened as this attenuated operationalisation, coupled with the

attribution of power to rational organisations could mask any impacts caused by the social needs and motivations of individual buyers and sellers involved in the interaction. Consequently, if these factors are not identified or delineated from the sources of power, this can limit the application of research findings to management practice. This objective seeks therefore to establish the factors and conditions that motivate individual buyers or sellers to move from a passive, potential to influence, to exercising their power.

- **To evaluate the implications of the findings to the management of inter-organisational relationships.**

Beyond its academic contribution to knowledge on power in buyer-seller relationships, the results of this research will be evaluated to draw out what the results mean to the practitioner population. Given that management is an applied subject area, the results of this research have broad implications for buying and selling functions, particularly in relation to strategy development, negotiation, and the recruitment and training of buyers and sellers.

## **1.2 Methodology**

This research is positivistic in approach utilising a quantitative survey as the primary data collection method, although the structure is emergent rather than imposed (Wilson, 2002). Given the ontological considerations needed, a mixed-method research design was used to minimise researcher bias and to allow the practitioner population to define the ontological context. This incorporated three phases. The first two phases were exploratory and inductive, aligned to the interpretative paradigm. Focus groups of buyers and sellers were employed to identify the variables contributing to power in buyer-seller relationships. Semi-structured interviews were used with a different sample of buyers and sellers to establish what they have influence over and to identify motivating variables. Critical Incident Techniques were used in the focus groups, for which there is support in the power literature (Kohli and Zaltman, 1988, Lamming *et al.*, 2001). To improve the generalisability of the findings and to widen the ontological perspectives, the participants at both of these phases were buyers and sellers at various levels of authority



and experience and from a variety of industries. Owing to the ontological debates regarding where power is positioned, a unit of analysis (i.e. the individual, relationship, organisation or network) was not specified to allow the participants to explore these issues. This reduced the imposition of the researcher's own perspectives (Denzin and Lincoln, 1994) and was an important part of the research design.

In phase three a questionnaire was developed incorporating the variables identified from the focus groups, interviews, and from the extant literature. This minimised researcher interpretation and ensured broad coverage of the construct, which has been a major criticism of past research on power (Podsakoff and Schriesheim, 1985, Schriesheim et al., 1991b). This enabled the complex nature of power to be empirically captured and the research objectives to be answered.

### **1.3 Contribution to Knowledge**

Through this research, several contributions are made to the existing body of knowledge of power in buyer-seller relationships. These are split into academic contributions to the conceptual development of power and research design and the contribution to management practise, which are more applied in nature.

### **1.4 Contribution to Conceptual Development**

The purchasing and supply chain literature is predominantly descriptive, dominated by debates on its evolution (Cox, 1999, Croom *et al.*, 2000). Consequently, its theoretical development has been slow (New, 1997, Croom *et al.*, 2000, Giannakis and Croom, 2000) and gaps still exist in the area of power (Giannakis and Croom, 2000). Through the creation of a conceptual framework, this research addresses the theoretical gaps associated with power in buyer-seller relationships, thus contributing to the academic development of the discipline. A unique contribution is made through the separation of the sources of power, areas of influence and the factors motivating power to be used. This detailed operationalisation plays a seminal role in the study of power in buyer-seller relationships, shaping the foundations for further, future research in this area.

The extant power literature reveals three distinct schools of thought on the ontological position of power in buyer-seller relationships; power as a property of the individual, the organisation or the relationship. These bodies of knowledge lack integration and the methods used have arguably become self-fulfilling. The multidisciplinary, mixed method approach used in this research enables a broader ontological examination of the power construct with the results providing support for the integration of the three distinct schools of thought on where power is attributed. The empirical ontological evidence from this research adds significant weight to the view of multiple realities and embedded power structures. This provides a significant contribution to the conceptual development of power in buyer-seller relationships as the synthesis of these discrete areas offers a more robust representation of the construct than the existing schools of thought in isolation.

### **1.5 Methodological Contribution**

Another fundamental contribution to knowledge is made through challenging the ontological nature of power in buyer-seller relationships, as this underpins the validity and reliability of existing and future research. This is achieved using a robust research design and a survey instrument designed and developed by the practitioner community, thereby minimising researcher bias. This contributes to the wider research community, enabling further research on power in buyer-seller relationships to be developed. The generalisability of the research is an important output as the concept of power has a broad theoretical resonance and the methods used in this research can potentially be used in a number of contexts in management research.

### **1.6 Contribution to Management Practice**

The identification of the pluralistic ontological position of power also contributes significantly to management practice through recognising and reacting to the role of the individual and the relational dimension in buyer-seller exchanges. These impacts stretch from recruitment and training through to strategy development and functional integration.



A fundamental empirical finding from this research is that power stems from a combination of individual, organisational and relational factors. How management can integrate these factors to maximise their power bases is a significant contribution. Additionally, the consistency of opinion between buyers and sellers in relation to what constitutes power in buyer-seller relationships supports an argument for a closer working between these two functional areas within organisations. Particular benefit may be gained here through sharing training, skills and best practice across these roles.

Another significant contribution of this research to management practice centres on the identification of what buyers and sellers can influence and what motivates them to use this power. Despite evidence of a broad power base the areas of influence are relatively narrow focusing on commercial detail and attitudes. The potential to influence attitudes is interesting however, as this adds further weight to the role and importance of individual buyers and sellers. An understanding of what motivates them to use their power is a critical contribution to management practice as this is the stage that sees the latent, potential power put into action, thus achieving results. Through identifying what specifically motivates the use of power, managers can ensure that these areas are considered.

## **1.7 Chapter Descriptions**

### **1.7.1 Chapter 2: Literature Review**

This chapter provides the context and rationale for studying power in buyer-seller relationships, focusing on the increased criticality of inter-organisational relationships. Existing research in the conceptual background is analysed, including issues of supply chain management, partnerships, trust, the use of power and collaboration. An analysis of the validity and reliability of power theory in buyer-seller relationships and wider multidisciplinary contexts allows the research questions from this study to be positioned in the extant literature, highlighting their contribution to knowledge. Comprehensively grounded in literature spanning management and the social sciences, this chapter

challenges the operationalisation of the power construct and highlights the inconsistencies of ontological positions and methodologies used.

### **1.7.2 Chapter 3: Methodology**

This chapter provides the rationale for the methodological approaches used in this research and positions the research within established methodological frameworks. The robustness of the chosen methodology and research design is defended, thereby supporting the ontological contribution made by this research. Consideration is given to questions of ontology and epistemology, which arise from the extant literature on power. The methodological issues arising from the conceptual background are synthesised and examined in relation to the different paradigms used in the social sciences. This provides a critical review of the methodological choices available, and their potential impact on the results.

### **1.7.3 Chapter 4: Methods**

This chapter details the research methods employed. The procedures followed are outlined to clarify and justify the methodological rigour of the research. The processes that underpin the research design, including triangulation, ethical considerations, piloting and sampling are discussed. Details of the design of each of the three phases of the research are provided. The analysis procedures undertaken to ensure the validity and reliability of the results are presented.

### **1.7.4 Chapter 5: Results**

This chapter presents the results and analyses of the primary data collected in the study. The output and analyses of each of the three research phases are presented, along with details of each samples' characteristics. Subsequent analysis of the questionnaire data using factor analysis is structured around the research questions. This chapter presents the results only; discussion of the findings in relation to the research questions, the extant literature and implications of the results are addressed in depth in Chapter 6.



### **1.7.5 Chapter 6: Discussion of Results and Contributions to Knowledge**

This chapter evaluates the results of this study in line with both the research objectives and the extant literature on power in buyer-seller relationships. This allows the research to be positioned in terms of its contribution to knowledge. The specific research questions are addressed in turn and the results analysed in line with these, including the implications for management practice. The overall aim of the research, to develop a conceptual framework of power in buyer-seller relationships, draws together these analyses and the framework is presented. To conclude, the limitations of the study are discussed and the areas for future research identified.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.0 Aims and Objectives**

The aim of this chapter is to present a critical review of the existing body of knowledge on power in buyer-seller relationships and to position this research within it. Owing to its relational nature, power has interested researchers across a range of management and social science disciplines yet to date, this lacks integration (Giannakis and Croom, 2000). In this chapter, a broad multi-disciplinary base of literature is examined, spanning purchasing, marketing, supply chain management (SCM), organisational behaviour, negotiation, and political study. The context and rationale for studying power in buyer-seller relationships is provided. The identification of gaps in the extant body of knowledge allows the research question of this study to be positioned, thereby highlighting their contribution to the theoretical development of power in buyer-seller relationships. The specific objectives for this chapter are to:

- **Document and critique the conceptual framework of power in buyer-seller relationships**
- **Identify the gaps in the extant research relating to power in buyer-seller relationships**
- **Develop specific research questions to address the gaps in knowledge**
- **Critically assess the validity of methodologies employed in previous studies**
- **Critique the existing literature from an ontological perspective**
- **Identify the constructs used to measure power**
- **Synthesise the literature across the management and social science disciplines to highlight current debates and categorise emerging schools of thought**
- **Present evidence to support the contribution to be made by this research**
- **Position this research in the extant power literature**



## **2.1 Overview of the Gaps in the Existing Knowledge Base**

Power is defined as the potential to influence, or the level of resistance that can be overcome (Dahl, 1957, Emerson, 1962, Yukl, 1989). As an integral part of social reality, research into power spans many disciplines in the social sciences (Bierstedt, 1950, Rogers, 1974).

*“That some people have more power than others is one of the most palpable facts of human existence” (Emerson, 1962 p.201).*

As this quote highlights, levels of power are inherently variable. It has also been posited that there is often consistency of opinion within organisations on who is powerful and that these people are easy to recognise (Salancik and Pfeffer, 1977). However, despite this apparent consensus on what power is, and who may have it, gaps in the extant literature still exist. Close scrutiny of the definition of power – the potential to influence - raises three fundamental questions in the specific context of buyer-seller relationships, which to date, have not been fully addressed in the literature. These questions are:

### **2.1.1 The Potential of Whom?**

Within buyer-seller relationships, do organisations, networks, individuals, or a combination of these hold power? A number of schools of thought exist on this issue. In the supply chain and purchasing literature, the organisation or network is frequently the unit of analysis, leading to rational, economically-orientated bases of power. In contrast, research from negotiation studies and some marketing streams have focussed on individuals, thereby presenting a relational picture of the origins of power. However, these paradigms have largely developed in isolated academic silos with little testing and integration between these schools of thought. Consequently, much of the buyer-seller research is narrow in its view of power, focused on either organisational power, or the personal power of individuals.

The question concerning what contributes to power in buyer-seller relationships gives rise to an ontological debate on the social reality of power and where it is located

(Emerson, 1962, O'Byrne and Leavy, 1997) that has implications for how power is measured and researched.

### **2.1.2 The Potential to Influence What?**

Power has a broad scope as it pervades all of the social sciences. Thus, explicit definitions for particular research contexts are needed (Dahl, 1957, Emerson, 1962, Hunt and Nevin, 1974). Indeed, it is unlikely that a buyer or seller would seek to influence the same factors that are found within an employee-supervisor context, which has been the research setting of much power research (French and Raven, 1959, Rogers, 1974, Lachman, 1989, Bradshaw, 1998, Munduate and Dorado, 1998, Pettigrew and McNulty, 1998, Elangovan and Xie, 2000, Rajan and Krishnan, 2002, Somech and Drach-Zahavy, 2002). Therefore, to use power frameworks that have been developed for different research situations may be problematic, further highlighting the importance of addressing ontological issues as individuals and organisations may seek to influence different things. Few studies of power in buyer-seller relationships however, define explicitly what each party attempts to influence in these potentially complex relationships.

### **2.1.3 What Factors Motivate the Use of Power?**

Power as the potential to influence is passive and is therefore conceptually and empirically distinct to its use. Consequently, to develop fully the concept of power in buyer-seller relationships, the factors moving it from a passive potential to influence to action-orientated use need to be identified. Commitment (Porter et al., 1974) and aspiration (Mannix and Neale, 1993, Kim, 1997) have been identified as moderating variables on the use of power in the social-dynamics domain, yet these have not been integrated or tested in a buyer-seller context and no other variables contributing to the use of power have been identified.



These issues have led to the research questions as discussed in Chapter 1. In summary, these research objectives are:

- **To identify the factors contributing to power and countervailing power in a two-sided study of buyers and sellers**
- **To establish the ontological position of where power is located in buyer-seller relationships**
- **To identify what buyers and sellers seek to influence**
- **To establish the factors contributing to the use of power by buyers and sellers**
- **To evaluate the implications of the findings to the management of inter-organisational relationships.**

## **2.2 Power in Buyer-Seller Relationships**

Before power theory is critiqued, sections 2.3 – 2.12 provide analyses of the existing literature on buyer-seller relationships, covering issues including partnerships, portfolio approaches, supply chain management, game theory and collaboration. These evaluations of the contextual dimensions of buyer-seller relationships enable the role of power to be positioned within the broader inter-organisational literature. This allows the contributions made by this research to be positioned in the current body of knowledge and facilitates the consideration of its implications.

## **2.3 The Importance of Buyer-Seller Relationships**

Following the seminal papers on power and social dynamics in the 1950s (Bierstedt, 1950, French, 1956, Dahl, 1957, French and Raven, 1959), interest in its application to inter-organisational behaviour began in the 1970s (Webster and Wind, 1972, Sheth, 1973, Wilkinson, 1973, Hunt and Nevin, 1974, Busch and Wilson, 1976, Lusch, 1976b, Bonoma and Johnston, 1978). At this stage, the research was driven predominantly from a marketing perspective as purchasing was largely viewed as a clerical, non-value-adding function. Consequently, the context of these empirical power dynamics studies focused on buyer-seller exchanges that were polarised, arms-length and non-strategic. However,

external events (notably global oil crises and the subsequent impact of the availability of raw materials) saw the interest in organisational purchasing research began to grow (Ellram and Carr, 1994). In parallel to these developments, the emergence of proactive supplier management techniques pioneered by the Japanese car manufacturers were being introduced, which served to highlight the potential benefits of strategic purchasing (Farmer, 1997).

Many scholars recognise the importance of understanding power in buyer-seller relationships (Leenders *et al.*, 1994, Harland, 1996, Spekman *et al.*, 1997, Christopher, 1998, Lummus and Vokurka, 1999, Yu *et al.*, 2001, Svensson, 2002), yet despite this saliency, critical evaluation of power is limited in the management literature (Zemanek and Pride, 1996, Cox, 1999, Giannakis and Croom, 2000). This is highlighted by a survey in which respondents (academics and practitioners) were asked to provide keywords to describe their perceptions of key issues in SCM (Giannakis and Croom, 2000). The results revealed a lack of recognition of the role of power in this inter-organisational context. The emphasis on power as a critical issue was modest – with it only receiving a total of five mentions from a sample of 72. The areas the respondents rated as the most significant were information sharing, activities management and integration. Paradoxically however, power underpins all of these areas, as their effectiveness demands the ability to influence the other party.

Power is implicit in all inter-organisational relationships (Croom *et al.*, 2000, Giannakis and Croom, 2000, Dubois and Pedersen, 2001) and the changing business context of these interactions is increasing its importance. The globalisation of business activities, driven by information technology, outsourcing, strategic alliances and SCM are all altering the nature of these inter-organisational relationships, fuelling interest in power as a determinant of their success (Leenders *et al.*, 1994, Harland, 1996, Spekman *et al.*, 1997, Christopher, 1998, Lummus and Vokurka, 1999, Yu *et al.*, 2001, Svensson, 2002). These new business practices impact the relationship between buyers and sellers. Owing to the increased interdependencies demanded, they move from arms-length trading to



more collaborative interactions requiring a higher relational content with a much smaller, rationalised customer-supplier base (Lysons and Farrington, 2006).

As a result of this rationalisation, the breadth of interaction between buyer and seller also increases, particularly in outsourcing where an external, third party supplier manages operations that were originally an internal function (Johnson, 1997). Partnership style arrangements are often adopted in these situations (McIvor et al., 1998). The power dynamic therefore becomes an important dimension of the relationship, specifically, in terms of which party, if any, leads and directs the relationship and what they attempt to influence. In these integrated partnerships, the influence attempt may potentially stretch beyond commercial detail of prices and terms of business, stretching to operational ways of working and long-term strategic direction decisions.

## **2.4 Buyer-Seller Approaches**

The purchasing literature has engendered two predominant approaches to buyer-seller relationships. These are the arm's-length, adversarial relationship, and the collaborative partnership-style approach. The arm's length view is based on short-term, competitive supply (Parker and Hartley, 1997). This adversarial approach (Cox, 1996) encouraged the use of multiple sources and the maintenance of secrecy with suppliers (Porter, 1980). In partnerships, however, buyers and sellers work together in long-term relationships based on trust, mutually sharing information, risks and rewards (Ellram and Cooper, 1990).

## **2.5 Transaction Cost Economics**

These two dichotomous approaches mirror Transaction Cost Economic (TCE) theory (Coase, 1937, Williamson, 1975, Williamson, 1979). TCE theory centres on the different costs of providing for goods or services if they were purchased in the marketplace as opposed to from within the firm (Lysons and Farrington, 2006). Here, it is argued that there is a linear continuum of contracting options available to organisations; one extreme represents an open market and the other is directed by managers in the context of a hierarchy, i.e. vertically integrated – essentially a crude make or buy situation (see Figure

2.1). TCE theory assumes two behavioural attributes – rationality and opportunism. It also identifies three transactional dimensions; they can be frequent or rare, have high or low uncertainty, or involve specific or non-specific assets. These three variables will determine whether the transaction costs will be lowest in a market or in a hierarchy (Williamson, 1975). Transaction costs are the organisational costs incurred in the exchange including search and bargain costs, bargaining and decision costs and policing and enforcement costs (Lysons and Farrington, 2006). The nature of these costs will differ between market and hierarchy. TCE is therefore an optimisation approach.

The central premise of this theory is that transactions between organisations move from being market-orientated where there is little transactional investment required towards a hierarchical approach as the investments required increase.

### **Figure 2.1: Transaction Cost Economic Theory Continuum**

*Source:* Williamson, (1975), Williamson, (1979)

Although this is an over-simplified representation of market versus hierarchy decisions, the TCE approach highlights some key issues in buyer-seller research. At a fundamental level it demonstrates strategic choice over the approach taken. The assumption here is that organisations, through their contracting decisions, can alter the balance of power between buyer and seller. This is an important observation in relation to power theory in buyer-seller relationships, highlighting the capacity to alter the nature and force of internal and external sources of power.



In TCE theory the unit of analysis is the transaction, yet this also considers the role of individuals, evidenced through the behavioural attributes identified. Similarly, the TCE approach also highlights how moving away from market-led transactions toward a more relational approach can reduce risk yet increase the transactional investment needed. This emphasises and supports the view that buyer-seller relationships have a critical and strategic role in organisations (Cousins, 2002, Harrison, 2003, Hausman and Haytko, 2003, Doran *et al.*, 2005, Griffith *et al.*, 2006, Kannan and Tan, 2006).

## **2.6 Partnerships**

Buyer-seller partnerships represent long-term relationships, characterised by joint problem-solving, open information sharing and relationship-specific investments (Noordewier *et al.*, 1990, Spekman and Salmond, 1992). These activities require joint action between buyer and supplier and the sharing of resources and responsibilities as they conduct activities in a co-ordinated and integrated way (Bello *et al.*, 1999). Often single-sourced (Chen *et al.*, 2004), these close cooperative relationships stem predominantly from Japanese Quality philosophies as these demanded a close approach and information sharing. Previously, single sourcing had been considered potentially disastrous, as it left the buying organisation open to opportunistic behaviour by the supplier (Newman, 1988). Reacting to this potential opportunism and to minimise their risk, buyers would try to achieve the lowest price possible from their suppliers (Swift, 1995).

As researchers' interest in relational aspects of buyer-seller interactions increases (Lemke *et al.*, 2003), partnerships have become a common theme in the purchasing literature and are frequently presented as a universally desirable sourcing approach (Ramsay, 1996). Studies indicate an increasing trend toward the use of these partnership-style relationships at the dyadic level as a tool to lever two-way value and reduce risk in critical areas of spend (Ellram, 1991, Ahman, 2001). The underpinning philosophy of partnerships from the purchasing literature is that the suppliers that are used in these relationships should be providing a strategic, competitive edge to the buying organisation (Leenders *et al.*, 1994, Ahman, 2001). The interest in partnerships is mirrored in the

marketing domain, where the drive towards a market orientation has pushed relationship management to the fore of the research agenda (Soonhong and Mentzer, 2000). The emphasis in the marketing literature however, is less commercially-orientated focusing more on the ability of inter-organisational partnerships and relationship management to increase the trust between buyers and sellers, as well as reducing channel conflict (Soonhong and Mentzer, 2000).

Research from the logistics field has tried to identify the critical aspects that distinguish partnerships from other forms of buyer-seller relationships. Using exploratory interviews and repertory grid techniques with managers from four German engineering companies, five distinguishing attributes of partnerships emerged (Lemke et al., 2003). These were:

- A business relationship developed on a personal level
- The partner supplies a special product
- The partner contributes to new product development
- Active relationship management
- Nearby location for delivery purposes

An interesting finding made from the results of this research, was that price and volume both failed to be a distinguishing factor in distinguishing partnerships from other forms of buyer-seller relationships. This appears to run contrary to the highly leveraged, single-source arrangements reflected in the purchasing literature (Ellram, 1991, Parker and Hartley, 1997, Hall, 2001, Newsom *et al.*, 2002). Willingness, or ability to influence the other party to cooperate in these integrated relationships therefore is not determined by an organisation's commercial attractiveness or leveraged spend. While these may be important considerations in buyer-seller relationships, they are not unique attributes of partnerships (Lemke et al., 2003). The importance of quality, delivery performance and price considerations therefore do not appear to differ across various types of relationship.



The distinguishing attributes identified fall into two categories (Lemke et al., 2003). The first relates to the implicit interdependency of the partnership. The buyer is dependent on the supplier for a special product and similarly the supplier may be dependent on the buyer for what may be a limited customer base. This interdependency may be a contributory factor in the supplier's involvement with new product development. The second is the relational aspect of the partnership, whereby personal relationships are actively managed. The nearby location is a practical consideration for delivery and may also facilitate the development of the relationship through the ability for regular contact.

Despite the increased relational focus of partnerships, it has been posited that there is still an unknown 'dark side' to these long-term, integrated relationships (Grayson and Ambler, 1999, p.139). Certainly, there appears to be some support in the literature for these claims. Supplier evaluation for example, which measures and evaluates the performance and benefits of the relationship, still frequently only concentrates on quantitative areas of performance (Neuman and Samuels, 1996, Hines and McGowan, 2005) and empirical evidence in the retail industry highlighted that the measurement is one-way – buyers evaluating supplies (Hines and McGowan, 2005) . Therefore, while both parties may talk of the importance of mutual strategies and open communication, these elements are not reflected in the performance assessments and consequently will be unlikely to feature in any improvement and development plans. In these situations, the adage 'what gets measured, gets managed' prevails, therefore it is likely that the focus for improvement will be on those areas under scrutiny (e.g. delivery performance and price), potentially allowing the relational element of the partnership to slip.

Another criticism could be levelled at the procedural development of partnerships. Equality is suggested in these mutual relationships (Ellram, 1991, Richards, 1995, Campbell, 1997), yet models put forward are often buyer-led, thereby potentially skewing dependency and power (see Figure 2.2). In this normative model, two-way interaction is mentioned and the relationship development is recognised as being a difficult stage (Ellram, 1991). Despite these acknowledgements however, the linearity of this generic model seems to over-simplify the relational development process. It also falls short in

terms of buyer-seller equality, focusing more on the ability to have power over the partnership and its development. This is highlighted in the one-way evaluation stage, as it is the buyer who assesses the supplier, and as a result may dissolve the partnership. This is one-way – i.e. the buyer assessing the supplier and driving the future decisions surrounding the continuation of the partnership. This approach has the potential therefore to limit a cooperative partnership strategy.

## **Figure 2.2: Partnership Evolution and Development Model**

*Source:* Ellram (1991)

### **2.7 Game Theory**

To illustrate the strategic advantage and two-way benefits of cooperative, partnership-style buyer-seller approaches, many researchers have used Game Theory (Ben-Porath,



1980, Axelrod, 1984, Christopher, 1998, Welling and Kamann, 2001). Here, the importance of cooperation in gaining positive outcomes in buyer-seller relationships is demonstrated in the Prisoner's Dilemma', as illustrated in Figure 2.3. This allows each player to achieve mutual benefit from cooperation, but it also highlights the problems of cooperation. If either party is pursuing self-interest (be that of the individual or the organisation), or if neither cooperates, this will lead to a poor outcome for both parties. If the game is played over a number of iterations, decisions made reflect previous outcomes and decisions made by both parties (Kuhn, 2003).

The prisoner's dilemma as illustrated in Figure 2.3 represents the following situation:

You and your partner have been arrested on suspicion of robbing a bank. You are put in separate cells and not allowed to communicate with each other. You are both told independently that you will be leniently treated if you confess, but less well so if you do not. The penalties are given as follows:

***Option 1:*** You confess but your partner does not

***Outcome:*** You get one year in prison for cooperating but your partner gets five years

***Option 2:*** You do not confess but your partner does

***Outcome:*** You get five years in prison and your partner gets only one for cooperating

***Option 3:*** Both of you confess

***Outcome:*** You get two years each

***Option 4:*** Neither of you conferee

***Outcome:*** You both go free

(Christopher, 1998)

### **Figure 2.3: The Prisoner's Dilemma**

*Source:* Christopher (1998)

The dilemma presented here relates to the decision you take and anticipating what the other prisoner will do. It has been argued that infinite repetition of the game (said to be representative of continued buyer-seller interactions) can induce both parties to give up short-term, one-sided benefits, in favour of those that are long-term and mutually beneficial (Axelrod, 1984). Although dependency is still implicit here, it is more of an interdependent relationship as the focus for influence moves from one party being dependent on another, to one where they are equally dependent on each other.

Two themes emerge from the use of the Prisoner's Dilemma in a buyer-seller context. Firstly, the amount of iterations is important as this will effect the decisions taken by buyers and sellers. For example, in a single one-off game, non-cooperation may occur as both parties seek to exploit their own short-term advantage (Ben-Porath, 1980). This may also apply if the game is played an agreed finite number of times, as on the last move there is again no incentive to cooperate as there will be no future interactions (Welling and Kamann, 2001). However, infinite iterations of the game can provide the motivation for both parties to seek out longer-term benefits – which can only be achieved



by cooperation. In terms of applying this to buyer-seller relationships, the number of games may be representative of the length of the contract and relationship between the buyer and seller, i.e. one-off or ad-hoc exchanges versus longer-term, indefinite dealings.

A second theme to emerge is that of trust. It has been argued that in a buyer-seller context, non-cooperation will result if neither party trusts the other (Christopher, 1998). However, research revealed that the most effective strategy to induce cooperation is not based on trust but reciprocity (Axelrod, 1984). These findings emerge from research based on modelled computer programmes that assessed the conditions required to foster cooperation. The results highlighted that many of the requirements put forward in the management literature on how to achieve integrated relationships are, in themselves, not necessarily conducive to cooperation. Indeed, this strategy does not require an exchange of commitment, communication, trust, nor does it assume rationality as well as not requiring a central authority (Welling and Kamann, 2001).

According to Axelrod (1984), reciprocity is the most successful strategy, whereby you start with cooperation and counter what the other party did on the previous move. What this suggests for buyer-seller relationships is that the central ideologies of the partnership philosophy need to be exercised in all exchanges as opposed to being developed over time. As a consequence of using cooperation and reciprocation as a starting point, rather than something which is aimed for over time, the power dynamic between buyers and sellers may be altered. This also highlights the importance of both two-way interaction between buyer and seller, which is reflected in the extant literature on power (Bonoma and Johnston, 1978, Wilkinson, 1996, Campbell, 1997, Svensson, 2002).

Although Game Theory provides an interesting perspective on cooperation in partnerships, the research methods employed in these studies cast doubt on their ability in practice to represent true buyer-seller behaviour. The computer programmes may show the preferred course of action, although whether buyers and sellers would always follow this prescribed approach is questionable. However, there is still criticism of the extant

literature on partnerships (Ramsay, 1996), highlighting that this body of knowledge still requires development, both in terms of content and research methodologies. Indeed, despite a plethora of literature on partnerships (Ellram and Cooper, 1990, Ellram, 1991, Richards, 1995, Campbell, 1997, Parker and Hartley, 1997, Ahman, 2001, Yu *et al.*, 2001, Newsom *et al.*, 2002, Lemke *et al.*, 2003) it has been argued that this has not always been empirically tested and lacks a consistent approach, which has led to a vague and unfocussed research base (Lemke *et al.*, 2003).

## **2.8 Portfolio Approaches**

Partnerships are not a panacea for all buyer-seller interactions and organisations must choose the most appropriate strategy for each situation (Ramsay, 1996, Olorunniwo and Hartfield, 2001). The transaction cost approach (see section 2.5) demonstrated different potential transacting mechanisms on a continuum between vertical integration to open markets, based on the economic rationality of transaction-cost optimisation (Williamson, 1975, Williamson, 1979). The implication here is that there are a number of potential transacting strategies available, contingent on various factors including power, risk, dependency and the relational capacity. Indeed, a partnering approach is only the preferred choice where there is interdependence between buyer and seller in terms of spend and risk (Macbeth, 2002). In this respect therefore, partnerships and collaboration may not always be appropriate.

Building on the theoretical framework of the transaction cost approach, many researchers have developed portfolio models to guide purchasing organisations to the most appropriate transacting strategy with their suppliers (Kraljic, 1983, Turnbull, 1990, Cox *et al.*, 2001, Dubois and Pedersen, 2001, Gelderman and van-Weele, 2001, Doran *et al.*, 2005). Power is at the core of many of these buyer-seller models (Gelderman and van-Weele, 2001). Kraljic (1983) developed the first portfolio model in the Purchasing area and it is the central concepts of this that dominate the discipline. As illustrated in Figure 2.4, using one internal and one external dimension, this portfolio model aims to optimise the way in which suppliers are managed through developing and implementing differentiated purchasing strategies (Gelderman and van-Weele, 2001). The 2x2 matrix



offers four classifications, Non-critical, Bottleneck, Leverage and Strategic, thereby distinguishing various purchasing situations and allowing different strategies to be developed (Kraljic, 1983). Table 2.1 outlines the various attributes and approaches recommended for each classification.

**Figure 2.4: Purchasing Portfolio Model**

*Source:* Adapted from Kraljic (1983)

**Table 2.1: Strategic Focus for Portfolio Classifications**

*Source:* Adapted from Kraljic (1983)

The utility of a portfolio approach is in providing logical recommendations on how to approach supplier relationships, dependent on the competitive and internal situation to enable optimal benefit (Turnbull, 1990, Dubois and Pedersen, 2001). A problem with Kraljic’s (1983) matrix however, is while it alludes to economic strength through spend / profit impact, the balance of power and dependence between buyer and seller is not clear. Further, it does not take into consideration that these variables may be altered by actions by either party, thereby allowing the position on the matrix to be moved (Dubois and Pedersen, 2001, Gelderman and van-Weele, 2001). Additionally, the focus of the classifications arising relates to the characteristics of the goods and services. Later portfolio models however (see Figure 2.5) change the focus towards the power dynamic between the buying and selling organisations (Bensaou, 1999).



### **Figure 2.5: Bensaou's Portfolio Model**

*Source:* Bensaou (1999)

Despite some of the differences between these models a common thread remains; all place an understanding of power at the centre of both strategic and operational decisions (Goffin *et al.*, 1997, Cox, 1999, Dubois and Pedersen, 2001, Gelderman and van-Weele, 2001). The importance of the two-way analysis of power between buyers and sellers is also emphasised through the portfolio approaches.

## **2.9 Supply Chain Management**

The premise of SCM is that individual members of a supply chain work together to improve the competitiveness of the whole chain (Cavinato, 1992, Cooper and Ellram, 1993, Bowersox *et al.*, 2002). This integrative chain approach can alter the nature of the buyer-seller relationships operating within it. SCM has its origins in a number of management fields including, Strategic Management Purchasing, Logistics and Operations Management (New, 1997, Giannakis and Croom, 2000). This wide and fragmented scope has created problems establishing its theoretical foundations (New, 1997) and has been cited as a factor in the lack of robust conceptual frameworks (Croom *et al.*, 2000). Consequently, it has become multidisciplinary in its nature requiring cross-boundary management and research (New, 1997, Lummus and Vokurka, 1999, Croom *et al.*, 2000, Giannakis and Croom, 2000, Soonhong and Mentzer, 2000, Giannakis and

Croom, 2001), although an opposing view is that all these domains are still fundamentally contained within the Management discipline (Brown, 1997).

Interest in SCM has been growing since the term was first used in the early 1980s (Croom *et al.*, 2000, Giannakis and Croom, 2001). Table 2.2 illustrates a number of definitions used by researchers. Despite the lack of a single, recognised definition, they possess some similarities. As seen in the selected definitions, common features include an end-to-end approach to managing the supply chain and a focus on integration with other organisations in order to deliver value to the end customer. The term ‘philosophy’ in Ellram and Cooper’s (1990) definition also implies more than new business practices but rather a strategic shift in a company’s fundamental governing principles and culture.

**Table 2.2: Definitions of Supply Chain Management**

AUTHOR	YEAR	DEFINITION
Ellram & Cooper	1990	An integrating philosophy to manage the total flow of a distribution channel from supplier to ultimate customer
Christopher	1998	The management of upstream and downstream relationships with suppliers and customers to deliver superior customer value at less cost to the supply chain as a whole
Tan et al	1998	The simultaneous integration of customer requirements, internal processes, and upstream supplier performance

Although there are some overlaps in the general themes emerging from definitions of SCM, the focus of activity can differ, for example:

- What areas are to be managed (relationships, distribution channels, products)?
- Should this management be externalised to trading partners?
- Is SCM a strategic philosophy or an operational tool?



The variety of interpretations of SCM creates inherent ambiguities for researchers. A review of the definitions and applications of SCM highlighted the potential confusion of the term (Stannack, 1996). These are summarised in Table 2.3. Here, the disparity of applications, ranging from IT to relationship marketing to Human Resource Management serves to underline the complexity and potential for conflict when driving SCM initiatives.

**Table 2.3: Supply Chain Management Definitions and Applications**

**2.10 Supply Chain Relationships**

While a number of writers - predominantly from the operations management discipline - have concentrated on the management of internal supply chains (Lee and Oakes, 1996, Slack *et al.*, 1998), the current consensus is that organisations need to externalise SCM and take a holistic view of the whole chain (Stevens, 1989, Harland, 1996, New, 1997, Christopher, 1998, Spekman *et al.*, 2002). External integration and relationship management therefore become important areas to enable these separate entities in a supply chain to move from co-operation, described as “the threshold level of interaction” (Spekman *et al.*, 1998, p.59), to full collaboration, integrating processes and strategic goals to meet the needs of the end consumer. This view adds support to the central philosophies of long-term relationships, joint problem-solving, open information sharing and relationship-specific investments in buyer-seller partnerships (Noordewier *et al.*, 1990, Spekman and Salmond, 1992).

Traditional dyadic relationships can be adversarial in nature, in which buyers and sellers often seek to achieve cost reductions or improve profits at the expense of the other party (Parker and Hartley, 1997). SCM, as a series of buyer-seller relationships operating in a co-operative, extended network (Tan *et al.*, 1999, Goldkuhl and Melin, 2001, Zheng *et al.*, 2001), sees the competitive focus shift from company against company, to supply chain against supply chain (Christopher, 1998, Cox, 1999, Breite and Vanharanta, 2001). Again, this echoes the underpinning themes of collaboration and partnerships. In these integrative supply chains, power can become a major factor in influencing the behaviour within, and outcomes for, the supply chain. The ability to coordinate activities with other companies at this wider supply chain level may be contingent on the power and dependency held by individual chain members. As with the shift to collaboration in dyadic buyer-seller relationships, in SCM, chain members also need to act as partners, not adversaries. This chain-level integration potentially influences an organisation's level of power as well as their motivation and freedom to exercise it.

Drawing on social-psychology research however, these central tenets contribute to a major limiting factor in maintaining equality in collaborative supply chain relationships. Moving from the traditional dyadic to an integrated chain level increases the span of management required. As groups - or chains - grow in size, the structure and management becomes more hierarchical and the power is largely determined by knowledge (Boulding, 1990). As the number of organisations and amount of people involved rises, equality of power becomes harder to sustain simply because of the difficulty of communicating information consistently to all (Boulding, 1990). The definitions of SCM (see Table 2.2) can often oversimplify the nature of these supply networks. Contrary to the 'end-to-end' analogies commonly used, most supply chains are not linear in nature and have complex structures and relationships, particularly when either outsourcing (Lummus and Vokurka, 1999) or international supply (Harland, 1996) are prevalent.

It has been argued that the focus of SCM needs to be on buyer-seller relationships in order to achieve a more profitable outcome for all parties in the chain (Christopher,



1998). This central tenet demands attention on the nature of these interactions in terms of how buyers and sellers form and develop relationships (Brito and Roseira, 2007). However, these processes are developmental by nature and therefore are influenced by more than just economic factors, with a range of social and political considerations also impacting the decisions made (Caldwell, 2003).

As highlighted by the portfolio approaches (see section 2.8), various buyer-seller strategies are available, each with different relational implications (Brito and Roseira, 2007). Coupled with the potential complexity of the supply chain structure, these relationships may become difficult to manage beyond the immediate buyer-seller dyad (Wilkinson and Young, 2002). Indeed, even with an explicit portfolio strategy the broader network influences and interacting relationships will have a major effect on how relationships are approached and the level of control over these (Håkansson and Ford, 2002).

Adding further to these problems is a central decision on which party manages and leads the supply chain. It has been argued that there should be agreement within the whole chain on supply chain leadership for coordinating and overseeing its management (Lambert et al., 1998). This creates a potential area for conflict and also further highlights the role of power in SCM.

## **2.11 Industrial Marketing and Purchasing Network Approaches**

The Industrial Marketing and Purchasing (IMP) group has driven a substantial body of work on the structure of supply chain environments. In the IMP model (see Figure 2.6) the buyer-seller exchange is seen as an interaction process between two parties within a specific environment consisting of four basic elements (Håkansson, 1982). The first element is the interaction process made up of episodes and relationships. Episodes relate to the exchanges between buyer and seller, including goods, services, information, payment and values. These episodes build the foundation of the buyer-seller relationships, in which norms of behaviour develop (Lysons and Farrington, 2006). The

second element of the IMP approach is the interacting parties – i.e. the individual buyers and sellers. The third element is the interaction environment covering the contextual nature of the market within which the buyer-seller relationship operates. The final element is the atmosphere relating to the power dependence and control that exists between both parties.

**Figure 2.6: An Illustration of the IMP Interaction Model**

*Source:* Håkansson, (1982)

The IMP group argue that research into buyer-seller relationships needs to move from dyadic to industrial network approaches (Ford, 1990), either as sets of connected organisations (Miles and Snow, 1992) or sets of connected inter-organisational relationships (Håkansson and Johanson, 1992). This idea of connectedness is a central premise of the IMP group who argue that buying and selling in business-to-business environments can not be understood as a series of independent transactions; rather they



should be viewed as episodes in often long-standing and complex relationships (Håkansson, 1982, Håkansson and Johanson, 1992, Håkansson and Snehota, 1995, Bello *et al.*, 1999, Håkansson and Ford, 2002, Wilkinson and Young, 2002).

Figure 2.7 illustrates the IMP's Activities Actors Resources (AAR) model which was developed to describe industrial networks and focuses on the business relationship as the main unit of analysis (Håkansson and Johanson, 1992, Håkansson and Snehota, 1995). It embodies three layers of analysis; actor bonds, activity links and resource ties. Actor bonds exist between buyers and sellers at either an individual or organisational level. Activity links are formed through shared activities between actors. Finally, resource ties are developed through resource inputs and outputs. Through these three levels of analysis, the IMP group draw attention to the complex nature of buyer-seller exchanges and the various influences upon these.

**Figure 2.7: Activities Actors Resources (AAR) Model**

*Source:* Håkansson and Snehota, (1995)

## 2.12 Collaboration and Integration

SCM represents a critical integration of various functions between the buying and selling organisations (Freeman and Cavinato, 1990, Ellram and Carr, 1994, Gadde and Håkansson, 1994). Collaboration and integration are recognised by many researchers as important factors in effective buyer-seller relationships (Ellram and Cooper, 1990, Spekman *et al.*, 1998, Breite and Vanharanta, 2001, Sanderson, 2004). Its origins stem from Japanese management philosophies of Total Quality Management and Just In Time, with the concept of integration echoed in the concepts of sharing risk and reward (Lamming *et al.*, 2001). Whether these collaborative links occur at a dyadic or chain level, it is through the sharing of information, best practice, risk and reward, that contributing parties are expected to reduce waste in all forms, thereby improving efficiency and ultimately gaining a competitive advantage in their marketplace.

To remove waste, buyer-seller interactions must be transparent and the information sharing and integration needs to extend beyond just improving communication. Again, as in the partnerships approach, collaboration requires purchasing organisations to reduce the number of active suppliers in their supply base. The increased focus on a smaller number of relationships facilitates these closer working practices and the leveraged spend achieved through consolidation can be managed more effectively by both buyer and seller (Chen *et al.*, 2004). Buyer-seller integration takes many forms, including process integration (Stock *et al.*, 2000), informational integration (Trent and Monczka, 1998, Handfield and Nichols, 1999), inter-organisational teams (Ragatz *et al.*, 1997), and relational integration (Paulraj *et al.*, 2006). These four dimensions of integration show similarities to the IMP group's interpretation of the levels of interaction. It is argued that in these integrative approaches the increased relationship-specific investments required ultimately fosters trust, dependency and cooperation (Chen and Paulraj, 2004). Consequently, as dependency increases, power may emerge as a key issue in these relationships.

Scepticism exists with regard to the benefits of collaboration and it has been argued that these have been overemphasised in the management literature (Cox, 1999). One of the



reasons put forward for these problems is that there is a cultural dimension to these close, Japanese-style relationships. It is posited that these relationships are not as successful with Western suppliers as they tend to display more opportunistic behaviour and do not want to be tied to, and thus dependent upon, a customer (Cox, 1999). Similarly, the focus on waste reduction can damage the relationship if unreasonable demands are made, or if the associated risks are not shared between both parties, for example in the case of one-way open book negotiation (Lamming et al., 2001). This can make suppliers react, often in negative ways that are not conducive to healthy, integrative relationships. Power and dominance therefore become important considerations of integrated relationships (Cox, 1999, Cox et al., 2001).

Another identified problem of collaborative and integrated buyer-seller relationships is that they only produce benefits when an industry prospers and they are to likely to fall by the wayside in times of economic downturn (Esposito and Raffa, 2001, Swafford *et al.*, 2006). It is posited that research on these relationships is often conducted in periods of economic growth and that there is a lack of research on how crises or economic slowdowns may affect these integrated relationships (Esposito and Raffa, 2001). This view is consistent with some of the criticisms levelled at the use of buyer-seller partnerships (Neuman and Samuels, 1996, Grayson and Ambler, 1999). At the heart of the criticism of collaboration and partnerships is the contention over the relational dimension and its ability to unite buyer and seller, particularly in times of conflict or crises.

The relational dimensions raise important issues surrounding the ontological position of power; i.e. is the relationship and power dictated by individuals or organisations? If the strategic benefits pursued are contingent on the relationship between individual buyers and sellers, what happens if these people change role or organisation? It would appear therefore, that in order to guarantee longevity of success, the relationships need to be institutionalised beyond individual roles. Given the various potential levels of integration, it is perhaps inevitable that the structures through which buyers and seller interact may change (Svensson, 2002). These structural changes may be internal

(Leenders et al., 1994) or external and inter-organisational whereby buyers deal with buyers and sellers deal with sellers across organisations (Neuman and Samuels, 1996). Structural change may also be warranted owing to changes in shared technology and processes (Pearcy et al., 2003).

### **2.13 Power Theories**

Sections 2.1 – 2.12 have considered some of the contextual influences on buyer-seller relationships that will impact on the nature and role of power. These provide forces that when coupled with the multiplicity of relationships available influences the buyer-seller power dynamic (Ho, 1991). Actions therefore become shaped and constrained by the social context which the relationship takes place in (Hurley et al., 1997). Without this contextual framework, power cannot be adequately conceptualised (Clegg, 1989). Building on this analysis, the following sections provide a critical review of common power theories used in the extant management literature.

### **2.14 Bases of Power**

Across disciplines, research into power is rooted in the five-base typology developed by French and Raven (1959). This early formalisation of the concept of power identifies five different sources of power that individuals can call upon in social relationships. The bases of power are categorised as reward, referent, legitimate, expert and coercive (French and Raven, 1959). Empirically set in an intra-organisational context (employee-supervisor), the typology measures the influence on the person (P) that is produced by a social agent (O). The bases are summarised as:

- **Reward Power:** P's perception that O has the ability to mediate rewards
- **Referent Power:** P's identification with O
- **Legitimate Power:** P's perception that O has a legitimate right to prescribe behaviour
- **Expert Power:** P's perception that O has some special or expert knowledge
- **Coercive Power:** P's perception that O has the ability to mediate punishments



This five-base typology has been applied in sales, marketing and purchasing contexts (Lusch, 1976b, Bonoma, 1982, Naumann and Reck, 1982, Gaski, 1986, O'Byrne and Leavy, 1997) and is a common measure of power. Despite its popularity however, there are documented criticisms of the use of ipsative measures in both the original research and the subsequent field studies. Ipsative, single-item, ranked measures have been criticised for forcing negative correlations for some of the bases and they do not enable the relationships between each power base to be evaluated (Podsakoff and Schriesheim, 1985, Kohli and Zaltman, 1988, Schriesheim *et al.*, 1991b). Given the nature of these power bases, it is fair to assume that interdependencies exist (Podsakoff and Schriesheim, 1985). For example, legitimacy to influence may be gained through someone's expert knowledge, or punishment (coercive power) may be exerted through limiting or removing reward.

Content validity of the five-base typology has also been questioned owing to the use of limited, single-item definitions of each power base, despite their potentially broad meaning. Reward, for example, could take numerous forms, including financial reward, promotion, preferential task allocation, verbal recognition, improvement to working conditions, or increased resource. The failure to include adequate samples of the measurement scales can result in ambiguous data and interpretation (Podsakoff and Schriesheim, 1985, Schriesheim *et al.*, 1991b). The five bases are also all manifest and identifiable (Bradshaw, 1998), raising issues of visibility in terms of how effectively these measures fully tap the concept of power which in buyer-seller relationships may not always be clearly observable (O'Byrne and Leavy, 1997).

These criticisms are further exacerbated by threats to the external validity. The original research and its subsequent field studies were concerned with situations in which a supervisor influences a worker in a work situation (French and Raven, 1959). This has implications for the generalisability of the findings, particularly with regard to what was being influenced and the sources of power available in these explicitly hierarchical situations (French, 1956, Podsakoff and Schriesheim, 1985, Munduate and Dorado, 1998). Another criticism raised is that the five bases are not always available in all

situations, dependent on the context of the power relationship (Podsakoff and Schriesheim, 1985). This is potentially significant in buyer-seller relationships, where it is probable that the five bases of power, as operationalised in French and Raven's original research, do not apply. In support of this, there have been empirical studies in the sales literature which only assess some of the bases in buyer-seller relationships, for example expert and referent power bases (Busch and Wilson, 1976).

Further, the five bases in the original studies are orientated toward individuals; for example, respondents assessed how their supervisor could mediate their personal reward. To personify organisational behaviour in these terms potentially raises concerns. Again taking the same example of reward, the structures and mechanisms in buyer-seller relationships need to be clearly identified. Are researchers identifying elements of personal reward or organisational reward, and what is the nature of these rewards? Thus, the five-base typology can be demonstrated to be narrow in its reflection of the power construct, and the extent to which it fully reveals the origins of power in buyer-seller relationships is questionable.

Further challenges have also been made to the measurement referents used in subsequent empirical studies of the five-base typology. It has been argued that these are inappropriate as they are attributional in nature rather than behavioural, capturing information on why subordinates comply, not necessarily how their supervisors act (Podsakoff and Schriesheim, 1985). This raises further doubts on the validity of applying the findings to other research situations. Owing to the explicit hierarchical context of the original research, and perhaps the norms of behaviour in organisations in this era (1950s), power is deemed to be held by one party and the influence attempt is one-way – supervisor to employee.

This point raises the importance of power as a two-way interaction. Whatever the context - buyer-seller or employee-supervisor, the bi-directional dynamic is central to all power analyses. In support of this, many scholars in the purchasing domain have pointed to the different perceptions of power held by buyers and sellers (Neuman and Samuels,



1996, Campbell, 1997, Spekman *et al.*, 1998, Ahman, 2001). Despite this acknowledgement, however, it is not reflected in the extant literature. This is predominantly owing to the fragmented theoretical foundations of power in inter-organisational relationships. These stem from purchasing, logistics, marketing, strategic management and organisational behaviour (New, 1997), yet lack integration (Giannakis and Croom, 2000). The discrete development has created monolithic approaches to research, tending toward studies of either buyer or seller perceptions of power (Ellram and Cooper, 1990, Spekman *et al.*, 1997). The utility of these one-sided studies is questioned as it has been argued that buyer-seller relationships cannot be understood by separating them into their constituent parts (Wilson, 2000) and further research is needed to assess this two-way dynamic (Bonoma and Johnston, 1978, Wilkinson, 1996, Campbell, 1997, Svensson, 2002).

## **2.15 Power Regime Framework**

Despite criticisms that power in buyer-seller relationships is an under-researched area (Zemanek and Pride, 1996, Cox, 1999, Giannakis and Croom, 2000), the work by the Power Regime Theorists, looking specifically at power in supply chains, has been growing (Cox, 1999, Cox *et al.*, 2001, Cox, 2004, Cox *et al.*, 2004, Ireland, 2004, Sanderson, 2004). Unlike the five-base typology, the Power Regime Framework approach is set empirically in buyer-seller, business-to-business relationships. This school of thought draws on the Exchange Power Matrix to assess the levels of power held in a buyer-seller dyad (Cox *et al.*, 2001). The variables and subsequent classifications in the matrix take their intellectual roots from Social Exchange theory, where power is deemed to reside implicitly in the dependency of the other party (Emerson, 1962). The matrix (see Figure 2.8) is used to identify the two-way dependencies of the buyer-seller relationship using relative utility and scarcity of resources as variables. This determines whether the exchange is buyer or supplier dominant, independent or interdependent. These categories also echo the portfolio classifications developed by Bensaou (1999) illustrated in Figure 2.5

### **Figure 2.8: Exchange Power Matrix**

*Source:* Cox et al., (2001)

Building on this initial analysis, each individual exchange dyad within a supply chain is classified through the Exchange Power Matrix. These are then linked to develop the Power Regime Framework (see example in Figure 2.10). This framework attempts to provide a broader view of the wider economic influences affecting the ability of an organisation to manage the chain as one coherent entity. The underlying premise is that individual buyer-seller power relationships may be influenced by a dominance or interdependency elsewhere in the supply chain (Cox et al., 2001).

The Power Regime Framework is very similar to the Digraph Theories used to represent social power structures in groups (French, 1956). Digraph Theories have been used in a number of management applications to demonstrate dependencies or influence (Harary, 1959, Buckley and Lewinter, 2003, Grover *et al.*, 2004). The basic concept of digraphs (or directed graphs) is that a graph is a collection of points (vertices) joined by lines (edges). In a digraph the edges are directed and have a specific direction. These are used in power applications to illustrate potential influence (French, 1956). Digraphs are considered connected if there is a path connecting any two distinct vertices. If not, it is deemed to be disconnected.



As illustrated in Figure 2.9, Digraph Theories are used conceptually to represent the levels of connectedness of individual dyads in a wider group context. Although not empirically tested in the original research, the theory was used to illustrate the patterns of relations in groups (French, 1956) drawing similar conclusions to the Power Regime theorists; that behaviour may be influenced by a dominance or independency in the group, but outside of the immediate dyad. Distance and scope of power become important considerations in these structural representations of networks (Buckley and Lewinter, 2003). Their utility is in assessing if supply chains can be managed by a focal organisation, through determining how they can be managed both in terms of breadth of areas and depth of influence within the chain

### **Figure 2.9: Digraph Theories**

*Source:* French, (1956)

Like the IMP approach (see section 2.11), the Power Regime Framework seeks to broaden the scope of impact through consideration of the chain dynamics, external to an immediate buyer-seller relationship (Cox et al., 2001). However, in the Power Regime

Framework, the exchange relationship is defined only in terms of commercial resources (e.g. expenditure, volume, product/service offering), without allowing for social, individual or relational influences on power. Thus, while the IMP approach considers a pluralistic ontological perspective, operationalised through the actor bonds, activity links and resource ties (Håkansson and Johanson, 1992, Håkansson and Snehota, 1995), the Power Regime Framework still only considers power as a property of an organisation. In this structurally-based ontological position, power sources are attributed to rational organisations focusing purely on economically based variables. This school of thought therefore fails to consider the possibility of having a ‘weak’ buyer or seller in an economically powerful organisation, or a ‘strong’ buyer or seller in a weak organisation.

**Figure 2.10: The Power Regime Framework (Applied to an In-flight Refuelling Equipment Supply Chain)**

*Source:* Cox et al., (2001)

The Power Regime Framework, while ultimately attributing power to the organisation, does however expand the scope of power in supply chain environments. This is achieved through acknowledging some of the external challenges presented in the supply network,



recognising that the ability to influence may be dictated by an organisation that is in the chain, yet outside of the immediate dyad (Cox et al., 2001).

## **2.16 Dependencies and Balance of Power**

Implicit in the Exchange Power Matrix and the Power Regime Framework is the notion of dependency. Drawing on the resource-dependency approach to power (Emerson, 1962, Blau, 1964), dependency in buyer-seller relationships resides in each parties ability to facilitate or hinder the satisfaction of the other's resource needs and wants. As relationships become more integrated, power and dependency become key considerations (Cox, 1999, Cox et al., 2001).

Dependencies in integrated relationships imply that dominant players may force behaviour in a way that is contrary to mutual gain. This negative view of power is supported by experimental research in the negotiation and coalition fields in the social-psychology domain. Through empirical studies, scholars explored the effects of economically balanced and unbalanced dyads in negotiation (McAlister *et al.*, 1986, Mannix, 1993, Mannix and Neale, 1993, Dubois and Pedersen, 2001). In a series of experiments, it was found that unequal power dyads behave more competitively and focus on individual rather than mutual gain (McClintock *et al.*, 1973, McAlister *et al.*, 1986, Mannix, 1993). One of the reasons offered for the reluctance to collaborate and share reward is the lack of exclusivity in buyer-seller relationships (Neuman and Samuels, 1996). For suppliers to avoid dependence, they must seek other relationships, yet if their product or service range is industry-specific, these are likely to be with their customers' competitors. In these situations therefore, buyers are unlikely to share best practice as efficiencies could be passed to their competitors (Neuman and Samuels, 1996). This is one of the problems in viewing supply chains as linear and exclusive. In reality, supply chains are more akin to networks, with complex inter-relationships between chains where common suppliers or customers exist (Anderson et al., 1994). From a buyer-seller perspective, only when the dyad is balanced, either seen through independence or interdependence can integrative relationships create mutual benefits.

In buyer-seller relationships, this assessment of countervailing power, relative to your own, is important if it contributes to the competitive success and the overall strength of the supply chain (Wilkinson, 1996). The failure of the five-base typology to acknowledge the bi-directional interaction however, prevents assessment of the balance of power. Drawing on findings from negotiation research, better outcomes can be gained if dyads throughout the supply chain link high-power to high-power and low-power to low-power as this minimises sub-optimisation and maximises the multiplication effect (Tenbrunsel et al., 1999). However, from an individual or organisation's perspective, whatever their power status relative to the other party, better results are gained when they are matched with a high power partner (Tenbrunsel et al., 1999). This therefore creates a conflict between organisational versus chain benefits as all will seek to be matched with a high power partner. However, if these unequal power dyads focus on individual rather than mutual gain (McClintock *et al.*, 1973, McAlister *et al.*, 1986, Mannix, 1993) this could sub-optimize the overall supply chain's performance thus creating tension and conflict.

The issue of power has received a significant amount of attention in the marketing channels literature (Lusch, 1976b, Lusch, 1976a, Gaski, 1984, Gaski and Nevin, 1985, Gaski, 1986, Gaski, 1988, Gaski, 1989, Brown *et al.*, 1991, Lusch and Brown, 1996, Ross *et al.*, 1997). The focus of many of these studies is the relationship between power and conflict amongst organisations in sales distribution channels. In these studies, channel power is frequently categorised into coercive or non-coercive power (Hunt and Nevin, 1974, Lusch, 1976b). In a similar vein to the Power Regime theorists and the IMP group, the channels research has also focused on power to explore the issue of channel leadership by a focal organisation. This leadership can create conflict within the supply chain and create a power imbalance. Conflict derived from the diversion of goal attainment can decrease the efficiency of the relationship and has been found to decrease performance; in short, as conflict increases, performance decreases (Lusch and Brown, 1996, Ross et al., 1997). This lower performance was due to the disruption caused by the conflict (Lusch, 1976a).



There is empirical support across disciplines for exploring the power balance further, as some studies appear to contradict the benefits of linking with a high power partner. Rather than getting better outcomes, it has been argued that a power imbalance can make the relationship unstable (Emerson, 1962). In these unbalanced situations, behaviour becomes more competitive and, as a result, these exchanges are less likely to end in mutual gain (McAlister *et al.*, 1986, Mannix, 1993) – which is an important feature of SCM (Christopher, 1998, Spekman *et al.*, 1998).

It has also been argued that the very existence of imbalance in buyer-seller relationships, even if this is not exploited by the more powerful party, conditions the behaviour within it and makes the relationship unstable (Cox *et al.*, 2001). Imbalance in the power structure moves attention away from joint problem solving; the powerful groups instead focus their efforts on identifying the extent to which they can exploit their position, and the less powerful parties focus on defending theirs and limiting harm (McAlister *et al.*, 1986, Mannix, 1993). This sets in motion cost reduction and balancing operations (McAlister *et al.*, 1986). A number of balancing operations are available for the low-power party to reduce their dependency; withdrawal, network extension, status giving or the formation of coalitions (Emerson, 1964). In the context of SCM, these options may be particularly pertinent through the use of partnership status, consortia and structural changes in the chain. However, the resource required to explore options to balance the dependency and the process of establishing a hierarchy of power between parties increases the time taken to reach agreement and can see major issues sidetracked (Mannix and Neale, 1993).

Given that mutual benefits and strategic alignment are key principles of SCM and collaborative buyer-seller relationships (Burnes and New, 1997, Spekman *et al.*, 1997, Bello *et al.*, 1999) goal conflict is an important consideration. Experimental research on group behaviour revealed that groups which had equal power coped well with both the group and individual goals, although those with unequal power tended to focus only on individual outcomes (McClintock *et al.*, 1973, McAlister *et al.*, 1986). If this is applied to the Exchange Power Matrix (Cox *et al.*, 2001), two categories out of the four (buyer

dominance and supplier dominance) have unequal power dynamics, and so may be subject to a relatively high focus on individual rather than group objectives.

Interestingly, if parties are balanced in terms of power, the potential to influence is not cancelled out as each party may still exert control over the other, although their efforts and abilities may focus on different areas (Emerson, 1962). A closer examination of the working definition of power - the potential to influence, or the level of resistance that can be overcome (Dahl, 1957, Emerson, 1962, Yukl, 1989) - highlights this two-way interaction. As well as the ability to influence, power also resides in the ability to resist influence attempts. In buyer-seller relationships, this resistance may deadlock certain negotiations, but present opportunities in other areas. For example, a seller's ability to resist influence may result in no change to the price paid by the buyer. However, other areas, for example, terms of payment, terms and conditions and the status of the relationship, may all be open to negotiation, providing significant benefits in their own right.

Power differences are central to almost all decision making groups (Brett and Rognes, 1986). This inequality may in part be driven by the multifaceted nature of power and the various aspects which buyers and sellers could potentially have influence over. Indeed, as highlighted by the research on integration (see section 2.12) buyers and sellers can integrate through processes (Stock et al., 2000), information (Trent and Monczka, 1998, Handfield and Nichols, 1999), inter-organisational teams (Ragatz et al., 1997), and relationships (Paulraj et al., 2006), thus providing a broad influence base. Given this broad scope, it is probable that buyers and sellers have different levels of potential power for each of these areas, leading to power imbalance. There are also potential changes in power and dependency in supply chains. Small suppliers are now being less dependent on large buying organisations owing to specialisation and outsourcing, which is increasing the dependence of large organisations on their smaller outsourced providers (Ahman, 2001).



There is empirical evidence in the inter-organisational literature that suggests that suppliers often only change or improve their quality for the more powerful customers (Lascelles and Dale, 1989). Similarly, research into power imbalance in negotiations revealed that it is the low power parties that often take responsibility for driving solutions of higher joint gain (Kim, 1997). However, despite these studies, it has been argued that there is still a need for more research on the effect of the relative size difference of companies in supply chains (Ellram and Cooper, 1990, Mannix, 1993).

Power is defined as the potential to influence, or resist, the actions of others (Emerson, 1962, Yukl, 1989) yet as highlighted in sections 2.1 – 2.16, there are still fundamental gaps in the extant literature surrounding the nature of power in business-to-business buyer-seller relationships that have not been fully addressed. This gives rise to the first research objective of this research:

- **To identify the factors contributing to power and countervailing power in a two-sided study of buyers and sellers.**

## **2.17 The Ontology of Power**

The gaps in the body of knowledge surrounding the nature of power in buyer-seller relationships stem largely from ontological disparity. This results in distinct schools of thought as to whether power is attributed to organisations, personal characteristics of individual buyers and sellers, or the two-way relational dynamics. As discussed in section 2.15, the Power Regime Framework (Cox et al., 2001) addresses an organisation's ability to manage a supply chain as one coherent entity, through assessing dependencies elsewhere in the chain. Although claiming to assess the supply chain, the organisation rather than chain is the underlying unit of analysis as the model derives from the dyadic Exchange Power Matrix (Caldwell, 2003). However, this inconsistency exposes the embedded nature of different ontological views of power. Specifically, while it still ultimately attributes power to organisations, it acknowledges external challenges presented in the supply network, recognising that power may be dictated by an

organisation in the chain, but outside of the immediate dyad (Cox et al., 2001). This is an important issue in the study of power as it demonstrates that it can be a property of the organisation, as well as held within a supply chain, thus highlighting the embedded, pluralistic nature of power.

## **2.18 Power as a Property of Individuals**

Whether power is a property of an individual or an organisation it can also be considered in terms of rational versus relational approaches. In the rational approach, power is considered a property of the organisation or network while the relational approach views power as a property of individual buyers and sellers or the relationship. There is support in the sales and purchasing literature for power to be viewed as an attribute of an individual (Zemanek and Pride, 1996, Giannakis and Croom, 2000). In this school of thought, it is argued that the people at the centre of the buying activity are the focus for business-to-business marketing strategies, as they ultimately possess the power, not abstract organisations (Webster and Wind, 1972).

Moreover, it has been posited that organisational buying is essentially no different than consumer buying behaviour, as both can involve social factors, including friendship and reputation (Webster and Wind, 1972, Bonoma and Johnston, 1978, Fern and Brown, 1984, Wilson, 2000). The personalities and motivations of those involved in the buying-selling process therefore become embedded within the power source (Wilkinson, 1996). Empirical research supports this view, which reveals the salesperson to be a unique source of power as the buyers interpret their behaviour, shaping and developing their perceptions of power (Zemanek and Pride, 1996). Although the study by Zemanek and Pride (1996), was only one-way - looking at buyers' perceptions of the power of salespeople - it is reasonable to assume that salespeople make similar judgments on the levels of power, based on the behaviour of the buyers.

As a consequence of not considering the power of the individual, the Power Regime Framework fails to consider the possibility of having a 'weak' buyer or seller in an economically powerful organisation, or a 'strong' buyer or seller in a weak organisation



as the attenuated view of power is solely based on economic considerations of the organisations. The definitions 'weak' and 'strong' are defined here at an individual level in specific terms, i.e. 'because of x' - whether these be psychological, physical factors etc. This consistency between an individuals' level of power and that provided by an organisation or contextual situation is an important consideration as they may not always match. Although the primary considerations of inter-organisational relationships are likely to be commercially driven, social and political considerations may also affect how the relationship is managed and developed (Caldwell, 2003). If these personal and non-economic factors impinge on the nature of the power dynamic, they too may be a source of power in their own right, and as such, demand attention in power research.

As an underpinning philosophy, the Power Regime theorists argue that analyses of exchanges between companies cannot be divorced from their wider supply chain environments (Cox *et al.*, 2001, Cox, 2004, Cox *et al.*, 2004, Ireland, 2004, Sanderson, 2004). However, others have argued that power is a socially-orientated construct, based on individuals and their needs and perceptions (Bierstedt, 1950, Bonoma and Johnston, 1978, Baker, 1990, Caldwell, 2003, Cialdini and Goldstein, 2004). From this position, and in line with the IMP perspective (see section 2.11), it has been argued that it is equally meaningless to separate individual buyers and sellers from their social environment in studies of power in inter-organisational relationships (Wilson, 2000). This adds another dimension to the social reality of power in buyer-seller relationships based on individuals' needs and perceptions. To view power purely as a property of the organisation fails to consider the role and impact of individual buyers and sellers leaving little room for personal elements such as motivation, personality or emotion (Ho, 1991).

Further support for the ontological position of power as a property of an individual can be found in the marketing domain, which posits that individuals are central to the process of organisational buying and their behaviour is not necessarily logical or rational and personal needs can dominate (Powers, 1991). Rather, in taking their roles, buyers and sellers arbitrate between collective, organisational and personal objectives, frequently displaying habitual, intuitive and experimental behaviour (Wilson, 2000). However,

from a rationally-orientated ontological position where power is deemed to reside in an organisation, rash or spontaneous actions by individual buyers or sellers are not considered.

Research into negotiation from the coalition and social dilemma literature also corroborates the importance of addressing needs of individual buyers and sellers. Through empirical explorations, it was observed that when conflicts arise in negotiations, people can experience cognitive difficulties reconciling group and individual objectives. Faced with this conflict, personal objectives often become salient over group objectives (Mannix, 1993).

If this behaviour is applied to a buyer-seller context, at a macro level the group may be the whole supply chain with the employing organisation representing the individual. In this scenario, individual buyers and sellers may still demonstrate relatively rational buying behaviour, putting the economic interests of their own organisation before the objectives of the whole chain. This view is in line with the findings from the partnerships and collaboration literature, where in times of economic downturn or crises, these win-win approaches fall by the wayside (Esposito and Raffa, 2001, Swafford *et al.*, 2006).

However, from a micro perspective, it may be that the group represents the employing organisation of the buyer or seller, and the individual objectives are those of the people involved in the negotiation. While these individual objectives may be consistent with the organisational objectives (for example the desire to negotiate the best deal), they also could potentially include personal factors, for example meeting time and deadline pressures, the need to be liked by the other party, remuneration, reward, risk and conflict aversion. If these objectives cause conflict with any organisational objectives, the personal ones may take priority.



Much of the power research in buyer-seller relationships draws on Social Exchange Theory attributing power to rational organisations (Cox, 1999, Cox *et al.*, 2001, Cox, 2004, Cox *et al.*, 2004, Ireland, 2004, Sanderson, 2004). It is posited in Social Exchange Theory that relationships are formed based on a comparative cost-benefit analysis (Homans, 1958, Blau, 1964). Although the theory has been criticised for reducing social interaction to a purely rational process (Miller, 2005), Social Exchange Theory was not limited to economic dependencies as it also included relational dimensions, for example, approval, prestige (Homans, 1958) and ego support (Emerson, 1962). These are clearly personal needs of the individuals rather than an economically driven organisational requirement. This is consistent with marketing theory which holds that both organisational and consumer buying behaviour have social dimensions, which are contingent upon the people involved in the process (Webster and Wind, 1972, Bonoma and Johnston, 1978, Fern and Brown, 1984, Powers, 1991, Wilson, 2000). This implies that the needs and motivations of individual buyers and sellers need to be identified and examined in any study of power in inter-organisational relationships.

## **2.19 Power as a Property of the Organisation / Network**

While individual buyers and sellers may affect the nature of power, another school of thought, particularly dominant in the SCM literature, is the structural view of the construct. Here power is viewed as the property not of individuals but of an organisation (Cox, 1999, Ratnasingam, 2000, Cox *et al.*, 2001, Esposito and Raffa, 2001, Cox, 2004, Cox *et al.*, 2004, Sanderson, 2004), or the supply network (Ellram and Cooper, 1990, Anderson *et al.*, 1994, Hall, 2001). This is consistent with, and driven by, the rational view of power in buyer-seller relationships. This impersonal rationality of the organisation, in direct contrast to the previous school of thought, leaves little room for personal elements such as motivation, personality or emotion (Ho, 1991).

With the drive toward integrated supply chains (Spekman *et al.*, 1998, Lummus and Vokurka, 1999, Graham and Ahmed, 2000), many scholars in the SCM domain are calling for empirical studies using the chain, or the supply network, as the unit of analysis (Ellram and Cooper, 1990, Anderson *et al.*, 1994, Hall, 2001). The rationale here draws on General Systems Theory, which claims that segregating and analysing the constituent



parts will not provide an understanding of these complex systems and networks (Boulding, 1956). However, although this holistic approach is seen as a key requirement in SCM, few companies are actually working in this way (New, 1997, Croom *et al.*, 2000, Cox *et al.*, 2004). Doubts over the integrity of taking this ontological position are raised, as research must be designed to reflect the reality of current supply chain practices.

## **2.20 Power as a Property of The Relationship**

The central tenet underpinning Social Exchange Theory contests both of these paradigms, arguing that power is the property of the social relationship. Whether this is between two people, two organisations or two countries, it is posited that power resides in the interactive, dynamic process of the actors' relationship (Dahl, 1957, Homans, 1958, Emerson, 1962), and the unit of analysis in power research should therefore be individuals within relationships (Busch and Wilson, 1976, Ho, 1991, Nielson, 1998, Cheng *et al.*, 2001). Interestingly, many researchers in the SCM field use the Social Exchange theory of dependency (Emerson, 1962) as an underpinning framework without acknowledging the different ontological perspectives presented. This can potentially have significant implications as to the validity of the research methodologies employed.

Early scholars highlighted this need for power to be defined specifically for individual research situations (Dahl, 1957, Emerson, 1962) yet this is not always considered in empirical studies of power. Although several power models have been developed in a number of disciplines - notably the five-base typology in a employee-supervisor context (French and Raven, 1959) and the Power Regime Framework in supply chain dyads (Cox *et al.*, 2001) - to use these in different research contexts than those for which they were originally designed, without evaluating the implications of the ontological positions, threatens the reliability of any results gained.

Across disciplines there is considerable support for taking an ontological position of individuals within relationships as it is argued that buyer-seller behaviour invariably takes place in relational contexts (Baker, 1990, Ho, 1991, Podolny, 1993). Additionally,



while individuals perform the supply chain process, acting on behalf of a series of organisations (Giannakis and Croom, 2000), these interactions are not undertaken in isolation. Power resides therefore, not only in the factors affecting this dyadic interaction, but also each parties strength relative to other potential relationships (Emerson, 1962, Dubois and Pedersen, 2001). This process is also bi-directional as all parties consider each other and alternative options (Raven, 1990, Ho, 1991).

The suggestion here is that individuals behave differently dependent on who they interact with thereby affecting the power sources open to them and how they are perceived. Although individual salespeople were seen to be a source of power through shaping buyers' perceptions (Zemanek and Pride, 1996), this does not necessarily confirm that power resides in individuals. Owing to the relational element of buyer-seller interactions, the personal traits and skills used to shape the perceptions of power are infinitely variable and certain behaviours and options might not be relevant to all relationships (Emerson, 1962). It has been argued therefore that social actions stem not so much from a person's own inclinations or needs, as they do from their perception of their relationships with others and the culture in which they operate (Ho, 1991). Thus, whilst individuals clearly have a fundamental role in the power dynamic, the wider context must also be considered. Again this adds support to the IMP groups' perspective that power has a pluralistic ontological position (Håkansson and Johanson, 1992, Håkansson and Snehota, 1995).

This orientation towards individuals within relationships therefore provides contextual boundaries of behaviour as it recognises the constraints and norms provided by social and institutional pressures (Caldwell, 2003). These constraints and norms are attributes of the relational context, not the individual (Cheng et al., 2001). It has been argued that this explains why prediction of behaviour based purely on personality is unsuccessful as the factors influencing behaviour are located externally in the relational context (Ho, 1991). This view also corroborates the call for research into power to be defined specifically for individual research situations (Dahl, 1957, Emerson, 1962), as interactions between buyers and sellers will have different contextual boundaries than employer-supervisor

relations. These boundaries may also shift, dependent on the industry and market structure.

In some instances, there may be structural properties based on either party's role and status that will vary little across a range of buyer-seller relationships, for example the market position afforded by very dominant organisations when buying or selling certain products or services. Other buyer-seller interactions however, where a market position is less stable, are often temporary in nature and are subject to other situational factors, created by the relational context (Ho, 1991). Structural attributes, based on economic strength and status, mirror the ontological position of power as the property of the organisation. Regardless of the individual buyers and sellers, these properties remain constant, because market share and competitive position are properties of the collective organisation. The people involved in these relationships however, are the variables that determine how a commercial position and power is exploited. It has been argued that the power held by a buyer-seller dyad described in terms of its constant, structural properties is vacuous and only becomes a 'flesh and blood' interpersonal relationship when the individuals involved are described (Ho, 1991, p.90).

The relational value of the exchange is held in the buyers' and sellers' knowledge, experience and feelings for the other party (Rudolph, 2001). These attitudes towards themselves, the other party as well as their motivations, all require attention, alongside the interpersonal qualities of the individual buyers and sellers, as these will affect the power dynamic and its use (Pettigrew and McNulty, 1998). The individuals within these contextually bound buyer-seller relationships therefore appear to hold the true power as their actions determine the commercial success of their organisations and supply chains. Thus, this ontological position of individuals in relationships appears to offer a more robust view of the social reality of power. It addresses interpersonal relational elements, and the contextual boundaries represent the structural attributes afforded by the economic position of the organisation within its industry and supply chain.



As discussed in sections 2.17 – 2.20, there is conflicting evidence in the extant literature surrounding the ontological position of power. Three schools of thought emerge; power as a property of the individual, the organisation or individuals within relationships. The fundamental issue here is whether these dimensions are distinct and separate, or if they are inextricably linked to each other. Despite the inconsistencies in the literature however, in the inter-organisational power literature, these issues have rarely been discussed and the ontological positions have been assumed without discussing the philosophical implications. These inconsistencies give rise to the second research objective:

- **To establish the ontological position on where power is located in buyer-seller relationships.**

## **2.21 Supplier Selection**

These observations on the role of the individual suggest that buyers and sellers may impede the rationality of organisational buying behaviour, and therefore the nature of power sources. Extending this argument, individuals may also affect the rationality of other elements of the buyer-seller process including, for example, supplier selection. This initial selection is fundamental to the power dynamics of the interaction; therefore, why buyers select particular suppliers may be an important consideration in the study of power. It is accepted that in specific industries tight specifications and market structures are such that little competition exists, thereby limiting partner choice. For example, some industries may contain very dominant organisations (e.g., the UK food retailing industry), or regulation may influence, or dictate, buyer-seller practice.

A similar limitation may also potentially be true in public service organisations. Here, Best Value procedures govern supplier selection decisions and how buyers relate to suppliers, both existing and potential in order to demonstrate efficient use of taxpayers' money (Erridge *et al.*, 1998, OGC, 2007). In these instances, the reduction in individual freedom may limit potential personal power sources and heighten those associated with

market structures or organisations. However, this situation is not representative of the majority buyer-seller transactions where there is considerable competition, particularly if a global sourcing perspective is taken and more choice allowed by the buying organisation.

The Exchange Power Matrix (Cox *et al.*, 2001) and other portfolio-based approaches (Kraljic, 1983, Turnbull, 1990, Bensaou, 1999, Cox *et al.*, 2001, Dubois and Pedersen, 2001, Gelderman and van-Weele, 2001, Doran *et al.*, 2005) imply that supplier selection is based solely on commercial factors as social or individual motives that may affect these decisions are not acknowledged. This is not to say that the commercial interests of the employing organisations are not important; indeed, they are likely to be paramount to the majority of buyers and sellers. However, whilst this is an influencing factor, other variables affecting partner selection require exploration to understand fully the true nature of power in buyer-seller relationships.

Support for this contention is found in studies of coalition behaviour, which reveal that when choosing negotiation partners, familiarity with the other party positively influences selection, as a shared history can simplify the relationship-building process, creating a sense of personal comfort (Tenbrunsel *et al.*, 1999). As these patterns of behaviour become entrenched in business practice, individual buyers and sellers are unlikely to break from these established norms as this would increase their personal risk (Mannix, 1993). Personal risk is an issue as if a buyer selects a supplier who fails to perform any blame may be laid at the buyers' door. The current trend of supply-base rationalisation (Goffin *et al.*, 1997) may be slowly limiting the number of new buyer-seller relationships formed, further contributing to the favouring of established contacts. A recent major survey of 1,195 organisations which assessed the strategies for purchasing transformation, provides further evidence of supplier reduction programmes (Crichton *et al.*, 2003). The results revealed that the majority of respondents set aggressive supplier reduction goals; 16% of respondents (32% in large organisations) expect to reduce the total by a least a third, and 44% (64% in large organisations) intend to reduce the total by more than a tenth.



Owing to this supplier rationalisation, partner selection may be effected as even if the post-tender commercial analysis is rational and objective, the companies considered for inclusion in the initial tender process may have a relational dimension. If the organisations invited to tender are restricted to those that already have a shared history (as there is pressure to reduce the supply base and not bring on more suppliers), this may affect the subsequent management of contracts and the power dynamics between the buyer and seller. If buyers are making these decisions their behaviour may become a source of power.

Researchers of supply chain relationships have also identified differences between the management of new and established relationships with the latter focusing more on relational aspects owing to this shared history (Croom and Batchelor, 1997). An implication of this for power in buyer-seller relationships is that the length of the relationship may change the power balance by altering the nature of dependency, shifting from being commercially bound to a more personal level. Power may indeed be dictated and controlled by the relationship itself (Emerson, 1962). Researchers of negotiation behaviour have observed the dominance of these non-economic factors. Experiments using dating and non-dating couples found that where personal relationships existed between negotiating parties, relationship maintenance often became the primary consideration over economic factors (Fry et al., 1983). Although buyers and sellers are unlikely to be personally involved with each other to this extent, similar studies reveal that any familiarity with the other party can force economic interests to a lower level of importance in the negotiation process (Tenbrunsel et al., 1999).

The potential to favour existing suppliers in the selection process, coupled with the desire to protect these relationships, creates a sequence of reciprocal cause and effect decisions. Consequently, relational issues may dominate, determining the power sources and constraining their use from an early stage in the buyer-seller interaction. If a pattern of behaviour becomes established, it may then be increasingly difficult on a personal level for buyers and sellers to introduce power-based techniques, risking damage to the

relationship. This gap in knowledge raises fundamental debates on the interaction between rational and relational aspects of power, and the role of individuals in buyer-seller interactions.

## 2.22 Trust

A consequence of establishing buyer-seller relationships is that they provide the basis for building trust, arguably a critical component in integrated SCM (Richards, 1995, Smeltzer, 1997, Hagen and Choe, 1998, Sheppard and Sherman, 1998, Spekman *et al.*, 1998, Giannakis and Croom, 2000, Ratnasingam, 2000, Soonhong and Mentzer, 2000). In a small qualitative study, nine purchasing managers were interviewed in an attempt to define trust in a buyer-seller context (Smeltzer, 1997). Although the study was small and only looked at trust from a buyer's perspective, key themes arising were consistency, sharing of important information and mutual respect; all of which have relational dimensions.

Owing to these relational dimensions, trust facilitates business transactions, as the information received from these personally linked sources is seen to be more reliable and unique (Coleman, 1988, Tenbrunsel *et al.*, 1999). If economic dependency is unbalanced, trust may become an important source of power in maintaining the business relationship, particularly if the emphasis can be shifted to non-economic considerations. By establishing trust, the less powerful party can also reduce the risk of exploitation (Campbell, 1997) as by establishing the relationship, opportunism can be reduced (Tenbrunsel *et al.*, 1999).

Despite these apparent benefits of trust in integrating buyer-seller relationships, individuals' behaviour within these arrangements can limit power and its use. Owing to time and organisational pressures, buyers and sellers may develop informal mechanisms to facilitate their decision-making. In empirical studies, researchers have observed that trust can act as a proxy for reliability, thereby reducing the information-search and analysis phases of decision-making although interestingly, the participants were unaware



that they limited their activities in this way (Tenbrunsel et al., 1999). In buyer-seller relationships, this may be manifest through the continued use of long-term contracts, which may potentially become less competitive for either party, owing to satisficing behaviour (Simon, 1957). The argument here is that there is a difference between a feasible decision, which meets minimum criteria and an optimal one (Simon, 1955, Simon, 1957). The concept of satisficing behaviour in buyer-seller relationships may be seen in a reduction in the analysis of commercial arrangements with trusted sources against changing market conditions. Buyers and sellers therefore may get a result from a trusted source that is good, although not necessarily the best available from the market.

Over time, these close, trusting buyer-seller relationships may become habitual, and commitment to them, self-perpetuating, altering the power dynamic between both parties. As the existing relationship reduces uncertainty, and therefore the associated perceived risk, the volume of business given to the supplier tends to increase. This can further reinforce the satisfaction with the other party, unifying them as a group, and the focus shifts to reaching joint agreements (Lawler and Yoon, 1993). These positive group outcomes make the relationship even more salient to the individuals involved (Lawler and Yoon, 1993). While this may provide some benefits to both parties, it may also distort the assumed dependencies in buyer-seller relationships and may constrain how, and when, power is used. Continuation of the relationships may also increase the exit barriers to either party, further distorting the balance of power. If it is not the most competitive arrangement, owing to satisficing behaviour (Simon, 1957), the extra profitability gained by the supplier places them in a position where they can make concessions to the buyer, particularly over the full life of a contract. If even small concessions can be gained, over and above contracted terms, this may feed the buyers perception of their own level of power and their importance as a customer. This further unifies the relationship and its saliency (Lawler and Yoon, 1993).

Researchers of negotiation behaviour observed that people are more likely to favour those in their group, even if the group is formed on arbitrary, trivial or random criteria (Kim, 1997). As this is congruent with the findings on trust (Coleman, 1988, Tenbrunsel *et al.*,



1999), the status of the buyer-seller relationship therefore should be given consideration in research on inter-organisational power. At a dyadic level, this group perspective may be evidenced in the use of partnership-style relationships where buyer and seller work as one collective entity (Noordewier et al., 1990, Spekman and Salmond, 1992). If a wider supply chain perspective is taken, membership of the group may consist of key organisations in the supply chain. This may skew decision-making if group members are favoured over other potential organisations or analyses of these options reduced, which again may alter the power dynamic. Adding support to concerns around the benefits of partnerships (Neuman and Samuels, 1996, Cox, 1999, Grayson and Ambler, 1999, Esposito and Raffa, 2001, Swafford *et al.*, 2006), this habitual and satisficing behaviour raises concerns about the commercial benefits of partnership-style relationships and the willingness to use power-based techniques. This again raises the issue of rationality in organisational buying behaviour and its impact on power.

### **2.23 Focus of Influence Attempts in Buyer-Seller Relationships**

Although there is consensus that power can be defined as the potential to influence (or resist) the actions of others (Emerson, 1962, Yukl, 1989), problems arise in the operationalisation of the construct. As power is a universal phenomenon within all social relations (Bierstedt, 1950), it has a wide scope and so requires explicit definitions for particular research contexts (Dahl, 1957, Emerson, 1962, Hunt and Nevin, 1974). Attempts to apply a broad, generic definition is problematic, particularly as power is inherently situational, dynamic and potentially unstable (Knoke, 1990, Pettigrew and McNulty, 1998). Despite these issues being raised early in the study of power, there is a paucity of empirical and theoretical studies of buyer-seller relationships that define explicitly what each party has influence over.

One study that does specifically define the areas over which each party seeks to have power over was not set in a specific buyer-seller context. Rather, it assessed the power in the distribution channel between a franchiser and franchisee with the areas of influence being the control of land, control of the building and revocation of the franchise (Hunt and Nevin, 1974). Although there are similarities here with this relationship and buyer-



seller relationships as both are inter-organisational, the specific areas of influence are not transferable.

Given the complexity of buyer-seller relationships the areas in which each party has power over could range from operational issues of quality and delivery requirements, to commercial details including prices and contractual terms, through to strategic issues of diversification, product development and competitive intelligence. This diversity is represented in the portfolio approaches to buyer-seller relationships where what the buyer considers varies with the nature of the purchased goods and services (see Table 2.1). For example, using Kraljics (1983) portfolio matrix, when purchasing goods and services classified as non-critical, it may be that only basic operational and commercial considerations are made. However, if the goods and services fall into the bottleneck, leverage or strategic categories of the matrix, broader augmented issues become the focus for influence as a method of reducing risk or stretching their position into one that is more favourable.

Many purchasing organisations have also developed purchase specifications that include various aspects of a supplier's organisation, over and above the goods and services being purchased. In these situations it has been argued that buyers need to consider broad areas of their suppliers' offering including; the total cost of products supplied, process capability, Quality assurance, technology, human resources, management systems, strategic compatibility, improvement and performance trends and flexibility (Merli, 1991). In attempting to have an influence over their suppliers' development in these areas, the diversity of these issues could require the possession of different power sources. In many instances, there may also be attempts to influence more than one area simultaneously.

Given the close collaborative nature of partnerships (Noordewier et al., 1990, Spekman and Salmond, 1992), these too may also extend the areas over which buyers and sellers have influence. To allow integration and sharing of information, processes and systems,

these too may fall within the scope of influence. In addition, with the long-term nature of these partnerships (Leenders et al., 1994, Ahman, 2001) the future strategic direction of the other organisation may be an area that they seek to have power over. From research on the distinguishing attributes of partnerships (see section 2.6), interdependency, personal relationships and geographic proximity were established as key to defining partnerships (Lemke et al., 2003). This indicates therefore that these factors may become the focus of influence attempts between buyer and seller. It has also been posited, although not empirically tested, that the strategic direction of the other party's organisation is increasingly being pursued as an area which buyers and sellers seek to influence (Ertel, 1999). Additionally, role play experimentation from negotiation research revealed that buyers and sellers can also influence improvements in group formation (Lawler and Yoon, 1993), which may be pertinent in these close, collaborative relationships.

The failure to fully reflect the concept of power and define the areas being influenced impedes measurement and increases the threat of confounding variables obscuring genuine effects related to power (Dahl, 1957). Although these research design issues were identified early in the development of power research, this has never been incorporated satisfactorily into the research agenda of the management domain. This is a fundamental gap in the knowledge base surrounding power in buyer-seller relationships and thus gives rise to the third research objective:

- **To identify what buyers and sellers seek to influence.**

## **2.24 The Measurement of Power**

Many scholars recognise the importance of understanding power in buyer-seller relationships (Leenders *et al.*, 1994, Harland, 1996, Spekman *et al.*, 1997, Christopher, 1998, Lummus and Vokurka, 1999, Yu *et al.*, 2001, Svensson, 2002), yet despite this saliency, critical evaluation of power is limited in the management literature (Zemanek and Pride, 1996, Cox, 1999, Giannakis and Croom, 2000). Also, content-orientated



reviews reveal the quantity of literature concerning SCM is growing (Croom et al., 2000, Giannakis and Croom, 2000) indicating that its popularity is increasing. Criticism has been levelled though, at the validity of this research and the methodological processes employed (Rudolph, 2001), which is dominated by descriptive empirical studies and lacks conceptual development (Croom et al., 2000).

## **2.25 The Role of Research Design**

Many of these issues stem from the research methods used to measure power in buyer-seller relationships. Since power is a multi-disciplinary subject, many studies have 'borrowed' a number of theoretical approaches, frameworks and methods from different fields, often without consideration of the underlying philosophical and ontological assumptions. This can create doubts as to the robustness of the research findings and their external validity. Underpinning these research design concerns is the lack of clarity on the ontological positions held. Do organisations, people or relationships hold power? Methodologies used by scholars have tended towards the norms of the domain in which they operate. This has resulted in consistent findings within disciplines, although contradictions appear when these functional barriers are crossed, leading to distinct schools of thought on where power is located, as discussed in sections 2.17 – 2.20.

The underpinning philosophical assumptions need particular scrutiny when models developed in different domains are used. Across disciplines, research into power is rooted in the five-base typology (French and Raven, 1959). This is a common measure of power (French and Raven, 1959, Rogers, 1974, Lachman, 1989, Bradshaw, 1998, Munduate and Dorado, 1998, Pettigrew and McNulty, 1998, Elangovan and Xie, 2000, Rajan and Krishnan, 2002, Somech and Drach-Zahavy, 2002), despite criticisms of its use of ipsative measures in the original research and subsequent field studies (Podsakoff and Schriesheim, 1985, Kohli and Zaltman, 1988, Schriesheim *et al.*, 1991b). Ontological issues on who, or what, holds power arise when applying this framework to inter-organisational situations, owing to the original research design. As this assessed power between employees and supervisors, the bases are orientated toward individuals in intra-organisational relationships.

The ontological worldview of the researcher influences the research design, as where they deem power to lie in buyer-seller relationships can determine the unit of analysis and the methods used to uncover and interpret data. If researchers have a narrow view of where power resides, the methods chosen may enable findings on this specific aspect to be revealed, yet in doing so, prevent different ontological positions and a holistic, embedded view of power to emerge (Sachan and Datta, 2005). The assumptions and implications of these choices therefore can undermine the integrity of the findings and their value. Indeed, it has been argued that it is these methodological decisions that are the essence of robust research (Cassell and Symon, 1994). However, despite this impact, the ontological positions taken are rarely discussed in the power literature. Failure to consider these issues does not remove underpinning philosophical assumptions, but rather relies on weak philosophical positions (Collier, 1994).

Increasing the complexity of the ontology of power is the possibility of multiple realities or embedded power structures, as highlighted in the IMP approach (Håkansson, 1982, Håkansson and Johanson, 1992, Håkansson and Snehota, 1995, Bello *et al.*, 1999, Håkansson and Ford, 2002, Wilkinson and Young, 2002). For example, a buyer or seller may indeed derive power from the organisation they represent, but equally, the relational quality and the individual's skills and character may afford a level of power that is separate to that of the organisation. In addition, as argued by the Power Regime theorists, power may also lie within the wider supply chain impinging on the dyadic power structures (Cox, 1999, Cox *et al.*, 2001, Cox *et al.*, 2004, Ireland, 2004, Lonsdale, 2004, Sanderson, 2004).

However, this broad coverage of the power construct is not reflected in the extant literature as the methodologies used by scholars have tended towards the norms of the domain in which they operate, focused on narrow, singular aspects of power. This has resulted in consistent findings within disciplines, although contradictions appear when these functional barriers are crossed, leading to distinct schools of thought on where power is located. This conceptual breadth is important as a narrow focus may impede



measurement and increase the threat of confounding variables obscuring genuine effects related to power (Dahl, 1957).

The replication of methods coupled with the failure to integrate approaches from other disciplines may potentially lead to self-fulfilling prophecies. For example, if researchers only study organisational power, factors stemming from individuals may not surface. These attenuated views of power in buyer-seller relationships, whilst illuminating particular aspects, require integration to increase their utility. Care needs to be taken however when evaluating the findings of research from different disciplines as alternative methodologies may limit the applicability of findings.

For example, the research that has most influenced the definition of, and assumptions about, the use of power, originates from the social psychology domain (Bierstedt, 1950, French, 1956, Dahl, 1957, French and Raven, 1959, Bachrach and Baratz, 1962, Emerson, 1962, Blau, 1964, Emerson, 1964) whose positivistic methodologies are arguably influenced by a scientific tradition (Coolican, 1994). Social power research largely draws on these intellectual roots and the dominant method used in this area is experimentation, often in the form of role-play or games. Frequently students have been used as the participants often taking on buyer and seller roles. In these experiments the independent variables under investigation included the power balance between parties, aspiration levels, dependencies and bargaining style. These were used to test associations and relationships with power in negotiations (Emerson, 1964, McClintock *et al.*, 1973, Lawler and Yoon, 1993, Mannix, 1993, Mannix and Neale, 1993, Kim, 1997, Tenbrunsel *et al.*, 1999).

Whilst these studies shed light on numerous areas of power theory, their utility for the theoretical development of power in buyer-seller relationships must be questioned, as separating buyers and sellers from real-life contexts could pose a threat to the ecological validity of the findings. The use of students as participants potentially distorts this further, as organisational commitment and other contextual factors are difficult to

replicate in an artificial setting. Although taking on these roles for the experiments, these sample groups are arguably not typical of real buyers and sellers in relation to many elements of relationships and decision-making. Thus, this previous research makes observations on social power rather than social and organisational power in buyer-seller relationships. Experimental methods are also inherently orientated to testing pre-established hypotheses and can often preclude theory building (Gephart, 1999). As power in buyer-seller relationships is still a relatively new area of research with conceptual gaps (Cox, 1999), contextually robust theories need to be developed prior to the use of experimental testing as a research method.

The external validity of previous studies also raises concerns, specifically on whether power needs to be visible before it can be examined, as despite its presence it may be difficult to observe in some interactions (Emerson, 1962). Power is implicit in all inter-organisational relationships (Croom *et al.*, 2000, Giannakis and Croom, 2000, Dubois and Pedersen, 2001) although its magnitude is inherently variable, being contingent upon numerous factors. Research into power in buyer-seller relationships however, has tended towards those relations where there are substantial and observable economic differences between partners (Caldwell, 2003), and there is little research to date into the effects of the relative size differences of companies within supply chains (Ellram and Cooper, 1990).

The research methods used in these studies have potentially contributed to this problem. Power research in the management domain is dominated by the use of case studies, aligned to the phenomenological paradigm (Goffin *et al.*, 1997, Blois, 1998, Watson, 1999, Graham and Ahmed, 2000, Ratnasingam, 2000, Gelderman and van-Weele, 2001, Lehtinen, 2001, Veludo *et al.*, 2001, Cox *et al.*, 2003, Sanderson, 2004). While this is an appropriate research strategy to evaluate contextual conditions (Yin, 1994), the focal organisations used in these studies are often large manufacturers who buy in huge volumes from their smaller-scale suppliers (Wilson, 2000). These polarised situations will tend therefore to reinforce the support for an economic, resource-based view of power, as strong market forces may dominate these relationships. However, the external



validity of these results are compromised, as the utility of the studies for less extreme power situations is questionable (Caldwell, 2003) and the organisations chosen may predetermine the context-based conclusions about power.

A further criticism of the choice of case studies in previous research is the predominance of franchise situations, or high risk, capital-spend items (Wilson, 2000, Caldwell, 2003). The scale, level of involvement and visibility of these areas has made them popular areas for research, justified on the grounds of their criticality to the organisation. However, the counter-argument holds that it is because of these attributes that the rationality in decision-making is artificially increased (Wilson, 2000). Coupled with an already polarised economic situation owing to the company size or market structure, the potential for skewed data is high. Furthermore, these goods and services as the focus of the studies may not adequately represent the higher volume spend of organisations, shedding doubt on the generalisability of the research for all buyer-seller exchanges.

In a similar vein, some studies of power in buyer-seller relationships (Whipple and Gentry, 2000, Tan *et al.*, 2002) have been criticised for an over-reliance on distributing questionnaires only to members of professional purchasing bodies, which may arguably provide more rational or socially desirable responses (Wilson, 2000) and does not adequately reflect the population of the majority of buyers and sellers. The broadening of purchasing and sales roles and the use of groups or cross-functional teams (Kohli and Zaltman, 1988) means that buyers and sellers are no longer the only people in an organisation involved in these decisions. This therefore has implications for research strategies as only researching those individuals from professional bodies may distort the results gained.

## **2.26 Measuring Supply Chain Management**

In the management literature there has been a call for analysis of power at the chain or network level (Ellram and Cooper, 1990, Håkansson and Johanson, 1992, Anderson *et al.*, 1994, Goldkuhl and Melin, 2001, Hall, 2001, Zheng *et al.*, 2001, Håkansson and

Ford, 2002). Some researchers allegedly using the supply chain as the level of analysis (Cox *et al.*, 2001, Cox *et al.*, 2004, Lonsdale, 2004, Sanderson, 2004, Watson, 2004) have also been criticised for still ultimately presenting dyadic models of power in buyer-seller relationships (Caldwell, 2003). Further, even though qualitative methods were used to uncover peoples' experiences and values, the questions asked derived from the researcher's ontological view of power in buyer-seller relationships and thus were questions about the individual's views of organisational variables (Sanderson, 2004).

A fundamental issue for researchers is that despite the apparent growth in interest in SCM (Lummus and Vokurka, 1999), owing to the complexities in practice, few organisations actually operate in this holistic, fully-integrated manner (New, 1997, Spekman *et al.*, 1998, Cox *et al.*, 2004). This lack of integration makes empirical testing difficult. Recent case study research conducted over twelve service and manufacturing industries, including engineering, financial services, healthcare and construction (Cox *et al.*, 2004) found further evidence of this. Here, although many of the participants believed that they should consider SCM as a strategy, only one organisation was actively pursuing this. This raises doubts over the integrity of using the supply chain as the unit of analysis as management research must be designed to reflect the reality of practice.

A factor contributing to this lack of chain integration is that many organisations do not have enough power to influence further up or down the supply chain beyond the buyer-seller dyad (Ramsay and Caldwell, 2004). This therefore makes empirical studies difficult for researchers and the lack of theoretical underpinning (Croom *et al.*, 2000) may prevent practitioners from pursuing these integrated chain strategies. The buyer-seller dyad is arguably therefore a more realistic view of day-to-day operations and therefore should be the focus for analysis (Ramsay and Caldwell, 2004).

Another issue arising from the extant literature on power in buyer-seller relationships is the predominance of one-sided research studies (Provan and Gassenheimer, 1994, Cox *et al.*, 2001, Zardkoohi, 2004). This is attributed to the wide and fragmented scope of



supply chain relationships which has created problems establishing its theoretical foundations (New, 1997) and the broad base of power research across the social sciences (Bierstedt, 1950, Rogers, 1974). Rather than encouraging a multi-disciplinary approach to power in buyer-seller relationships, this broad scope instead has seen a retreat to silo based disciplinary research. The lack of two-way analyses of power and dependency is an identified gap in the extent literature on power in buyer-seller relationships (Bonoma and Johnston, 1978, Campbell, 1997, Svensson, 2002). Despite the presence of many one-sided studies, it is argued that to capture the true nature of these they cannot be separated and any studies of power should assess both buyers and sellers (Wilson, 2000).

Although the individual buyer-seller dyad is arguably the most common level of analysis for academics and practitioners, a problem with this is that it does not look at the relationship in the context of other potential relationships (Dubois and Pedersen, 2001). Robust research designs are needed therefore to assess the buyer-seller relationship in both a chain and competitive context (Ellram and Cooper, 1990, Campbell, 1997, Croom and Batchelor, 1997, Cox, 1999, Cox *et al.*, 2001) to reflect accurately the various levels and influences on the origins, nature and use of power. However, how this is done presents challenges, as previous attempts to address the supply chain context, for example in the Power Regime Model, have been criticised for still ultimately presenting a dyadic interpretation of power (Caldwell, 2003).

## **2.27 The Use of Power**

Power as the potential to influence, is conceptually and empirically distinct to its use and should therefore be separated in research. The differences centre on power as a latent construct, referring to a potential to influence (Rogers, 1974, Gaski, 1988) whereas its use is action-orientated. Failure to clarify these differences can lead to ambiguity and misleading results as confounding variables may obscure genuine effects related to power (Dahl, 1957). Therefore to develop fully the concept of power in buyer-seller relationships, the factors moving it from a passive potential to action need to be identified.

Indeed, a key issue for future research is to locate and evaluate the factors that motivate individual buyers and sellers to turn a theoretically powerful situation into a realised powerful situation in practice. Understanding the move from an abstract potential-to-influence phase to one that is more action-oriented would provide a significant contribution to knowledge and practice and may explain why some seemingly powerful organisations fail to realise their commercial strategies.

Possessing power bases in buyer-seller relationships is therefore merely a route to potential power with contextual and structural variables enabling rather than determining power (Wilkinson, 1996, Pettigrew and McNulty, 1998). Motivating factors need to be identified, as individual, social, organisational and environmental constraints will affect when, and how, individuals exercise or resist power (Webster and Wind, 1972, Tenbrunsel et al., 1999). This balancing of contextual and interpersonal factors is consistent with the ontological position of individuals in relationships (Busch and Wilson, 1976, Ho, 1991, Nielson, 1998, Cheng et al., 2001) and the IMP network theories (Håkansson, 1982, Håkansson and Johanson, 1992, Håkansson and Snehota, 1995, Bello et al., 1999, Håkansson and Ford, 2002, Wilkinson and Young, 2002).

Actual purchasing power is the result of the successful conversion of potential power into intended changes in the behaviour of the supplier although there are still gaps in the extant buyer-seller literature base related to which situations or conditions would prompt the use of power. There is some evidence of a number of factors from other social science domains that address this issue. The strength of an individual's identification with the organisation is one factor motivating the use of power. Here, longitudinal studies in organisational psychology have identified commitment as a variable, which affects an individual's willingness to exert effort on the organisation's behalf (Porter et al., 1974).



Similarly, other studies point to the importance of aspiration and motivation in the use of power (Mannix and Neale, 1993, Kim, 1997). The level of identification with the organisation and its goals, may also affect the levels of rationality in decision-making and the motivation to achieve targets. Experiments investigating peoples' aspirations within negotiations and the impact of these on organisational and personal status, established that parties with equal power and high aspiration, significantly outperform those with unequal power and low aspiration (Mannix and Neale, 1993). Further support for aspiration as a motivating factor was found in a study of managers in a public service organisation which identified career progression, a personal drive to succeed and the desire to meet agreed targets as factors which motivated their willingness to initiative change programmes (Thorne and Meehan, 2005). Although this was looking at change, not power specifically, both areas require individuals to move from a passive to an active state on behalf of an organisation.

It has been suggested that there is often a dynamic tension between personal power and that provided by the organisation's culture and structure. This dualism can constrain an individual's use of power and the behaviour can become internalised (Bradshaw, 1998). This supports the finding from negotiation research that revealed that when conflicts arise in negotiations, people can experience cognitive difficulties reconciling group and individual objectives. Faced with this conflict, personal objectives often become salient over group objectives (Mannix, 1993). Other research however reveals that when people experience a failed course of action, commitment to it is often escalated rather than withdrawn (Zardkoohi, 2004). It was posited that this unwillingness to withdraw may stem from the social aspect of admitting failure (e.g. attempting to save face) or that people seek to justify their action by escalating their commitment to it.

Another factor prompting the use of power is the intended outcome of the buyer-seller exchange as these expectations can determine a person's behaviour (Mannix, 1993). The drive to influence, or resist influence, may be obvious if it is directed toward an extrinsic goal (Raven, 1990). In the case of buyer-seller relationships, an example may be a contract negotiation. In these situations, the intended agreement is likely to be clear and



targeted, and may be linked explicitly to a personal reward incentive. However, it is posited that there are other less obvious motives, which may provide drivers for power to be exercised, for example personal needs (Thorne and Meehan, 2005) and self-esteem (Raven, 1990). Further highlighting the complexity of the issue, constraining factors may also prevent the use of power, despite the potential to do so. These constraining factors may also stretch beyond pure economic or political factors. Personal issues, risk aversion, workload or lack of personal reward are all examples of factors, which potentially may prevent buyers and sellers from exercising or resisting power.

Raven (1990), extended his earlier five-base typology of power (French and Raven, 1959) by investigating the motivations for the use of power and including feedback loops in the model to highlight the continual changing nature of power, owing to choices made by individuals within the specific relationship (see Figure 2.11). The feedback loops in the model are indicated by the dashed lines. This model is set in a political-psychology context and is theoretically grounded as opposed to empirically tested. Owing to this, the motivating factors emerge from generic theories on motivation (e.g., Maslow, 1943). However, it is still an important extension to Raven's previous work, recognising that the five-base typology alone does not provide a comprehensive framework of the power construct and that this requires expansion to include factors driving the use of power. This is a significant development, acknowledging a shift from the bases representing the origins of power, to their use as a lever to exert influence. This has clear research design implications for scholars utilising the five-base typology, as this development effectively combines their use with a moderating variable of motivation.

As these feedback loops suggest, buyer-seller exchanges are unlikely to be discrete, one-off events. Particularly where long-term relationships are being fostered there will be a continual flow of interactions taking place over an extended period of time (Webster and Wind, 1972). The issues faced in these exchanges are also likely to change over a period of time, creating a transient power structure (Bachrach and Baratz, 1962, Cox *et al.*, 2001). If one power base is proving ineffective in securing particular outcomes, the tactics employed may change (Raven, 1990). This highlights that the outcomes of



previous transactions can affect future interactions and may motivate or constrain peoples' inclination to use their power (Wilkinson 1996). This view echoes the ideas of Game Theory and reciprocity (Ben-Porath, 1980, Axelrod, 1984, Christopher, 1998, Welling and Kamann, 2001) whereby actions are influenced by previous interactions.

### **Figure 2.11: Raven's Power Integration Model**

*Source:* Raven, (1990)

This evaluation and behaviour modification will depend to some extent on the values and objectives of the individuals involved (Wilson, 2000). Values and objectives may also change over time as different buyers and sellers come and go, emphasising both the relational and dynamic nature of power. It also recognises that buyers and sellers go

through an evaluative process before power is used (Wilkinson, 1996) highlighting again the role of the individual in the decision-making process.

## **2.28 The Visibility of Power**

The concern over the visibility of power surfaces when addressing its use raising further issues for research design. Some scholars have argued that power cannot be predicated on the assumption that it is totally embodied in visible, concrete outcomes as it is sometimes used covertly (Bachrach and Baratz, 1962). Because these covert actions by their very nature are difficult to observe, they are also potentially difficult to measure. However, this is an important phenomenon, and the ability to shape perceptions and influence the agenda have been found to be important aspects of the use of power and despite the apparent subtlety can be an effective method of influence (Lukes, 1974).

The issue of the visibility of power is blurred further if there is no deliberate influence attempt by a buyer or seller. It has been argued however, that even without explicit uses of power its mere presence can condition behaviour in buyer-seller relationships (Wilkinson, 1996, Cox et al., 2001). Building on this idea of conditioning behaviour, a specific buyer-seller example of non-direct power quoted in the extant literature, relates to the decisions taken by suppliers prior to any overt action by buyers (Ramsay, 1995). In these circumstances, sellers may modify their offering despite the absence of any buyers' use of power in order to ensure they win the potential business.

Non-direct power and influence feature in the extant management and political literature. An example of how this can be used is through the manipulation of the situational environment so people are effectively forced to comply, although they are not the direct target of the influence attempt (Cartwright, 1965). Another non-direct strategy invokes the power of third parties to alter the influence over the decision-making process (Raven, 1990). Taking a supply chain perspective where companies work as a coherent unit beyond a buyer-seller dyad (Cavinato, 1992, Cooper and Ellram, 1993, Bowersox *et al.*, 2002), this may be an important tactic in the exercise of power. The suggestion here is that organisations may draw on the collective power of the supply chain to affect



decision-making, which may constrain an individual's ability and / or motivation to influence. The extent to which companies operate in this integrated manner may therefore be a variable affecting the use of power.

The lack of explicit empirical research on what motivates buyers and sellers to use their power creates a further gap in the knowledge base. Despite a number of studies pointing to aspiration, commitment and covert manipulation of the wider environment, these studies are not in buyer-seller contexts and do not look solely at the use of power. This therefore gives rise to the fourth research question:

- **To establish the factors contributing to the use of power by buyers and sellers.**

## **2.29 Summary**

In this chapter the extant literature on power in buyer-seller relationships has been explored and critiqued to identify current gaps in the knowledge base. To allow the context-specific issues to emerge, a broad literature base covering various aspects of buyer-seller relationships has been considered. Power is implicit in these relationships, affecting their operational, commercial and strategic success. Where power is attributed, whether this is to the individual, the organisation, the network, or the relationship, will affect how power is managed, gained and used. A fundamental debate here is whether buyer-seller behaviour is rationally or relationally orientated. While empirical support can be found for both of these approaches, in reality it is likely that elements of both the rational and relational approaches affect the nature of power in buyer-seller relationships.

The breadth of current models of power in buyer-seller relationships has also been challenged through the identification of the need for a clearly defined operationalisation of power with contextual boundaries of what each party seeks to influence. With a plethora of theories on strategic purchasing and sales management, the potential breadth

of influence by buyers and sellers is arguably vast. Clarity is needed therefore as it is possible that different power sources, or combinations of these, allow influence over different areas and not all of the desired outcomes of buyer-seller relationships are economically driven. Contingent on the critical success factors of particular industries, organisations may derive more benefit through securing the power to influence in other areas, for example, a supplier's delivery performance, the use of e-commerce, or their research and development strategy.

Given the broad interest in power and its role in buyer-seller relationships, this chapter has critiqued a wide body of knowledge. However, there are number of key pieces of research that have informed this research, both conceptually and methodologically. In relation to the nature of power, the five-base typology (French and Raven, 1959) is a seminal piece of work on the nature of power. Interestingly however, given the many criticisms of this work and its subsequent field studies (Podsakoff and Schriesheim, 1985, Schriesheim et al., 1991b) the five-base typology does not inform this research conceptually. Rather, its lack of generalisability underlines the importance of context-specific research and thus contributes to the underpinning methodological considerations made in this research.

Further extensions of the five-base typology, as seen in Raven's (1990) Power Integration Model, demonstrate that the typology alone does not provide a comprehensive framework of the power construct and that it requires expansion to include factors driving the use of power. This recognition of the various elements of power is an important conceptual influence on this research.

The Power Regime Framework (Cox et al., 2001) is another key piece of research that has informed this research. Conceptually this has been influential as it is the first model in the extant literature that explicitly deals with power in buyer-seller relationships. Its theoretical contribution is the recognition of power as a two-way dynamic and the



acknowledgement that the ability to influence may be dictated by an organisation that is in the chain, yet outside of the immediate dyad (Cox et al., 2001).

This potential pluralistic nature of power highlights that the ontological position of power may be embedded at a number of levels. This is consistent with the research by the IMP group, in particular the Activities Actors Resources (AAR) model (Håkansson and Johanson, 1992, Håkansson and Snehota, 1995). Although not looking specifically at power, the inter-organisational model embodies three layers of analysis; actor bonds, activity links and resource ties. Through these three levels of analysis, the IMP group draw attention to the complex nature of buyer-seller exchanges and the various influences upon these and has impacted conceptually on this research.

When taken as a collective, all these key pieces of research have had a major methodological impact on this research as they highlight the limitations of predetermining ontological positions. As highlighted in this chapter, power research has developed in discrete domains with little crossover of results or methodologies. Indeed, failure to integrate these existing pieces of research has led to the emergence of distinct schools of thought on the nature of power. Social theories that are built borrowing the worldview of the researcher can become self-fulfilling (Ferraro *et al.*, 2005). The perpetuation of research methods and the lack of consideration of ontological issues in the research design have, to some extent, predetermined the results of these studies, skewing them toward one of these ontological schools of thought. Thus, the critical analysis of the research methods used in these key pieces of research has impacted methodologically on this research and has led to a mixed method approach, and where possible, the ontological constraints imposed on previous research have been lifted.

## **CHAPTER 3: METHODOLOGY**

### **3.0 Aims and Objectives**

The aim of this chapter is to provide the rationale for the methodological approach used in this research, by addressing the underlying philosophical assumptions. Chapter 2 reviewed the conceptual framework for this study and various aspects of the research methods and ontological positions used in previous studies were challenged. In this chapter, the methodological issues arising from Chapter 2 are synthesised and examined in relation to the different paradigms used in the social sciences. These are incorporated with other methodological considerations for this research. This provides a critical review of the methodological choices available, and their potential impact on the results. It also allows this research to be positioned in the management domain and the methodological contributions to be made are highlighted. It is important to address the philosophical assumptions underpinning the paradigms as these highlight the very essence of how research is devised and ensure it is methodologically rigorous. Detailed summaries of the research design, reliability, validity, data collection are covered in Chapter 4.

The specific objectives for this chapter are to:

- **Summarise the methodological and ontological issues arising from the extant power literature**
- **Identify the methodological issues arising from the objectives of this research**
- **Explore the methodological choices and alternative approaches available for this research**
- **Identify the assumptions that underlie different methodological paradigms**
- **Confirm and justify the methodological choices made for this research**



- **Present evidence to support the methodological contribution to be made by this research**

### **3.1 Summary of Methodological Issues**

Although power research is a relatively mature area, the previous chapter highlighted that its role in buyer-seller relationships still has some fundamental questions that remain unanswered. These issues predominantly stem from methodological concerns. As the power literature is diverse, spanning numerous domains in management and the social sciences, different research approaches have been used, from experimentation and role-play (Emerson, 1964, McClintock *et al.*, 1973, Lawler and Yoon, 1993, Mannix, 1993, Mannix and Neale, 1993, Kim, 1997, Tenbrunsel *et al.*, 1999), through to surveys (Gaski and Nevin, 1985, Gaski, 1988, Gaski, 1989, Zemanek and Pride, 1996, Leonidou, 2005) and qualitative case studies (Goffin *et al.*, 1997, Blois, 1998, Watson, 1999, Graham and Ahmed, 2000, Ratnasingam, 2000, Gelderman and van-Weele, 2001, Lehtinen, 2001, Veludo *et al.*, 2001, Cox *et al.*, 2003, Sanderson, 2004). However, these approaches have not been integrated (Croom *et al.*, 2000) and where findings or frameworks from other domains have been drawn on, the extant literature lacks an appreciation of the ontological and epistemological challenges that these different methods raise.

A number of questions remain unanswered concerning power in buyer-seller relationships. Much research has focused on the bases of power (French and Raven, 1959, Bonoma, 1982, Gaski, 1986, O'Byrne and Leavy, 1997, Munduate and Dorado, 1998), yet in the inter-organisational literature, it has not been established why certain buyers and sellers have power. This gap is largely attributed to ontological inconsistencies between the different domains and disciplines. At the heart of these differences is the debate as to whether buyer-seller behaviour is driven by rationality or relationalism. This has resulted in distinct schools of thought as to whether power is attributed to personal characteristics of the individual buyers and sellers, the organisation, the environment or the dynamics of the relationship with the other party. Analysis of these studies (see sections 2.17 – 2.20) reveals that these schools of thought have been shaped by the choice of research design, and in many cases, have led to self-fulfilling

prophecies on the social reality of power. This ontological debate must therefore underpin the research methodology and design, and where possible, these constraints must be lifted.

Two further methodological issues emerge from the literature concerning the operationalisation of power. Firstly, as power is a nebulous concept, what buyers and sellers seek to have influence over must be established. As power is a universal phenomenon within all social relations (Bierstedt, 1950), it has a wide scope and so requires explicit definitions for particular research contexts (Dahl, 1957, Emerson, 1962, Hunt and Nevin, 1974). Indeed, it is unlikely that a buyer or seller would seek to influence the same factors that are found within an employee-supervisor context. Therefore, to use power frameworks that have been developed for these specific research situations may be problematic. Secondly, there is also a lack of precision in the existing literature between power as a passive, potential to influence, and the more action-orientated use of power (Wilkinson, 1996, Pettigrew and McNulty, 1998). One of the contributory factors to this problem is that the English language contains no verb or noun forms for power; consequently, control and influence are often used interchangeably with power (Dahl, 1957). Failure to define the operationalisation however can lead to ambiguity and misleading results as confounding variables may obscure genuine effects related to power. These issues have led to the research questions as discussed in section 1.1. In summary, these research questions address five key issues:

- **To identify the factors contributing to power and countervailing power in a two-sided study of buyers and sellers**
- **To establish the ontological position of where power is located in buyer-seller relationships**
- **To identify what buyers and sellers seek to influence**
- **To establish the factors contributing to the use of power by buyers and sellers**
- **To evaluate the implications of the findings to the management of inter-organisational relationships.**



### **3.2 Methodological Approaches**

Although sometimes used synonymously, methodologies and methods are not the same thing. Methodology is the study of methods and their underpinning philosophical assumptions. Methods are the specific techniques used to collect and analyse data within a research project (Wilson, 2002). This chapter therefore addresses, explores and justifies the methodological considerations and choices made in this research, and the implications and assumptions of these decisions. The discussion will be set in the context of management and power research. Chapter 4 provides the detail of the research design, data collection and analysis techniques used.

A fundamental methodological issue to address is that of the paradigm. A paradigm is defined as:

“A set of basic beliefs (or metaphysics) that deals with ultimates or first principles. It represents a worldview that defines, for its holder, the nature of the ‘world’, the individuals place in it, and the range of possible relationships to that world and its parts, as, for example, cosmologies and theologies do” (Guba and Lincoln, 1994, p.107).

The basic beliefs, philosophies and assumptions of the various paradigms therefore underpin all methodological choices, yet they must be accepted on faith, as their ultimate truthfulness cannot be established (Guba and Lincoln, 1994). Increasing the difficulty for the researcher is that there are no set rules to follow only guidelines and the nature and formation of paradigms are themselves open to discussion (Lincoln and Guba, 1985). As the definition highlights, choices made are in some way dictated by the ‘worldview’ of the researcher. For example, where they may believe power is located and how it is constructed may determine the research methods used. If the researcher deems that power is the property of the organisation, they may devise a research strategy that enables these associated variables to be isolated and measured. However, if power is viewed by the researcher as a socially constructed concept between individuals, interviews may be chosen to analyse buyers and sellers attitudes, as these may be complex and difficult to measure by quantitative methods.

This worldview of the researcher will affect not only the chosen methods and approach used, but also how they interpret the data collected. It is critical that the underpinning philosophy of the research project and the implications of these choices are assessed, as failure to consider these issues can undermine the integrity of the findings and their value (Morgan and Smircich, 1980). Indeed, it has been argued that it is these methodological decisions that are the essence of robust research (Cassell and Symon, 1994). Further, as this worldview will affect the researcher’s approach, albeit perhaps unconsciously, the alternative to addressing philosophy in research is not to have remove the underpinning philosophical assumptions, but rather to rely on weak philosophical positions (Collier, 1994).

At its broadest level, the choice for the researcher falls into one of two methodological approaches: positivism and phenomenology (Easterby-Smith et al., 1999). Blurring these paradigms however, is the frequent use of alternative terms. Positivism is often referred to as quantitative, objectivist, experimentalist or scientific research. Phenomenology is also referred to as interpretivist, subjectivist or qualitative research. For clarity, the terms positivism and phenomenology will be used throughout this chapter. The philosophical foundations of positivism and phenomenology should guide researchers into quantitative or qualitative research designs. Positivism has its emphasis on empirical scientific testing and is aligned to the quantitative approach, whilst qualitative research is associated with phenomenology. The distinction between the methods chosen should be driven by philosophical considerations and the purpose of the research, not necessarily the norms of the subject domain (Dobson, 2002, Wilson, 2002). Table 3.1 lists the key features of these two approaches.

**Table 3.1: Key Features of Positivist and Phenomenological Paradigms**



*Source:* Easterby-Smith et al., (1999)

### **3.3 Positivism**

Positivism assumes an objective world and is concerned with uncovering facts through the use of experimental or survey methods (Gephart, 1999). Referring back to the idea of a paradigm being a set of basic beliefs, or worldview, positivism has its philosophical roots in the pure and applied sciences (Wilson, 2002). Implicit in this view is that aspects of the world can be represented by variables and therefore can be isolated and measured. This is in contrast to metaphysics, which is based on abstract theorising as the nature of the phenomena under investigation prevents direct measurement, for example, cosmology. Positivism therefore arose out of the rejection of the idea that metaphysical speculation could provide a basis for obtaining true knowledge of phenomena (Remenyi *et al.*, 1988, Trochim, 2001). This approach therefore can be problematic for some concepts in the social sciences, for example power, as these are often more suited to inductive investigation owing to their complex, multi-faceted nature, which may prevent direct observation and measurement.

Highlighting its alignment to the physical and natural sciences, positivism also implies that this focus on an observable social reality will, as an output, seek to establish laws or

generalisations (Gephart, 1999). An assumption underlying this idea is that when a researcher interprets data, it retains its social context and meaning (Easterby-Smith et al., 1999) and that the researcher is independent of and neither affects, nor is affected by, the research subject (Remenyi et al., 1988). However, in order to allow statistical analysis large samples of data are required. Whilst positivists contend that this increases the external validity and generalisation of results (Coolican, 1994, Hair *et al.*, 1998), anti-positivists argue instead that this further divorces individual cases from their social groups and contexts, which under their socially-constructed worldview are important aspects in their own right.

The broad method of reasoning under a positivist philosophy is deductive. Deductive reasoning is a top-down approach, working from the general to the specific, as highlighted in Figure 3.1 (Trochim, 2001). This approach is driven by the underpinning philosophy of positivism, based on objective measurement. Deductive processes therefore promote the development of generalised theory, for which hypotheses are generated. Direct observation and measurement techniques are employed to test and confirm these hypotheses in light of which, theory is amended and shaped.

### **Figure 3.1: The Deductive Reasoning Process**

*Source:* Trochim, (2001)



### **3.4 Falsification**

Within positivism, it has been argued that for something to be counted as a theory, it must be able to be falsified (Popper, 1959). This ability to falsify a theory enables researchers to progress by removing false hypotheses and variables. Importantly, the theory does not actually have to be falsified to meet Popper's criteria; the researcher only needs to show how it could be (Coolican, 1994). This idea starts with the rejection of inductive approaches (as illustrated in Figure 3.2), which are not testable under these criteria as they only provide supporting evidence for a theory and therefore are not a suitable basis for scientific knowledge. In positivistic terms, the use of the null hypothesis is not a form of falsification, as failure to reject it does not imply its acceptance, or falsification of the theory. It merely implies a failure to obtain confirmatory support for a theory or hypothesis and that the sample results are unlikely to have occurred by chance (Hines, 1988). Falsification therefore, stipulates a research strategy where theoretical hypotheses are formulated so that they can be falsified and experimental efforts should be made not to verify and confirm these, but rather to falsify them (Rothschild, 1999).

These rules can be applied more consistently in certain fields of the natural sciences. Problems arise however, when trying to apply this logic to the social sciences as human influences create complexity and variability, making it difficult to find eternally valid laws and to carry out controlled experiments (Rothschild, 1999). Falsification however, is useful in highlighting the limitations of research, i.e. in social sciences, findings may not prove an immutable law, but associations or evidence are found to develop theory. This is important, particularly for the theoretical development of power in buyer-seller relationships as this concept, and its application, may be dynamic and contextual. Therefore, while generalised theory and conceptual development still has a critical role to play, it is only part of an ongoing process of building knowledge.

### **3.5 Phenomenology**

The alternative methodological approach to positivism is phenomenology, which uses predominantly qualitative research methods (Trochim, 2004). The phenomenological school of thought attempts to understand the social world from the point of view of the

actors directly involved in the process. Social constructs including language and culture are explored in their natural settings to attempt to understand the meaning behind social reality (Wilson, 2002). This sensitivity to the context is seen as a critical dimension of interpreting social constructs and is diametrically opposed to the experimental methods of positivism, which attempts to remove any confounding variables to create rigidity and standardisation (Mason, 1996). The underpinning philosophy in this methodological tradition is that behaviour is determined by experience rather than by an external, objective and physically described reality (Cohen and Manion, 1994).

Just as positivism was a reaction to metaphysical speculation, phenomenology arose out of the rejection of the central tenets of positivism; particularly the scientific method, which phenomenologists argue cannot be applied to the social world (Wilson, 2002). Critics of the positivist view argue that by developing quantified measures of social phenomena, the relational contexts, meanings and interpretations of these variables can be lost (Guba and Lincoln, 1994). In terms of the paradigmatic underpinning, phenomenologists also challenge the objective philosophy of positivism, arguing that the quantitative methods used, still, in some way, impose the researcher's own worldview on subjects, thereby limiting the objectivity (Bryman, 2004). Conversely, positivists argue that the lack of objectivity and high levels of researcher interpretation seen in the phenomenological tradition, threatens the external validity of results gained.

Researchers in the phenomenological tradition predominantly use inductive methods of reasoning, which are more open-ended and exploratory, especially in the early stages of the research. Inductive reasoning has a bottom-up approach, moving from specific observations, out of which patterns are identified. These patterns form the basis of tentative hypotheses that can be tested to draw broader generalisations and theories (Trochim, 2001). The process is illustrated in Figure 3.2. Most social research however, involves both inductive and deductive reasoning processes and it is naïve to view these as mutually exclusive (Saunders et al., 2000, Trochim, 2001)



### **Figure 3.2: The Inductive Reasoning Process**

*Source:* Trochim, (2001)

### **3.6 Critical Realism**

There has arguably been a trend away from the purely positivist tradition, moving instead towards phenomenology (Easterby-Smith *et al.*, 1999). This is seen in the management domain, where researchers commonly espouse a pragmatic view towards research approaches by the use of mixed methods, thereby spanning both philosophical traditions (Remenyi *et al.*, 1988, Easterby-Smith *et al.*, 1999, Saunders *et al.*, 2000). This is seen in other areas too, including psychology, which is moving away from wholly positivist approaches to ones that are more critical (Mason, 1996). Recognition that there are philosophical weaknesses of both the positivist and phenomenological approaches has seen the emergence of critical realism. It has been argued that this approach can be useful as an underpinning philosophy for operations research and management science and systems (Mingers, 2000). Critical realists argue that because direct measurement, observation, and interpretation are all fallible, all theory is revisable; therefore, our ability to know reality with certainty is questioned, increasing the importance of using multiple approaches and triangulation (Trochim, 2001). It is this position that enables critical realists to link together the positivist and phenomenological paradigms (Joseph, 2002).

### **3.6.1 Transitive and Intransitive Realities**

The underpinning philosophy of critical realism centres on the belief that there is a reality, which is independent of our thinking about it, which science can study (Dobson, 2002). This stresses therefore the separation of thought and being (Joseph, 2002). The critical realist asserts that two elements of reality exist, one which is transitive, and another which intransitive (Bhaskar, 1978, Bhaskar, 1991).

Transitive, in its grammatical sense, is applied to a verb or subject, and requires a direct object to make sense (The Concise Oxford Dictionary, 1991). The prefix, 'trans' literally means 'across' or 'through'. These elements reflect the perceptual dimension in critical realism, as they imply observation and human interpretation, which leads to a value-laden observation of reality (Bhaskar, 1978, Bhaskar, 1991, Dobson, 2002). The transitive element therefore is changeable as our views and perceptions alter (Dobson, 2002).

The second and separate dimension of the social world proposed by critical realism is intransitive, with properties in direct contrast to the transitive elements. These elements exist independently in a relatively enduring state, and relate to the structures, processes, events and mechanisms of the social world (Joseph, 2002). The aim of critical realist research is to develop a better understanding of these enduring structures and mechanisms (Saunders et al., 2000).

This perspective has important implications for power research. Owing to these different dimensions of reality underpinning the critical realism paradigm, a researcher cannot concentrate solely on a single unit of analysis, for example, the organisation or the individual (Reed, 1997, Dobson, 2002). Rather, critical realism argues for a relational perspective where each level of a social situation can be examined in turn, as well as the interactions between these (Dobson, 2002). Therefore, as well as studying practices and activities, it is also necessary to examine abstract social structures (Joseph, 2002). This has clear links to the debates highlighted in Chapter 2, surrounding the ontological nature of power and whether it is an attribute of the organisation, the individual or the



relationship. These various ontological perspectives fall into two generic, overarching schools of thought. The first views power as a rational construct with a focus on the structural elements of the buyer-seller interaction. The second school of thought views power as relational construct, where the individual behaviours of the buyers and sellers determine the power dynamic and decisions made.

These two schools of thought may appear to be dichotomous, yet under a critical realist perspective these ontological distinctions on where power is attributed may merely be reflective of the transitive and intransitive dimensions of power. If power research is orientated towards individuals within relationships, it can be argued that relational, social, and structural attributes of the power dynamic can be considered (Ho, 1991, Cheng *et al.*, 2001, Caldwell, 2003). However, it is important to note that this methodological tradition stems largely from philosophy and religious study, whereby the intransitive dimension is viewed as immutable and enduring. In a management context, these events and structures may still move and change over time, although less so than the relational, transient interactions.

Another methodological implication of this paradigm is the nature of the research aims. Prediction, falsification and theory testing are limited within the critical realist approach. Derived theory from social investigation can only indicate tendencies rather than provide clear prediction. Similarly, falsification based on social observation is never fully possible (Dobson, 2002). This limitation therefore dictates that under a critical realist approach, the primary aim of the research should be explanatory and theory building.

### **3.7 Ontology and Epistemology**

Ontology is the nature or social reality of the phenomena or entities under investigation (Mason, 1996). Ontological assumptions on the nature of reality underpin the differences between positivism and phenomenology, as highlighted in Figure 3.3. In the positivist tradition, the world and reality are viewed as objectively determined and people are perceived as responding to their external environment. Conversely, within the

phenomenological paradigm people are viewed as having free will and shaping their world within their own experiences. They are therefore not bound by their environmental context as reality is viewed as being socially constructed and it is given meaning by people (Easterby-Smith et al., 1999). Critical realists however, argue that the social world is independent of the individual's perception and that it is tangible and present whether or not it is labelled and perceived (Romm, 2001). These views highlight that ontology and the methodological paradigms have a symbiotic relationship with each influencing choices of research design and each other.

### **Figure 3.3: A Continuum of Ontological Assumptions**

*Source:* Morgan and Smircich, (1980)

For this research, it is likely that different worldviews on the nature of power and where it is attributed will exist in the buyer-seller population, and some environmental contexts may be more constraining than others. For example, some industries may contain very dominant organisations (e.g., the UK food retailing industry), or regulation may influence or dictate buyer-seller practice. This may be seen in the purchasing practices of public service organisations, which operate within strict rules governing how they relate to suppliers, both existing and potential (Erridge *et al.*, 1998, OGC, 2007). In addition, within any organisational context, various individuals may have different views on the reality of their buyer-seller relationships, the environment and their role.



The fundamental ontological question here concerns the nature and essence of reality of what is under investigation, i.e. power in buyer-seller relationships. A pertinent issue is the precise definition of the concept. Power as the potential to influence is latent and passive and is a separate function from its action or use (Rogers, 1974, Gaski, 1988). The nature of power in buyer-seller relationships determines the unit of analysis and the methods used to uncover data. Increasing the complexity here is the possibility of multiple realities. For example, a buyer or seller may indeed derive power from the organisation they represent, but equally, the relational quality and the individual's skills and character may afford a level of power that is separate to that of the organisation.

Epistemology is the philosophy and study of knowledge (Trochim, 2001). It concerns the principles and rules that help researchers to decide whether, and how, social phenomena can be known and how this knowledge can be demonstrated (Mason, 1996). It therefore has a close relationship with ontology and methodology (Dobson, 2002). Epistemologically, positivists use a cumulative process of gaining knowledge by explaining and predicting events by establishing patterns and relationships in the data, with the focus on the identification of fundamental laws (Romm, 2001). In contrast, phenomenologists believe that the world is relativistic and therefore objective knowledge cannot be generated because understanding must be achieved by experiencing directly the activity under investigation (Romm, 2001).

Critical realists agree that our knowledge of reality cannot be understood independently of the social actors under investigation. However, an underpinning assumption is that reality itself is not a product of this knowledge derivation process as it is subject to value-laden observation and is therefore a transitive dimension (Dobson, 2002). This suggests that reality can never be a social product since it pre-exists the transitive, changing analysis of it. Our perceptions of reality change continually but the underlying structures and mechanisms constituting that reality are enduring (Dobson, 2002). Therefore, under a critical realist perspective, being and knowledge must be separated, with primacy given to the ontological over the epistemological (Dobson, 2002, Joseph, 2002). Following this argument, it is also posited that academic traditions popular in a discipline, or the

researchers own preferences and skills should not define the methodological approach. Rather, the nature of what is to be investigated should be the primary driver of choice (Easterby-Smith et al., 1999).

Ontological and epistemological assumptions also cover the role of the researcher and the level of interaction they have with the participants of the research. At the objective, positivistic end of the research spectrum, the underpinning assumptions are that the researcher should be independent from what is being researched. Conversely, the phenomenological view is that the researcher needs to interact with that being researched to gain access to peoples' attitudes, values and beliefs, all of which are viewed as important dimensions of social reality (Mason, 1996). It has been argued though that it is naïve to view any research as having complete independence between researcher and that being researched (Coolican, 1994). Whether theory development is inductive or deductive, researchers will inevitably have their own worldview that may distort results. Indeed, the methodological and research design choices made, themselves may influence the research process.

### **3.8 Approaches of Existing Research**

Many of the methodological issues in relation to the existing body of knowledge on power have been discussed at length in Chapter 2. The discussion in this section is not intended to classify various researchers along the positivist-phenomenological continuum; it instead summarises the methodological and ontological implications of previous research and how this has shaped the conceptual framework and the considerations for this research.

The extant research on power in buyer-seller relationships is dominated by the use of case studies, aligned to the phenomenologist paradigm (Goffin *et al.*, 1997, Blois, 1998, Watson, 1999, Graham and Ahmed, 2000, Ratnasingam, 2000, Gelderman and van-Weele, 2001, Lehtinen, 2001, Veludo *et al.*, 2001, Cox *et al.*, 2003). This is a useful method in organisational research where description, understanding, prediction or control is the major research objective (Woodside and Wilson, 2003). It is also an appropriate



research strategy to evaluate contextual conditions, when the boundaries between phenomenon and context are not clearly defined (Yin, 1994). A potential criticism of this however is the choice of case company. As discussed in section 2.25, the focal organisations are often large manufacturers who buy in huge volumes from their smaller-scale suppliers (Wilson, 2000). These polarized situations will tend to reinforce support for an economic, resource-based view of power, as strong market forces may dominate these relationships. However, external validity is arguably compromised, as the utility of these studies for less extreme power situations is questionable (Caldwell, 2003) and the organisations chosen may predetermine the context-based conclusions about power.

Ontologically, case study approaches tend toward a phenomenologist view of power, in that social constructs are explored in their natural settings thus attempting to understand the meaning behind social reality (Wilson, 2002). However, the results of many of these studies, notably the research in the aerospace industry (specifically the in-flight refuelling equipment sector) that led to the Power Regime Theory (Cox et al., 2001) are still very economically based. Although the findings from qualitative interviews were used as a basis for the Power Regime Theory, these are used to support the view that power is held by the organisation within an extended network, and the role of individuals operating within these is not probed. This would appear to be inconsistent with the underpinning philosophy of the chosen research methods, which are designed to uncover individuals' attitudes and experiences. However, despite the use of interpretive methods, the unit of analysis (i.e. the organisation) is still imposed. Therefore, researchers were not necessarily uncovering individuals' view of power; rather, asking them to comment on their organisations' power, in line with the researchers own predefined ontological perspective. This imposition of an ontological perspective has serious consequences for research findings as this may lead to self-fulfilling prophecies, making conceptual development difficult.

Research on power has its intellectual roots in social psychology and many studies in this domain take a positivistic approach. As discussed in section 2.25, the dominant method here is experimentation, often in the form of role-play or games, where independent variables are manipulated to test associations and relationships (Emerson, 1964,

McClintock *et al.*, 1973, McAlister *et al.*, 1986, Lawler and Yoon, 1993, Mannix, 1993, Mannix and Neale, 1993, Kim, 1997). The obvious criticism of these studies is the divorcing of the power concept from its social context, which may skew results and threaten reliability. Although these have an opposing philosophy than phenomenologist methods, these studies too can impose a unit of analysis upon the experimental designs. The focus is frequently the individual and the resources these hold, and owing to the research design, it is difficult to consider other influences. Consequently, in this tradition, the development of power theory is also one-dimensional and the contextual nuances are harder to uncover.

Two clear research traditions emerge therefore from the power literature, stemming from the methodological norms of the management and social psychology domains. Resulting from this is a lack of consistency of ontological issues in terms of where power is located. Challenging these inconsistencies is one of the contributions of this research. This is achieved through a mixed method approach (specific details are provided in Chapter 4) that limits the ontological constraints of previous research, allowing a fuller investigation of the power construct.

### **3.9 Methodological Choice for this Study**

The overarching aim of this research is to develop a conceptual framework of power in buyer-seller relationships. This research is predominantly positivistic in approach in its use of a large-scale survey as the primary data collection tool, and subsequent quantitative analysis techniques. Positivism is also evidenced in the aim of the project, which is the derivation of a generalised model of power in buyer-seller relationships. Other phenomenological approaches may give more depth to the study of power, yet arguably be too contextually bound to allow generalisation to a wider buyer-seller population.

In recognition of the ontological constraints that a positivistic orientation may impose, an emergent structure was devised using mixed methods in a three-phase research design



(Wilson, 2002). The first two phases are inductive, aligned to the phenomenologist paradigm. Focus groups and semi-structured interviews were both employed to identify the variables contributing to power in buyer-seller relationships, to establish what they seek influence over and to identify motivating variables. Critical Incident Techniques were used, for which there is support in the power literature (Kohli and Zaltman, 1988, Lamming *et al.*, 2001).

Briefly, in the focus groups, buyers and sellers were asked to define the attributes that contributed to power in buyer-seller relationships. An operational definition of power was provided to give clarity on power as a potential to influence as opposed to its use. A nominated member of each group transcribed all responses on flipcharts. To improve the generalisability of the findings, the participants were buyers and sellers at various levels of authority and from multiple industries. Semi-structured 1:1 interviews were held with a separate group of buyers and sellers, to uncover what they seek to have influence over in these relationships, and what motivates or constrains their use of power. Owing to the ontological debates regarding where power is positioned, a unit of analysis (i.e. the individual, relationship, organisation or network) was not specified in any of these activities to allow the participants to explore these issues. This reduced the imposition of the researcher's own ontological perspectives (Denzin and Lincoln, 1994) and was an important part of the research design.

To enable the complex nature of power to be empirically captured, a survey instrument was developed incorporating the variables identified from the focus groups, interviews, and from the extant literature. This minimised researcher interpretation and ensured broad coverage of the power construct, which has been a major criticism of past research on power (Podsakoff and Schriesheim, 1985, Schriesheim *et al.*, 1991b). Full details of the research design are provided in chapter 4.

Inherent in the overall aim of this research is theory development. Following a strict positivistic tradition pursuing purely objective methods can constrain theory

development, as the methods are inherently orientated to testing pre-established hypotheses (Gephart, 1999). Theory development may also be limited through a lack of consideration of the ontological position of power in buyer-seller relationships, as this may not be easily observed. In terms of power, if it has been shown to be a property of an individual, an organisation or a relationship, a research approach must be able to find ways to address this pluralistic concept. This can still be in the positivist tradition, but constraints imposed may need to be lifted. To achieve this, some characteristics of the phenomenologist paradigm have been used, specifically in the exploratory phases of the study. In addition, the exploratory phases allowed the sample groups to define their own ontological positions. These multiple realities of the nature of power could then be tested by quantitative methods to explore commonalities within a wider population. There is support for this mixed method approach (Saunders *et al.*, 2000) as it has been argued that to view the two paradigms as completely opposing is naïve as most social research involves a mix of inductive and deductive reasoning (Trochim, 2001).

### **3.10 Alternative Approaches**

A number of different methodologies could have been chosen for this research project. Although predominantly following a positivistic methodology, strict adherence to this paradigm was rejected, given the ontological considerations that limit the ability to use theoretically-derived hypotheses. Experimental methods were not chosen for this study as they are more aligned to theory testing than development. In addition, to divorce buyers and sellers from real life contexts could pose a threat to the reliability of the findings.

At the other extreme, a purely phenomenological methodology could have been employed, using in-depth interviews or case studies. This would be useful in exploring in detail the attitudes of buyers and sellers and would provide rich contextual information. A consideration of this approach is whether a dyadic or supply chain perspective is taken. While many researchers have argued that the supply chain level of analysis is desirable (Ellram and Cooper, 1990, Anderson *et al.*, 1994, Goldkuhl and Melin, 2001, Hall, 2001, Zheng *et al.*, 2001), the lack of suitable case studies creates challenges. Indeed, even if



some of the organisations in the chain are willing to be involved in research projects, to capture the chain characteristics, all organisations should be included, which, in a network context is unrealistic. Findings from any supply chain research may also have limited generalisability if this integrated approach is not common in the practitioner population (New, 1997, Spekman *et al.*, 1998, Crichton *et al.*, 2003, Cox *et al.*, 2004).

This research is looking at the broad concept of power and focuses predominantly on the buyer-seller dyadic relationship. However, the inductive methods employed in the exploratory phases of this research did not impose a unit of analysis. Therefore, if supply chain contexts were felt to be important by the sample population, the research design was such that it would allow this to emerge as a variable. The use of a sample from a wide mix of industries and authority levels was important in this aspect. Purely phenomenological approaches were rejected, given the aims and objectives of this research. In addition, practical issues of access to case companies and their willingness to devote the necessary time resources also limited this option.

As in any research project, trade-offs must be made as boundaries are set to enable the aims and objectives to be achieved. A common trade-off of breadth versus depth runs parallel to the positivist - phenomenologist, quantitative-qualitative debate. In taking a more positivistic approach using a large-scale survey (n=355), arguably some depth and contextual richness is lost. However, the exploratory stages minimised this potential limitation as well as researcher bias, as the population defined the variables to be empirically tested. Breadth was gained through the mix of companies, industries and levels of authority of the respondents. Given that this lack of external validity has been a criticism of the extant literature on power (Whipple and Gentry, 2000, Wilson, 2000, Tan *et al.*, 2002, Caldwell, 2003), this was an important consideration in the research design.

### **3.11 Summary**

In summary, this chapter has provided the rationale for the methodological approach used in this research. The main consideration underpinning the methodological choice for this

research has been the lifting, or limiting, of ontological constraints in terms of where power is located, that have been imposed in previous research. This was achieved using mixed methods combining inductive and deductive approaches, thereby allowing the population to define their own ontological position on the reality and nature of power in buyer-seller relationships. Full details of these methods are covered in Chapter 4.

The phenomenon under investigation is power, with buyer-seller relationships providing the contextual boundaries. Given the criticisms of previous research and the potential of creating self-fulfilling theories through the imposition of the researchers' own worldview, where power is attributed therefore arguably needs to be interpreted by the practitioner population. Owing to the functional development of power research in the different domains, it was decided that an inductive approach would be used in the exploratory stages of this research. The rationale for this was that to use frameworks and theories of power that had been developed under different ontological and epistemological assumptions may skew the results. To enable a generalised framework of power in buyer-seller relationships, an objective methodological approach is needed. However, the inclusion of mixed methods and using the population to design the research instrument, it has enabled elements of the interpretive paradigm to be included and measured in a quantitative tradition.

In this chapter, the underlying philosophical assumptions of three major paradigmatic traditions have been explored, both ontologically and epistemologically. These were positivism, phenomenology and critical realism. While many other approaches exist, these paradigms were chosen as they represent the different, extreme views, which prevail in the management and social science disciplines. These paradigms were explored in relation to previous power research and specifically this project. This provided a critical review of the methodological choices available, and their potential impact on the results.



The next chapter builds on these philosophical foundations and details the research methods employed in this research. The methods used and considerations made are justified to highlight the robust research design.

## **CHAPTER 4: METHODS**

### **4.0 Aims and objectives**

The aim of this chapter is to detail the chosen research design and methods employed. Chapter 3 provided the rationale for the methodological approach used in this research, by addressing the underlying philosophical assumptions. The research was positioned in the management domain thus highlighted the methodological contributions to be made. This chapter builds on the philosophical foundations built in Chapter 3, detailing the research design and procedures followed to clarify and justify the methodological rigour and rationale of the process. Additionally, the underpinning research design issues of piloting, sampling, instrument development and ethical considerations are all explained and justified.

The specific objectives for this chapter are to:

- **Detail the research design of each of the three phases of fieldwork**
- **Explain and justify the research design choices made**
- **Outline the procedures followed for piloting and sampling in each of the three phases of the fieldwork**
- **Discuss the ethical implications posed by the research design**
- **Detail the analysis procedures undertaken in this research**

### **4.1 Selected Research Design**

Research design is the framework for a study and is it used as a guide in collecting and analysing data (Churchill, 1991). As such, it provides the underpinning structure of the research, ensuring all the major elements work together to address the central research questions. The design decisions are impacted by the research objectives and the philosophical assumptions of the research traditions.

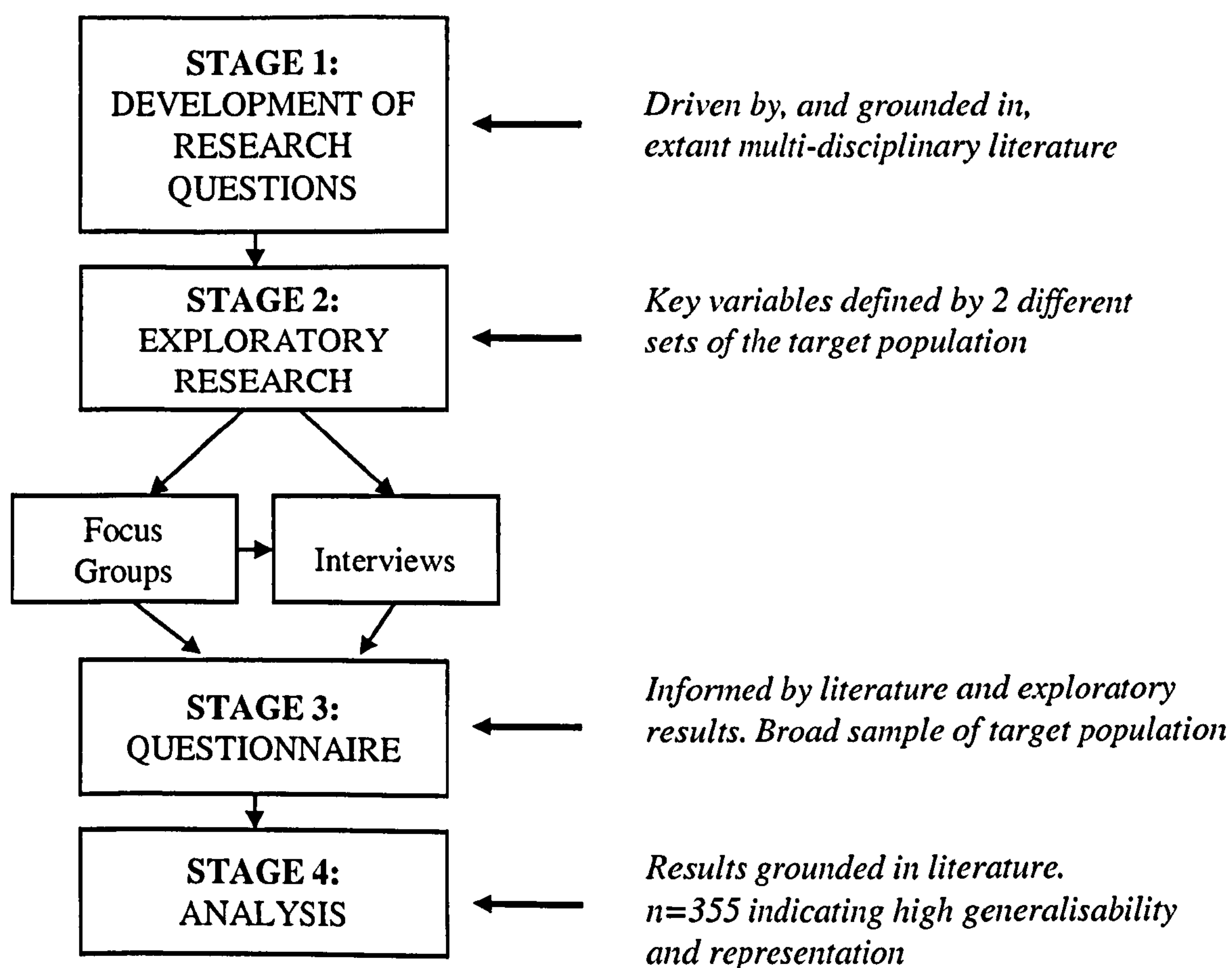


## **4.2 Considerations**

The overarching aim of this research is theory development; specifically, to develop a conceptual framework of power in inter-organisational buyer-seller relationships. The extant body of knowledge of power, as demonstrated in Chapter 2, draws from management and social-psychology domains. Owing to these differing intellectual roots, two clear research traditions emerge in the power literature, stemming from the norms of these domains. Therefore to follow just one of these dominant methods could narrow the ontological perspective. As the identification of the ontology of power is one of the objectives of this research, a mixed methods approach is used. Although largely positivistic in orientation, following this is in a strict manner pursuing purely objective methods can constrain theory development, as these are inherently orientated to testing pre-established hypotheses (Gephart, 1999). As highlighted in Chapter 3, theory development may also be limited through a lack of consideration of the ontological position of power in buyer-seller relationships, as this may not be easily observed. Previous studies have shown that power can be a property of an individual, an organisation or a relationship; thus a research approach must be selected that highlights this pluralistic nature. This can still be in the positivist tradition, but constraints identified in previous studies may need to be lifted.

## **4.3 Triangulation**

To test the pluralistic nature of power therefore, an emergent structure was devised using mixed methods in a phased research design (Wilson, 2002). This allowed characteristics of the interpretive paradigm to be used, specifically in the exploratory phases of the study. A summary of the various stages of the research design and how researcher bias was minimised is provided in Figure 4.1.



**Figure 4.1: Overview of Research Design Stages**

The exploratory phases allowed the sample groups to define their own ontological positions. These multiple realities of the nature of power could then be tested by quantitative methods to explore commonalities within a wider buyer-seller population. There is support for this mixed method approach as a pragmatic way of using the strengths of both approaches (Trochim, 2001, Tashakkori and Teddlie, 2003). Additionally, this use of mixed-methods provides a triangulation that strengthens the confidence in the findings and increases the generalisability of the research (Bryman, 1995). Triangulation has been defined as the use of multiple methods in the study of the same object (Denzin, 1978, Richardson, 2003). However, methodological triangulation is only one form and there can be triangulation of data sources, theories, analysis and unit of analysis (Denzin, 1978). By combining empirical approaches and theories from different disciplines with participant perspectives depth and breadth of the research subject can be gained. Multiple triangulation occurs when more than one of these



methods is used (Hakin, 1987). For this study, the following triangulation methods used are outlined in Table 4.1.

**Table 4.1: Triangulation Methods Employed**

TRIANGULATION METHODS	SUMMARY OF METHODS
Methodological Triangulation	A mixed methods approach combining both quantitative (survey) and qualitative (focus groups and interviews) data collection techniques.
Data Sources Triangulation	Data was collected at three points in the study, from three different samples of the population (focus groups, interviews, and questionnaire).
Theory Triangulation	A multidisciplinary literature review on power theory was conducted spanning management, social-psychology and political domains.
Analysis Triangulation	Different statistical tests (factor analysis, ANOVA, Pearson Chi-Square) have been performed to analyse the questionnaire data.
Unit of Analysis Triangulation	The lifting of ontological constraints in the exploratory stages, allows power to be analysed at the individual, organisational and relational levels

#### 4.4 Fieldwork Phase 1: Exploratory Focus Groups

##### 4.4.1 Aims

The first phase of this research was completed following an initial literature review, from which the research questions were developed. The review of the literature, as highlighted in Chapter 2, included an examination of the models used to measure power. This review revealed a lack of established power theory specific to the buyer-seller context. Existing research is predominantly case study based (Goffin *et al.*, 1997, Blois, 1998, Watson, 1999, Graham and Ahmed, 2000, Ratnasingam, 2000, Gelderman and van-Weele, 2001, Lehtinen, 2001, Veludo *et al.*, 2001, Cox *et al.*, 2003), yet the cases chosen often represented economically polarised situations making conceptual development

problematic. Owing to the ontological issues that these studies raise, the current models of power were deemed unsuitable for use in this research.

This decision was driven by the aim of the research, which is to develop power theory in buyer-seller relationships. As a result, a new instrument required development that had a specific buyer-seller context and which allowed for the pluralistic ontological dimensions of power to be uncovered and explored. The first two phases of the fieldwork were therefore used as data gathering tools for the primary research instrument (a quantitative self-completed postal questionnaire).

Thus, the aim of phase one was:

- **To identify the independent variables contributing to power in buyer-seller relationships.**

As a sample of the target population defined these variables for use in the questionnaire, potential researcher bias was reduced thereby increasing the reliability of the rest of the study (Wilson, 2002).

#### **4.4.2 Design**

This phase of the exploratory research was designed to determine the operationalisation of the power construct for a wide buyer-seller population. To achieve this, emergent approaches were used to generate data and interpret the concept of power in terms of the meanings attributed to it by buyers and sellers (Denzin and Lincoln, 1994). Inductive exploratory research was appropriate in this phase as the concept was not well understood (Saunders et al., 2000), given the ontological inconsistencies identified in the extant literature.

Focus groups using critical incident techniques were used with buyers and sellers from a wide variety of industries and at varying levels of authority and experience. Focus groups can be useful in applied research studies or as an exploratory tool (Easterby-Smith



et al., 1999) and there is support in the inter-organisational literature for using critical incident techniques (Kohli and Zaltman, 1988, Lamming *et al.*, 2001). Within these focus groups, participants had to brainstorm, and document the independent variables – i.e. why were buyers and sellers powerful?

Ten focus groups were used, with numbers in each ranging from three to eight. To improve the generalisability of the findings, the participants were buyers and sellers at various levels of authority and from multiple industries, including public sector organisations. Each group consisted of either all buyers or all sellers, and each group consisted of members from a similar level in the organisation (junior through to senior management level). In most cases, group members had working relationships with each other. The grouping by both level and role was done to increase the comfort of participants and to encourage open debate. It was considered that the results may have been biased deriving from the effects of social desirability (Coolican, 1994) if managers and juniors had been put together. Specifically, would less experienced participants give honest views, if these were at variance with their manager's views? By having mixed levels of authority there would also have been the potential for some participants to 'lead' and dominate the sessions. Splitting the groups by role was used to ensure participants focused on completing the task, as opposed to trying to glean information from 'the other side'.

#### **4.4.3 The Original Format**

Two activities were designed for the focus groups and are illustrated in Table 4.2. The working definition of power "the potential to influence, or the level of resistance that can be overcome" (Dahl, 1957, Emerson, 1962) was written on a flipchart pad and was visible to all participants throughout the activities. This was provided to clarify power as a 'potential' as opposed to actualised power.

**Table 4.2: The Original Format for Phase 1 Focus Group Activities**

<b>Activity 1</b>	<p>As a group, rate Tony Blair, Richard Branson, or William Hague (on –5 to +5 scale) in terms of their power and give reasons for the rating.</p> <p>Use the flipcharts provided to list your views.</p>
<b>Activity 2</b>	<p>As a group, identify the range of factors that answer the following questions:</p> <p>In business-to-business situations:</p> <ul style="list-style-type: none"><li>• A powerful buyer is.....</li><li>• A powerful seller is.....</li><li>• A weak buyer is.....</li><li>• A weak seller is...</li></ul> <p>Use the flipcharts provided to list all your views.</p>

Activity one was designed to encourage a wide focus of power, as well-known people were used and they were not all business related and the individuals chosen ranged in terms of perceived power. Additionally, the power of these individuals was arguably not necessarily associated with organisational power thus the use of non-management contexts may encourage a wide ontological perspective to be taken by the participants. Owing to the ontological debates regarding where power is positioned, a unit of analysis (i.e. the individual, relationship, organisation or network) was not specified to the participants to allow these issues to be explored. This reduced the imposition of the researchers’ own ontological perspectives (Denzin and Lincoln, 1994) and to minimise this threat further, the researcher took a non-participatory role, acting only as observer. Each group had to nominate an individual to transcribe all responses on the flipcharts. Participants were told that all responses had to be logged and consensus decisions were not required.



To address the full spectrum of power, the focus groups would also look at the concept of weakness. This widened the research as the factors contributing positively and negatively to the perception of power were addressed. Likert ratings scales were therefore used from -5 (extremely weak) to +5 (extremely powerful), with 0 as the neutral point.

Activity two was specifically related to what determines power in buyer-seller relationships. Again, no ontological perspectives were imposed. Participants were given 15 minutes to complete the activity which allows a number of broad issues to be considered. Importantly, participants were told that they did not need to gain a consensus on the issues and that all ideas were to be logged.

#### **4.4.4 Piloting**

The activities in this stage of the research were piloted with the PhD supervisory team and two groups of buyers and one group of sellers (each with four members). The activities were tested for time taken, quality of output, problems encountered, ambiguity and sequencing of activities. Amendments were determined by observation and debriefing sessions with the participants (Boyd and Westfall, 1989, DeMaio et al., 2002). Minor amendments were made to the activities, which are detailed in tables 4.3 and 4.4

The main issue arising from the pilot of activity one was the need to define the context of individuals' power to define the relevant properties of responses they are capable of evoking. All issues arising were addressed and the activities modified accordingly. Table 4.5 illustrates the final activities used in the focus groups.

**Table 4.3: Activity 1: Amendments Made to Activity 1 Following Pilot**

<b>Activity 1: Power Rating of Famous Individuals</b>	
<b>Timing</b>	Only use two exercises and restrict the time to 15 minutes each. Different groups can be given different scenarios to gain wide responses.
<b>Quality of Output</b>	Difficult to find weak public figures (the very nature of being in the public eye often demands a degree of power – most invoke indifference rather than perception of weakness). This can be countered by altering the context of situation.
<b>Problems Encountered</b>	Rather than use the scale, list positive and negative factors then rate both at the end (too much time spent on deciding rating without giving contributing reasons and potential lack of agreement). List factors under two headings – those enhancing power and those that detract from it.
<b>Ambiguity</b>	Define the boundaries of power, e.g. Richard Branson as a public figure, Tony Blair in world politics. Other potential figures to use – Bill Gates in home computing industry, the Queen in the modern monarchy.
<b>Sequencing</b>	No issues identified

**Table 4.4: Activity 2: Amendments Made to Activity 2 Following Pilot**

<b>Activity 1: Identification of Independent Variables</b>	
<b>Timing</b>	No issues identified
<b>Quality of Output</b>	Each group to do <u>either</u> “weak” or “powerful” buyer /seller activity (too much duplication and creates narrow focus – participants just stating “the opposite of powerful/weak”). This prevented some variables to be fully explored.
<b>Problems Encountered</b>	No issues identified
<b>Ambiguity</b>	No issues identified
<b>Sequencing</b>	No issues identified



**Table 4.5: Final Activities for Phase 1 Focus Group Activities**

<b>Activity 1</b>	<p><i>(Each group only given one from the list below)</i></p> <p>“Power is the <i>potential</i> to influence”</p> <p>As a group, consider the following in terms of their power</p> <ul style="list-style-type: none"><li>• Richard Branson as a public figure,</li><li>• Tony Blair in world politics</li><li>• Bill Gates in the home computing industry</li><li>• The Queen in the modern monarchy</li></ul> <p>Write down the factors contributing to enhancing power and those that detract from it.</p> <p>Use the flipcharts provided to list your views. <u>All</u> comments must be logged – you do not need to reach agreement on the comments.</p> <p><i>(15 minutes)</i></p>
<b>Activity 2</b>	<p><i>(Each group only given one from the list below)</i></p> <p>“Power is the <i>potential</i> to influence”</p> <p>As a group, identify the range of factors that answer the following question:</p> <p>In business-to-business situations:</p> <ul style="list-style-type: none"><li>• A powerful buyer is.....</li><li>• A powerful seller is.....</li><li>• A weak buyer is.....</li><li>• A weak seller is...</li></ul> <p>Use the flipcharts provided to list all your views. <u>All</u> comments must be logged – you do not need to reach agreement on the comments.</p> <p><i>(15 minutes)</i></p>

**4.4.5 Sampling**

The initial contacts chosen were managers known by the researcher, the supervisory team and other work colleagues from Liverpool Business School. These managers were used to generate participants as they selected groups of available buyers and sellers to complete the brainstorm. As it was not the contacts themselves who took part in the sessions this selection did not lead to bias. However, it did significantly increase the readiness of buyers and sellers to participate in the focus groups. To ensure validity and

to increase sampling diversity (Trochim, 2004), a cross section of companies from a variety of industries was targeted (covering industrial chemicals, pharmaceuticals, local councils, management consultancies, food retailers, IT providers and engineering organisations).

The rationale for this approach was that the aim of this phase of the research was exploratory in nature, and given the pluralistic nature of power it was considered important to include all viewpoints. Indeed, this sampling method is advocated for brainstorming activities as the primary interest is in getting a broad spectrum of ideas, not identifying the most popular, hence the importance of all ideas being logged without requiring consensus (Trochim, 2004). Quantitative analysis on outliers would be addressed through analysis of the questionnaire data.

#### **4.4.6 Method of Data Collection**

The software package Microsoft Office Excel 2003 was used in sorting the output from these sessions to generate the list of independent variables to be used in the questionnaire. The output was typed up and sorted to find duplicate answers. This did present the potential for researcher interpretation although owing to the format of the activities the output was predominantly single words/statements (e.g. product knowledge, empathy, volume of business), thereby reducing researcher interpretation. The variables were also examined for face validity and duplication – i.e., were any of the variables essentially measuring the same thing, for example, ‘experience’ and ‘length of time in the role’. Where variables were considered to be duplicated these were combined / eliminated. Following this process, a total of 42 common variables were identified relating to both self-perceived and countervailing power of the other party. An additional nine variables relating to self-perceived power were identified, bringing the total to 51. All of these variables were written as questions and included in the questionnaire.

### **4.5 Fieldwork Phase 2: Exploratory Semi-Structured Interviews**

#### **4.5.1 Aims**

This phase of the fieldwork had two objectives:



- **To determine what buyers and sellers seek to have influence over**
- **To determine the variables that motivate buyers and sellers to exercise their power**
- **To explore finding from the focus groups**

#### **4.5.2 Design**

Semi-structured 1:1 interviews were held with buyers and sellers to uncover what they seek to have influence over in these relationships, and what motivates their use of power. As there is so little in the extant literature surrounding this area, an exploratory qualitative approach was required as the potential responses were unknown. However, to broaden the response range, the sample of buyers and sellers interviewed was different than that used in the first phase. This also provided an opportunity to evaluate the reliability of the output from phase one (Allan, 1991).

The ontological position of this research suggests that interviews are a legitimate method to generate data as peoples' views and experiences are meaningful properties of the social reality of power (Mason, 1996). Interviewing as a data gathering tool has many advantages. Specifically, they allow for an investigation of underlying motives (Robson, 1992) and large amounts of expansive and contextual data to be gained quickly (Marshall and Rossman, 1995). For this research these are important considerations as interviewees may need to be probed to consider what they seek to influence and what motivates them to use their power. These motives may potentially be commercially or personally sensitive. This adds further support to the suitability of 1:1 interviewing as a method for this phase of the research as group discussions may prevent discussion (Easterby-Smith et al., 1999).

There are three broad types of qualitative interviewing: informal interviews, semi-structured interviews and structured interviews (Patton, 1990). Informal interviews have few pre-written questions and many of the questions are open-ended. These are useful when exploring experiences that are rich and complex (Saunders *et al.*, 2000). In

contrast, standardised interviews have pre-set questions with set responses available. For this research semi-structured interviews were employed which sits in the middle of the continuum of research styles. Questions in a semi-structured interview are preset, yet allow a degree of open-endedness to explore some answers further.

The choice to use semi-structured interviews was driven by the objective to determine the dependent and motivating variables. Therefore, to identify these, questions needed to be asked that directly addressed these areas. This approach, where the questions are focused on a particular issue or process is known as a topical interview (Rubin and Rubin, 1995). This style allows the researcher to cover the broad topic area using the preset questions, yet has the flexibility to probe further if further information is needed. One of the inherent shortcomings is that experiences can only be recounted and there may be a bias in the results if people rationalise their actions and behaviour (Mason, 1996). Also, as power is a complex concept, illustrated in the high number of independent variables identified, opinions may not be clearly formulated in interviewees' minds increasing the difficulties for them to articulate their views (Mason, 1996). These potential limitations are reduced in focused semi-structured interviews as this allows some control over issues that the researcher is specifically attempting to uncover, whilst retaining the flexibility to explore further avenues of enquiry if required.

The use of semi-structured interviews also allowed the exploration of the findings of the focus groups, as the flexible structure allowed various areas to be explored, dependent on the answers provided by the respondents. As these interviews were exploratory in nature, their purpose was essentially heuristic to inform the design of the questionnaire, rather than gathering facts and statistics (Oppenheim, 1992), which would be covered in the questionnaire.

There were four sections of the interview (see Appendix 3). The first section was seeking general information on their overall perceptions of the role of power in buyer-seller relationships. This was used to ensure that the participants had a clear view on the definitions and applications of power in buyer-seller relationships and they were in a suitable role.



The second section sought specific information on what they attempted to have influence over. Through a series of set questions, participants were probed to explore various aspects of influence in their inter-organisational relationships. Participants were also asked to consider what the other party sought to have influence over. Participants were asked to give specific examples from their own experience. This was to ensure that their comments were grounded in practice.

The third section of the interview was designed to identify the factors that motivated buyers and sellers to use their influence. Again, participants were asked to give examples from their own experiences.

The fourth and final section of the interview was designed to triangulate some issues from the focus groups. These questions were drawn from a bank of questions developed from the findings of the focus groups and were selected based on the participants experience, role and time available. These questions included their views on market knowledge, the role of individual buyers and sellers, and economic dependency.

### **4.5.3 Piloting**

The interview questions and protocols to be used were piloted with the PhD supervisory team, one buyer and one sales manager. The interviewing style, data collection and control were discussed and the questions were tested in terms of the quality of output, problems encountered, ambiguity and sequencing of questions. No amendments to the questions asked were deemed necessary. A question which arose in the pilot related to the potential sensitivity of the answers given – both in terms of commercial sensitivity (relating to what they try to influence) and personal sensitivity (also relating to what they influence as this could be perceived in a negative manner, plus the issues surrounding what motivates them as individuals to use their power).

Given that the style of the interview was semi-structured and the answers sought were to identify key variables to design the questionnaire, rather than evaluate their underpinning

experiences, it was agreed that interviews would not be taped as this was raised as an area where consent may not be granted. As the interviews were to be conducted via snowball sampling, buyers interviewed may be a key customer of one of the sellers and vice versa.

Therefore, in these situations, and given the potential commercial sensitivity of the examples used, it was agreed that only written notes would be taken by the researcher and participants names and organisations would not be documented. Generic role (e.g. sales manager, buyer etc) and the organisational type and industry (e.g. manufacturer, IT) would be the only classification data noted. There is support in the literature for not recording interviews (Rubin and Rubin, 1995) as this can affect participants' answers and can become a distraction.

#### **4.5.4 Sampling**

A different sample was used for the interviews than for the focus groups. Participants were selected from the researchers' own contacts from which snowball sampling was then applied. This is valid method for preliminary exploratory research (Lee, 1993). A potential limitation here is selection bias which may limit the validity of the sample as people may recommend others with homogenous attributes (Lee, 1993). This issue was addressed through the generation of a wide starting sample of 6 buyers and 4 sellers, spanning various industries and levels. This maximised the variability of the sample thereby increasing the utility of this approach. From these initial contacts a total sample of 10 buyers and 8 sellers was used. Additionally, replication would be conducted through the use of a large mailed questionnaire to allow the strengthening of any generalisations made.

#### **4.5.5 Method of Data Collection**

Potential participants were informed about the objective of the research and were asked whether an interview with them would be possible. Interview dates were arranged with all those who consented. At the beginning of the interviews all participants were informed again about the objective of the interviews and confidentiality and anonymity were reassured. All interviews took place at the participants' place of work and lasted



from between 30-45 minutes. The set questions were asked to all participants and some were asked additional questions to expand their responses or to clarify points made. Interview responses were noted by the researcher, much of which, given the aims of this phase, consisted of single words or short sentences. The notes were analysed and reviewed to identify words with similar characteristics (Lincoln and Guba, 1985). The outputs from the interviews are outlined in Chapter 5. These outputs were written up into question format and included in the questionnaire.

## **4.6 Fieldwork Phase 3: Postal Survey**

### **4.6.1 Aims**

The questions in the questionnaire developed out of the issues raised in the literature and from the output of the two exploratory stages. This was used as the primary research method. The aim is:

- **To collect empirical data from the buyer-seller population through a postal survey.**

### **4.6.2 Design**

To enable the complex nature of power to be empirically captured, a survey instrument was developed incorporating the variables identified in the focus groups, semi-structured interviews and from the extant literature. This minimised researcher interpretation and ensured broad coverage of the power construct, which has been a major criticism of past research on power (Podsakoff and Schriesheim, 1985, Schriesheim et al., 1991b).

Postal surveys provide quantitative data using closed or fixed-response questions, where respondents are presented with a number of alternative responses for a question and asked to mark the one that they feel is most appropriate (Oppenheim, 1992). Qualitative data can be gathered using open or free-response questions to which respondents are asked to write their own answer (Jordan, 1988). The survey instrument for this study was designed using closed questions. Although closed questions have been criticised for forcing specific responses rather than allowing respondents to answer in their own words

(Converse and Presser, 1986), closed questions still have a number of benefits if the design is robust.

Closed questions are more specific than open responses, thereby providing consistencies and common referents. Additionally, if the response categories available are robustly designed, they can detect differences between respondents more accurately (Converse and Presser, 1986). A critical consideration therefore in the design is that an appropriate set of responses are provided that are meaningful both in substance and wording to the respondents (Schuman and Presser, 1996). In line with these guidelines, the focus groups and interviews were inductive in nature to allow the target population to create and define an appropriate set of questions and responses for the questions used in the survey instrument (Converse and Presser, 1986, Schuman and Presser, 1996).

Additionally, although this primary research method is positivist in nature, a key issue in the research design, driven by the aims and objectives, was not to impose ontological positions relating to who, or what, holds power in buyer-seller relationships. Therefore, to allow the questions in the research instrument to be driven by a wide sample of the buyer-seller population, rather than only using areas from the extant literature was an important aspect of the research design. This supports the theoretical contribution of the research as it sheds light on the ontological position of power in buyer-seller relationships.

Units of analysis are the primary focus for data collection (Patton, 1990). As one of the objectives of this research is to identify the ontological position of power in buyer-seller relationships, this required consideration in the research design. In the first two exploratory phases of the research no units of analysis were imposed to allow the various ontological positions to emerge. As discussed in section 3.14, the units of analysis for the questionnaire were buyers and sellers in inter-organisational relationships.

A copy of the questionnaire can be found in Appendix 6. The questionnaire was divided into seven sections. The data gathered in each section is outlined in Table 4.6 and explained more fully in sections 4.6.2.2 – 4.6.2.6. Instructions for the completion of the



questionnaire were clarified at the beginning of each section. A covering letter was also mailed with the questionnaire and was personalised where possible. Personalised letters do not improve the speed of response but they can contribute to improvements in the overall return rate (Houston and Ford, 1976).

**Table 4.6: Overview of Questionnaire Sections**

<b>Section 1</b>	Classification data of respondents
<b>Section 2</b>	Rating of own level of power
<b>Section 3</b>	Rating of the other party's level of power
<b>Section 4</b>	What they attempt to influence
<b>Section 5</b>	What the other party attempts to influence
<b>Section 6</b>	Motivating factors
<b>Section 7</b>	Supplementary questions

Likert scales were used in sections 2 to 7. 7 response categories were chosen in sections 2 to 5 to increase the reliability as this is the highest number of categories suggested before the benefits level off (Nunnally, 1978). Sections 6 and 7 used 5-point Likert scales as in these sections the focus moved to more generic buyer-seller situations whereby the level of detailed response was not deemed as critical for construct development. In the 5 and 7 point scales, both provided a neutral point to prevent artificial forcing of data into either a positive or negative opinion, which can create ill will from respondents and result in inaccurate data (McDaniel and Gates, 1993). To avoid confusion a 'don't know/not applicable' category was also included to avoid these being masked by the use of a neutral point and also to enable true missing responses to be identified.

Likert scales were chosen for a number of reasons. Firstly, the design was driven by the research aims and objectives. Therefore, to reveal the underlying structure of the power construct in buyer-seller relationships, factor analysis would be used to analyse patterns

in the data. There is support in the power literature for developing the construct by this method (Gaski, 1988, Kohli and Zaltman, 1988, Munduate and Dorado, 1998). To conduct factor analysis, metric data is needed. Previous power research on power using purely ordinal data (where respondents had to rank their responses in priority order) has been heavily criticised for forcing negative correlations (Schriesheim et al., 1991b).

There is some controversy about whether Likert scales are interval or merely ordinal (Newman, 1994). However, if carefully designed with the scale points reflecting relative quantity or degree of magnitude, they can be treated as interval (Schertzer and Kerman, 1985, Madsen, 1989) and this approach is common in the extant power literature (Gaski, 1988, Kohli, 1989). In this research, the labels assigned to scale points were carefully considered to ensure equal magnitude. The use of detailed 7-point scales adds further support for this approach. There is also support in the extant supply chain literature for using 7-point scales specifically for construct exploration and development (Min and Mentzer, 2004, Paulraj et al., 2006). The questionnaires were also piloted with both academics and practitioners and no issues surrounding the use of the 7-point scale were raised confirming its applicability. Further, analysis of the completed questionnaires revealed that all the points on the scale had respondents across the dataset, indicating that the use of 7-point scale over a 5-point, raised no issues for respondents.

From a practical perspective, questions with Likert scales are quick to answer and user-friendly for respondents (McDaniel and Gates, 1993). Given the high number of variables included, this was a key design consideration to ensure the burden on respondents was not too high, thereby preventing response (Sharp and Frankel, 2002). The number of questions was high as all the possible variables resulting from the exploratory phases were included, even if these were only raised by one participant as an important consideration here was not to impose the researchers own ontological view or perspectives on power. The reduction of variables would be achieved through factor analysis. Therefore ensuring the questionnaire was easy and quick to complete needed to be built into the design. To add interest to the respondent and reduce response fatigue, each different section was distinguished from the rest to enable them to see their completion progress.



Although there is some support in the literature for using a mixture of reverse-scored or reverse-worded questions to control response bias (Nunnally, 1978, Anastasi, 1982), care needs to be taken as this can create more problems in measurement quality than it gains (Schriesheim and Eisenbach, 1995). These problems can be compounded if the data is to be subject to factor analysis. In these cases, researchers have highlighted that a majority of reverse-scored items loads on one or more separate factors, distinct from the non-reversed items' loadings, as a result of respondents who fail to take note of the item reversals (Schmitt and Stults, 1985). These factors composed completely by reverse-scored items can appear when only ten percent of respondents miss these reversals (Schmitt and Stults, 1985). This is particularly problematic when interpreting the results of the factor analysis, as these can distort the construct dimensionalities and lead to erroneous results (Idaszak *et al.*, 1988, McGee *et al.*, 1989, Schriesheim *et al.*, 1991a). As the primary data analysis method for this research is factor analysis no reversed items are used in the questionnaire.

#### **4.6.2.2 Section 1**

This section of the questionnaire was used to obtain classification data on the respondents relating to their role, level of decision making, experience, industry, company size, strategic direction, age and gender. This allows research profiles to be established as well as enabling the testing of results between various classifications, which may illuminate interesting relationships and shed further light on power theory.

Nominal data was sought from the majority of the classification variables. Nominal scales assign numbers or labels to subjects but these have no quantitative meaning beyond indicating the presence or absence of a discrete attribute (Hair *et al.*, 2006). Respondents had to confirm their role, whether this was predominantly sales, purchasing, or both. The 'both' category came from the exploratory interviews, where it was revealed that in a number of small organisations, they only had one commercial department that covered both buying and selling activities. Although the anticipated number of respondents in this category was minor, it was included so as not to exclude

respondents within this organisational structure and to allow for potential cross-comparison against role type.

Questions were also included to establish the length of experience in years in both buying and selling roles. The interviews in phase two of the fieldwork highlighted little cross-over between the two commercial disciplines and participants tended to have careers in either buying or selling, which may potentially influence relational elements of the buyer-seller relationship. Ratio data was therefore sought to allow for averages and comparisons to be analysed and profiles to be completed. For these questions, ratio data (in years) was deemed to be the most appropriate as it would allow for the most accurate statistical analysis as the use of arbitrary bands or categories could mask the subtleties of the data. Ratio data represent the highest form of measurement precision (Hair et al., 2006) and could, after further evaluation be collapsed and recoded into categories. However, if categories were used in the questionnaire, these could be collapsed but not expanded out at a later date.

Other questions relating to the respondents' role sought information on their employment status (part time, full time or contract), their level of organisational decision making and their level in their role (senior manager/director through to junior level). These were important considerations to ensure that the sample obtained was representative across the spectrum of buying and selling roles within organisations. As previous research on power in buyer-seller relationships has tended to focus only on senior executive levels (Tan et al., 2002, Lemke et al., 2003) the use of a wide sample contributes to knowledge of power theory. Differences between attitudes between levels of responsibility and experience may also give an interesting insight into how power perceptions may alter over time, which may be an avenue for future research.

Questions on age and gender are also included to allow potential profiling and cross-comparisons to be made. A previous study on power found no relationship between gender and the use of influence and power (Rajan and Krishnan, 2002). This however looked at intra-organisational power and focused on its use, rather than power as a latent construct. Therefore, given these differences in research contexts, gender was considered



to be a potentially useful variable to test, thereby adding to the knowledge base on gender and power. Although these may be considered sensitive areas, as the respondents were anonymous and their name and organisation were not asked for, it was deemed that these were not inappropriate and would not cause anxiety to respondents.

Classification data was also sought on the types of products purchased/sold, industry sector, number of employees, turnover, the relationship status and the primary strategic focus of the employing organisation. All these variables were used to firstly ensure a broad spread of respondents from each category, and also to allow comparative analysis. Specifically, they allow for the power concept to be compared against each of these variables to assess if there are any relationships between these categories and power in buyer-seller relationships. Indeed, previous research has pointed to different approaches, which may impact on power sources, dependent on the type of relationship (Campbell, 1997) and whether the relationship is existing or new (Croom and Batchelor, 1997). Although detailed comparative studies fall outside of the scope of this research, these classification variables may be useful to illuminate potential variances in how power is viewed in different contexts or by different groups as well as providing avenues for future research.

#### **4.6.2.3 Sections 2 and 3**

In these sections, the focus was on measuring the variables contributing to power and its ontology in buyer-seller relationships. The questions in these sections came from the output from the focus groups. Respondents were asked to consider a situation where they believed they had the *potential* to influence an external customer/supplier (or resist influence from them). This distinction between potential and exercised power is an important aspect of the operationalisation used in the research design. They were then asked, based on this situation, to evaluate themselves (section 2) and the other party (section 3), on a range of variables using a 7-point Likert scale. The literature provides support for this perceptual view of power on the basis that if they believe they have influence, this will affect their behaviour and decisions (Gaski, 1988). Including the potential to resist influence is important as this is an inverse expression of power (Gaski,

1988). Critically, the word 'power' was excluded from the survey instrument, as this is the construct under investigation.

Critical Incident Techniques were used in sections 2-6. There is support in the management literature for using this approach (Kohli and Zaltman, 1988, Lamming *et al.*, 2001), particularly as power in buyer-seller relationships is inherently situational (Pettigrew and McNulty, 1998). For clarity, it is reiterated in the instructions to respondents that this incident is based on respondents' current role to ensure consistency with the classification data in section 1.

#### **4.6.2.4 Sections 4 and 5**

These two sections required respondents to rate the extent of their potential to influence various aspects within the buyer-seller exchange relationship. The variables in these sections were driven by the output of the semi-structured interviews in phase two of the fieldwork, and also in part from the extant literature on buyer-seller relationships. There is limited research surrounding what buyers and sellers seek to have power over although two studies identify strategic direction (Ertel, 1999) and sharing of best practice to improve group formation (Lawler and Yoon, 1993). Therefore these two issues were included as variables.

#### **4.6.2.5 Section 6**

This section of the questionnaire moves away from the Critical Incident Technique and relates to all commercial buyer-seller relationships the respondent is involved in. Here, respondents were asked to rate the factors that motivate them to use their influence or resist influence from others. Analysis of this section against classification variables may provide a valuable contribution to knowledge, as there is currently a significant gap in the existing power literature surrounding this issue. The variables included in this section came from the exploratory interviews phase of the fieldwork, plus the extant literature.

Although limited and not in specific buyer-seller contexts, the extant research points to a number of motivating factors in power theory. Commitment (Porter et al., 1974) and



aspiration (Mannix and Neale, 1993, Kim, 1997) have been identified as moderating variables on the use of power in the social-dynamics domain and so were included as variables in this section. Also arising from the extant literature are measures of work motivation (Patchen, 1965), which Schriesheim, Hinkin and Podsakoff (1991) recommend should be included in studies of the use of power.

#### **4.6.2.6 Section 7**

The final section of the questionnaire is used to test a number of supplementary issues (e.g. trust, information sharing) in the study of power in buyer-seller relationships. These questions can be used to triangulate responses from some of the other questions. The format of this section is a set of statements against which respondents are asked to rate their agreement on a five-point Likert scale. The instructions to respondents confirm that these responses relate to all their buyer-seller relationships, not just those identified in the earlier sections. The statements used came from general comments made in the interviews by some participants and from the literature. The issues are supplementary only but may provide insights into further avenues for future research aligned to power in buyer-seller relationships.

#### **4.6.3 Piloting**

The questionnaire was preliminarily piloted among the supervisory team to check for clarity, alignment to research objectives and layout. Following a number of minor amendments to its layout, and the clarity of the instructions to respondents, it was then piloted with twelve members of the target population - five buyers and seven sellers – using the debriefing method (Webb, 2002). Ten is considered a sufficient number for pilot testing a questionnaire (Fink, 1995). The pilot sample used convenience sampling but included buyers and sellers from a range of industries and at different levels of responsibility and experience.

In the pilot exercises the researcher spoke individually to each respondent to explain the objective of the exercise. Respondents were asked to give critical feedback on a number of issues including language, sequencing, clarity of instruction, ambiguities, presentation,

quality of covering letter, time taken to complete, their ability to answer the questions honestly or any other improvements they wished to suggest (Fowler, 1993). Personal interviews then took place to debrief respondents (Peterson, 1988, Boyd and Westfall, 1989, DeMaio *et al.*, 2002). From the feedback a number of minor amendments were made to the questionnaire. Feedback from the pilot session is outlined in Table 4.7. Copies of the piloted and final questionnaire can be found in Appendices 4 and 6.

**Table 4.7: Feedback from Questionnaire Pilot Exercise**

Language	All terminology understood
Sequencing	Sections clear
Clarity of Instructions	Clear. Reiteration at the beginning of each section seen as useful
Scale	No issues raised with the 7-point scale.
Ambiguity	Classification question in section one on turnover should have option of Euro and USD as well as Sterling. Although this was UK constrained survey, many organisations had European/US parents who reported turnover in different currencies
Presentation	Font size and presentation good. Tick boxes welcomed. Return address printed on the back sheet and stated on the covering letter was useful (in case envelopes were lost)
Quality of Covering Letter	Research outline adds interest. Likely timings useful
Time Taken to Complete	Most completed within 15- 20 minutes. Although quite long, the removal of questions could not be justified methodologically. The time taken to complete was instead changed in the covering letter from 10 minutes to 15-20 minutes
Ability to Answer Honestly	Very easy to be honest as anonymous and questions were non-intrusive
Other	Additional classification variable to be added – employment status (fulltime, part time, contractor)



#### 4.6.4 Sampling

A number of sampling methods were used. The researcher arranged for the Chartered Institute of Purchasing and Supply (CIPS) to distribute 1250 questionnaires to a random selection of their practitioner members in the UK. Although these were predominantly in purchasing roles, some members have roles in selling. Each mailing used snowball sampling (Saunders et al., 2000), containing two questionnaires (making 2500 in total) and a covering letter that encouraged people to pass a copy to their sales contacts (either within their own organisation or external to it) or other purchasing colleagues. CIPS used filters on their membership database to remove academics and student members, include only UK members and ensure all included had the term buy\*, purch\*, procure\* or sales in their job title<sup>1</sup>. From this initial sample frame, the CIPS database randomly selected 1250 members and printed individual address labels. The researcher forwarded 1250 envelopes to CIPS (each containing two copies of the covering letter, two questionnaires and two pre-printed return envelopes), who added the address labels to these and completed the mailing. The Institute of Sales and Marketing Management (ISMM), the Chartered Institute of Marketing (CIM) and the International Purchasing and Supply Education and Research Association (IPSERA) were also approached to distribute questionnaires to their members but all declined as it was against their institutes' policies.

Targeting respondents only from professional organisations could potentially give responses skewed toward rational decision-making (Wilson, 2000). This risk was minimised through the use of snowball sampling. However, this can still create bias because people may distribute to others with homogenous attributes (Lee, 1993). Using a wide variety of starting points (in this case 1250) maximises the variability of the sample thereby increasing the theoretical utility of snowball sampling (Lee, 1993). Also, owing to this risk of skewed responses, the questionnaires were not exclusively mailed through CIPS. To allow the measurement of professional membership of respondents, this was also added as a classification variable.

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<sup>1</sup> The \* character was used as a wild card character on the database search to specific any number of alphanumerical characters. The search purch\* therefore returns purchase, purchaser, purchasing.

A sampling frame is easily developed when mailing lists are available (Churchill, 1991), yet no practical sampling frame which details all people in buying and selling roles in the UK is readily available. However, the online FAME (Financial Analysis Made Easy) database was used in this research to generate a suitable mailing list (accessed via <http://www.fame.bvdep.com>). This allowed searches of UK organisations by job titles, which included Purchasing or Sales roles. Not all entries on the database had named individuals identified with these roles. These were eliminated from the sample as it was deemed that personalisation and targeting to the correct person would lead to a higher response rate. While it is acknowledged that little control can be ensured over the correct person responding, it was judged that the personalisation would minimise this. Companies listed without full addresses and those with multiple addresses were also removed. A final sample of 500 named buyers and sellers was achieved. Again a covering letter and return envelope were included in the mailing to encourage response.

A number of other distribution methods were used including business contacts of the researcher, the supervisory team and work colleagues. The researcher also distributed questionnaires in person at various sales and purchasing events, usually accompanied by an informal address to delegates about the research project. These events were run by CIPS, CIM, Chamber of Commerce and the North West Development Agency. To enable return rates to be monitored, yet ensure identities were protected, the CIPS distributed questionnaires included the CIPS logo on the back page, those distributed via the FAME database had the LJMU logo on, and all the others had no logo on. This enabled the researcher to keep a log of those returned and from which sample they came from. The details of the numbers of questionnaire distributed and returned is summarised in Table 4.8.

**Table 4.8: Questionnaires Distributed and Return Rate**

	CIPS	FAME	OTHER	TOTAL
Number Distributed	2500	500	140	3140
Number Returned	213	102	40	355



Response Rate	9%	20%	29%	11%
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A total of 355 usable responses were received. This equates to an overall response rate of 11%. Although this appears slightly low when compared to other supply chain research that has response of rates of around 20% (Larson and Poist, 2004), within the broader business research, a general rule of thumb for response rates is 10% (Jankowicz, 1999). One reason for the modest response rate in this research is that although the use of Likert scales made the questionnaire relatively quick to complete, the number of questions made it appear long. This has a direct effect on response rate (Jordan, 1988). However, despite this limitation, the removal of questions could not be methodologically justified and it has been argued that there is no generally accepted minimum response rate for large surveys (Fowler, 1993).

Furthermore, analysis of the response figures reveals that the lowest return rate channel corresponds to those mailed via CIPS, of which only 1250 went to named individuals, as the remaining 1250 were copies to be distributed by the recipients. This snowballing method appears to account for the apparent low response rate. As this distribution channel accounts for 80% of the total distributed, the low response rate here has an effect on the overall response rate figures. Those mailed via contacts on the FAME database have a healthy response rate of 20%, which is in line with the response rates for supply chain research (Larson and Poist, 2004). Those distributed in person have a higher than average response rate (29%) for supply chain research and also marketing research, where return rates of 25% are considered the average (Jordan, 1988). The high response rate achieved from this distribution channel is attributed to the ability to meet the respondents face-to-face, explain more fully the purpose of the research, and in many cases, collect the completed questionnaires from them.

#### 4.7 Ethical Considerations

The ethical principles within social research centre on four areas; whether there is harm to participants, informed consent, invasions of privacy and deception (Bryman, 2004).

These principles underpin the Ethical Codes of Practice enforced by Liverpool John Moores University. This research adhered to these guidelines, as outlined in Table 4.9, both in its design and in its implementation.

**Table 4.9: Ethical Principles and Applications**

Ethical Principle	Application in Design and Implementation
Consent	<ul style="list-style-type: none"><li>• Participants must be recruited in a manner, which allows them either to give consent or refuse to participate</li><li>• The right of a participant to withdraw from the project at any time must be respected</li><li>• The participants' written/oral consent must be obtained</li></ul>
Participants Rights	<ul style="list-style-type: none"><li>• The participant needs an appropriate knowledge of his/her involvement in the nature of the study prior to the investigation</li><li>• The participant must have the right to withdraw at any time without prejudice or penalty</li></ul>
Confidentiality	<ul style="list-style-type: none"><li>• The confidentiality of the participant must be maintained at all times</li></ul>

*Source:* (Liverpool John Moores Research and Graduate School Code of Practice, 2003)

**4.7.1 Consent**

Throughout the study and its design, the voluntary participation of respondents was sought. Prior oral or written consent was obtained for all focus groups and interviews to ensure all participation was voluntary. As some participants in the focus groups were put forward by their managers, in line with best practice guidelines (The Belmont Report, 1979), this ethical consideration was communicated and discussed with these managers to ensure they did not coerce participation. For the survey instrument, its self-complete nature meant prospective respondents were not coerced to complete or were unduly influenced in any way and no rewards were offered for completion.



#### **4.7.2 Participants' Rights**

Participants' rights were considered at all stages of the research. As well as obtaining voluntary consent, at the beginning of each interview and focus group session, participants were reminded that they had the right to withdraw at any time without prejudice or penalty. Full details of the activities and the nature of the research were provided prior to participation and timescales of the activities given. Focus groups and interviews lasted between 30 – 60 minutes. Consideration therefore needed to be given to this burden of participation. Where appropriate, approval for participation was sought and agreed by employers and all meetings were organised at times to suit the participants. Consequently, many of the focus groups were run over participants' lunch hours – in which instances, buffet lunches and beverages were provided for them, at the researcher's cost. All focus groups and interviews were completed at the participants' place of work to reduce the time, travel and cost impact of their involvement.

Consideration was given to ensuring that no harm was caused to people participating in the research. In terms of Health and Safety, as all sessions were held at the participants' place of work they were familiar with any emergency procedures. However, as harm could potentially be caused by intrusive research, it is not limited to the physical, but includes consideration of anxiety, embarrassment or anguish (The Belmont Report, 1979). To minimise these risks, along with consent, information provision, and right to withdraw, the selection of participants for each focus group was discussed and agreed with the managers arranging the groups. Colleagues of similar levels in organisations were put together to reduce any potential anxiety of participants which may have occurred if they were put with their managers.

The covering letter on the survey instrument was important to provide adequate information provision, as there was no 1:1 communication. Informed does not mean respondents have to be swamped with details (The Belmont Report, 1979). Care was also taken to avoid jargon in the covering letter and the purpose of the research was outlined.

### **4.7.3 Confidentiality**

To meet ethical standards and to ensure honest opinions were given by respondents, confidentiality and anonymity was assured at every stage of the research. At no stage of the research project did the research ask for, or record, biographical or personal data from the participants. For data analysis purposes, classification data was collected on the questionnaires covering respondents' gender and age, although participants' names or organisations were not asked for. The interviews were also not recorded as this was raised as a concern in the pilot process (see section 4.5.3).

## **4.8 Analysis Procedures**

The following sections detail the analysis procedures undertaken in this research. The research findings and the analysis of these results are presented in Chapter five. These are evaluated in depth in Chapter six.

### **4.8.1 Non-Response Bias**

In any large mailed survey, non-response raises issues for researchers (Coolican, 1994). Non-response can potentially impact how representative the respondents are of the population thus creating bias in the results and distort influences. There is not however, a singular method for accurately measuring this (Smith, 2002). To limit its potential, as discussed in section 4.6.2, the research was designed to reduce the burden on respondents and covering letters were used to assure anonymity. This is important as failure to assure anonymity, may prevent participants from being truthful, or responding at all, thereby increasing the possibility of non-response bias (Houston and Ford, 1976). The thorough piloting with both academics and practitioners enabled the questionnaire to be as user-friendly as possible. In addition, the use of several distribution channels ensured distribution to a heterogeneous sample, varying in industry, level, role and location.

### **4.8.2 Missing Data**

The overall missing data is low. A small number of replies were discarded from the sample as their missing data occurred in a non-random way (Hair *et al.*, 2006). Specifically for these replies, there was attrition at the end of the questionnaire with just



over half of the questionnaire completed. If any of the variables have 15% missing data, they are candidate for deletion (Hertel, 1976). This was not the case for any of the variables in this research. The total usable sample in this research was 355 and there were 222 questions on the questionnaire. The total number of missing responses across the whole sample was only 28 missing responses over 27 questions. Apart from one question (your level of planning and organisation) where there were two missing responses, the other 27 missing responses were randomly over other questions, all with only one missing response. Given the large number of Likert scale questions, and the addition of a 'not applicable / don't know' category, these missing responses are judged to be respondent error only. The number of 'not applicable / don't know' answers were also assessed. Again the responses in this category across all variables was extremely low (0.3%) and occurred randomly, thus was not deemed to pose a threat to the results (Hair *et al.*, 2006).

#### **4.8.3 Validity**

Validity is the extent to which an instrument is measuring what it was intended to measure (Jordan, 1988, Coolican, 1994), i.e. power in buyer-seller relationships. It has been argued that validity is one of the most important considerations as it represents the credibility of research (Bailey, 1991) and is the basic minimum of accuracy required to interpret results (Campbell and Stanley, 1963). In the theoretical development of broad concepts, e.g. power in buyer-seller relationships, validity is important because these constructs are not observable. Relationships among these unobservable constructs are therefore tested indirectly via observed variables (Joreskog, 1993). Thus, validity reflects how well a measure, or set of measures, reflects the unobservable construct.

As discussed in 4.2.6, face validity and duplication were assessed in the questionnaire design. Content validity refers to the extent to which measures represent all facets of a given concept (Bowling, 2002). In this research, the exploratory phases enabled a broad sample of the target population to define power in buyer-seller relationships. The use of both focus groups and semi-structured interviews allowed for all these facets to be uncovered. The use of snowball sampling along with many distribution points and

channels also limits the threats to validity. In comparison to previous power research this allowed for various ontological positions to be taken by the participants as in qualitative approaches the researcher's perceptions and assumptions can threaten the validity of the results (Creswell and Miller, 2000). A qualitative assessment of content validity was conducted and deemed to be satisfactory as the variables identified various facets of power, in line with the different schools of thought.

Construct validity refers to whether a scale measures the unobservable social construct under review (Nunnally, 1978), i.e. power in buyer-seller relationships. The mixed-methods approach also ensured construct validity as the target group defined and 'constructed' the scales. As discussed in section 4.3, the various triangulation methods employed ensured the survey instrument was developed from the views from a broad selection of participants from within the target population. Pilot studies at each stage with academics and practitioners also enabled the scales used to be checked. Principal components factor analysis with Varimax rotation was employed on the survey data (see 4.8.5) to reduce the number of items and to reveal the underlying structure of the power construct in buyer-seller relationships.

#### **4.8.4 Reliability**

Reliability refers to the extent that findings can be generalised to other research situations or wider populations (Jordan, 1988, Thomas and Nelson, 1990, Coolican, 1994). Ecological reliability represents how closely the data reflect the real world or natural settings. A potential problem here for researchers is that in order to fully control the internal validity through the removal of extraneous factors, the ecological reliability can potentially be limited (George et al., 2000). This is a particular problem in experimental methods as studies which locate and isolate particular variables can create problems for generalisability (Thomas and Nelson, 1990). Driven by aims of the research and its methodological and ontological contributions, this research looked at a broad range of buyer-seller relationships, rather than specific individual relationships in order to maximise the ecological validity.



Threats to reliability include social desirability of participants, inadequate construct definition and mono-method bias (Coolican, 1994). The piloting at each stage of the research with academics and practitioners, the use of mixed methods, triangulation, anonymity, large sample sizes and the removal of ontological constraints in the exploratory phases of the research allowed these threats to be minimised, thus increasing the reliability of the results.

Convergent reliability represents the systemic variance of the constructs (O'Leary-Kelly and Vokurka, 1998). The extent to which item measures relate to each other with respect to a common concept is exhibited by significant factor loadings of measures on hypothesised constructs (Anderson and Gerbing, 1992). In this research, to achieve higher statistical power in testing, item measures were individually analysed. Item measures with insignificant factor loadings were removed from the scale if content validity was not sacrificed (Hair *et al.*, 2006).

Cronbach's coefficient alpha ( $\alpha$ ) (Cronbach, 1951) is the traditional measure of internal consistency of a measure and is common in power and inter-organisational research (Gaski, 1989, Tan *et al.*, 1999, Percy *et al.*, 2003). This test estimates the reliability of a scale by determining the proportion of a scale's total variance that is attributable to a common source; in short, the degree to which participants answered related items in similar ways.

Using Cronbach's alpha, values of 0.70 or higher are typically used to establish reliability (Nunnally, 1978). However, others state that acceptable values may be as low as 0.40 for broadly defined constructs (Van-de-Venn and Ferry, 1980). A value of 0.60 is often used as the practical lowest level of reliability in SCM and operations research (Flynn *et al.*, 1994, Malhotra and Grover, 1998, Narasimhan and Jayaram, 1998). Factor analysis utilising Cronbach's Alpha was used to test the reliability of the scales (Tan *et al.*, 1999, Percy *et al.*, 2003). The Cronbach alpha scores for the factors identified in this research all exceed the 0.60 level, thus they are judged to possess acceptable reliability.

#### 4.8.5 Factor Analysis

Factor analysis can be either exploratory or confirmatory. Exploratory factor analysis is employed to identify the latent factor structure of a construct. Confirmatory factor analysis is used to confirm the structure of a measurement instrument previously developed (Hair *et al.*, 2006). Exploratory factor analysis was a necessary component to reveal the underlying conceptual structure of power in buyer-seller relationships. Given the distinct schools of thought in the extant power literature on what power is and where it is attributed, this suggests that the underlying structure of power is unknown, providing further support for the use of exploratory factor analysis.

Exploratory factor analysis is comprised of a number of steps including data collection and generation of the correlation matrix, factor extraction, decision-making on factor retention and rotating factors to an interpretable, meaningful solution, and construction of scales or factor scores (Ferguson and Takane, 1989, Coolidge, 2000).

Principal components factor analysis with Varimax rotation was employed to reduce the number of items and to reveal the underlying structure of the power construct in buyer-seller relationships. Principal components analysis is generally used when the research purpose is data reduction and is the most common form of factor analysis (Garson, 2006). Although potentially different factor analysis techniques can provide different solutions to the same problem (Guadagnoli and Velicer, 1988), empirical studies show that risk is only likely when there are less than 20 variables, low communalities ( $<0.4$ ) and small sample sizes (Stevens, 1992). Given the large sample, number of variables and strict limits imposed on this research, these risks are minimal.

Varimax rotation is orthogonal and is the most common approach and preferred approach to enable data reduction (Hair *et al.*, 2006). In contrast to oblique rotation methods, the Varimax approach centres on simplifying the columns of the factor matrix, which creates a clearer separation of the factor. Although the maintenance of independence between factors may limit the identification of correlations between factors, oblique methods were not chosen as the results can become sample specific, threatening external reliability, particularly when there are large numbers of variables (Hair *et al.*, 1998). In addition,



orthogonal rotation is preferable for interpretative reasons as it highlights the unique contribution of variables to factors (Field, 2000).

There is support in the power literature for developing the construct through factor analysis. The sample size of 355 was sufficient as it is over the minimum recommended number of 100 (Hair et al., 1998, Foster, 2001). Rather than split between buyer and seller, the cases were used as a single sample as this research was looking for correlations between items rather than between cases. Two separate factor analyses were conducted for the research questions relating to the nature of power and what can be influenced as both self-perceived and countervailing issues were assessed. In addition, a factor analysis was conducted related to the motivation to use power. There were therefore five factor analyses in total. The procedures outlined refer to all analyses with the results presented separately in Chapter 5. The procedures followed are in line with recommended guidelines (Hair et al., 1998, Garson, 2006).

A ratio of five observations per item is deemed the minimum level for factor analysis (Hair et al., 1998). The high number of variables included in the survey instrument increased the risk of multicollinearity and the potential of deriving factors that are sample specific with low generalisability (Hair et al., 1998). However, examination of the sample size revealed this was a low threat as the case-to-item ratios (7:1, 8:1, 15:1 and 14:1) all exceeded the acceptable limits of 5:1 (Hair et al., 1998).

Items with factor loadings above .50 and with Eigenvalues over 1 were retained (Kaiser, 1960). Loadings of  $\pm .50$  are considered significant (Hair et al., 1998). Although justifications for lower factor loadings can be found for sample sizes over 350 (Stevens, 1992, Field, 2000), the stricter limit of .50 was imposed owing to the high number of items, which could potentially increase error variance. The communalities for the factor analyses are all over the recommended level of .40 (Field, 2000). Kaiser-Meyer-Olkin's Measure of Sampling Adequacy indicates the proportion of variance in the items that may be caused by underlying factors. The scores of all exceed the acceptable value of .5 (Hair et al., 1998). The data for all these are presented in Tables 5.12, 5.17, 5.21, 5.25 and 5.27.

#### **4.8.6 Factor Labels**

When an acceptable factor solution was obtained in line with the guidelines stated in section 4.8.5, meanings were assigned to the pattern of factor loadings. Variables with higher loadings are considered more important and thus have a greater influence on the factor name assigned (Hair *et al.*, 2006). The labeling process is an intuitively developed by the researcher to ensure that the final name represents the derived factor and its constituent variables. When labeling the factors, care was taken to ensure that the underlying dimensions of the factor were represented and particular attention was paid to the relative factor loadings of the variables. The suggested factor label names were discussed and agreed with the PhD supervisory team to ensure that these were fully representative of the underlying dimensions of the factors.

#### **4.9 Summary**

This chapter has detailed the research methods employed in the overall design of the research and specifically in each of the phases. The procedures used have followed recommended protocols and guidelines to defend the rigour of the research design and data collection methods. Chapter 5 presents the results of the primary data collected.



## **CHAPTER 5: RESULTS**

### **5.0 Aims and objectives**

The aim of this chapter is to present the results and analyses of the primary data collected. Chapter 4 outlined the research design, methods and procedures used at each of the three phases of the research. Issues of piloting, sampling, questionnaire development and ethical consideration were also explained and justified. This chapter builds on this by presenting the outputs of each of the three phases. The final phase of the research involved conducting a survey, from which factor analyses were completed in order to address the research questions. The factor analysis procedures, along with reliability and validity data were detailed in Chapter 4. In this Chapter, the results of the factor analyses are presented, structured around the specific research questions. A detailed analysis of the findings in relation to the research questions, the extant literature and implications of the results are addressed in depth in Chapter 6.

The specific objectives for this chapter are to:

- **Outline the respondents' profile characteristics for each phase of the research**
- **Present the results of the exploratory focus groups**
- **Present the results of the exploratory semi-structured interviews**
- **Present the factor analyses arising from the survey data in line with the research questions**

### **5.1 Fieldwork Phase 1 – Exploratory Focus Groups**

#### **5.1.1 Overview**

This first exploratory phase of the research was designed to determine the operationalisation of the power construct for a wide buyer-seller population, as defined by the target population. Focus groups using critical incident techniques were used with buyers and sellers from a wide variety of industries, and at varying levels of authority and experience. Within these focus groups, participants had to brainstorm, and document

why buyers and sellers were powerful. Ten focus groups were used, with numbers in each ranging from three to eight. The participants were buyers and sellers at various levels of authority and from multiple industries, including public sector organisations. Two activities were designed for the focus groups and are illustrated in Table 4.5.

Activity one was designed to encourage a wide focus of power. Additionally, the power of these individuals was arguably not necessarily associated with organisational power thus the use of non-management contexts may encourage wide ontological perspectives to be taken. Activity two was specifically related to what determines power in buyer-seller relationships. Again, no ontological perspectives were imposed. Participants were given 15 minutes to complete the activity to allow a number of broad issues to be considered. Importantly, participants were told that they did not need to gain a consensus on the issues and that all ideas were to be logged.

### **5.1.2 Profile of Participants**

A cross-section of buyers and sellers representing companies from a variety of industries was targeted in the first exploratory data collection phase. This was an important consideration to broaden the conceptualisation of the power construct. The involvement of participants from diverse business-to-business environments minimised the threat that the issues raised were too context specific. Attention was also paid to public sector organisations to ensure buyers representing these, and sellers selling to them, were represented in the sample group.

The industries represented were diverse. Buyers and sellers were used representing the following industries; industrial chemicals, pharmaceuticals, local councils, management consultancies, food retailers, IT service providers, engineering supplies, automotive retailers, office supplies and telecommunications. In a similar vein, the participants also represented various levels of authority and experience, from junior buyers and sellers through to buying and sales executives and directors. This was to ensure that the full range of buyer-seller activity, covering low-value operational transactions, through to the long-term, high-risk strategic activities was represented in the research.



### 5.1.3 Outcomes

A total of 42 common variables were identified relating to both self-perceived and countervailing power of the other party. An additional nine variables relating to self-perceived power were identified, bringing the total to 51. The variables identified are shown in Table 5.1 (self perceived power) and Table 5.2 (countervailing power).

**Table 5.1: Variables Identified Relating to Self-Perceived Power**

Variables For Self-Perceived Power		
Your knowledge of the product / service	The economic strength / size of your organisation	The importance of the choice of location / room layout
Your knowledge of your organisation's operating market	The economic strength / size of this customer / supplier	Your negotiation skills
Your knowledge of this customer's / supplier's market	Your level of dependency on this supplier/customer	Your level of organisation and planning
Your knowledge of this supplier's / customer's organisation	The level of competition in the market	Your methodical approach and attention to detail
Your personal opinion of the product / service	Your knowledge of your organisation's strategy / objectives	Your tenacity and uncompromising approach
Your opinion of the price / value for money of the product / service	Ability of outcome to contribute to your individual targets	Your ability to read / react to non verbal communication
The monetary value represented by this situation	The reputation of your organisation / brand	Your controlled approach
Your experience in your role	The reputation of this supplier's / customer's organisation / brand	Your leadership skills
Your ability to identify the decision makers for this situation	Your organisation's product / process development strategy	The empathy you display for this customer / supplier
Your level of general intelligence	The quality of products / services purchased / sold	Your fairness to this supplier / customer
Amount of relationships you hold with influential people	The range of products / services purchased / sold	The level of rationality you applied to the situation
Your level of popularity / social skills	Your charisma	Your level of honesty / openness with this supplier / customer
The level of respect you show to this customer / supplier	Your status / position in the organisation	Your degree of open-mindedness
The amount of respect others have for you	Your use of charm	Your confidence displayed
The length of the relationship with this customer / supplier	Your professionalism	Your motivation to achieve results
Your commitment to the relationship with this customer / supplier	Your image / dress / appearance	Your offers / use of hospitality
The level of business risk / criticality for your organisation	Your attentiveness to your supplier / customer	Wanting to 'win' against this customer / supplier



**Table 5.2: Variables Identified Relating to Countervailing Power**

Variables For Countervailing Power		
Their knowledge of the product/service	Their level of dependency on your organisation	Their ability to read/react to non verbal communication
Their knowledge of your organisation's operating market	Their knowledge of their organisation's objectives	Their controlled approach
Their knowledge of their own market	Ability of outcome to contribute to their individual targets	Their leadership skills
Their knowledge of their own organisation	Their organisation's product/process development strategy	The empathy displayed to you
Their personal opinion of the product/service	Their charisma	Their fairness to you
Their experience in their role	Their status/position in the organisation	The rationality they applied to the situation
Their ability to identify the decision makers	Their use of charm	Their level of honesty with you
Their level of intelligence	Their professionalism	Their degree of open-mindedness
Amount of relationships they hold with influential people	Their image/dress/appearance	Their confidence displayed
Their popularity/social skills	Their attentiveness to you	Their motivation to achieve results
The level of respect they show to you	Their negotiation skills	Their offers/use of hospitality
The amount of respect others have for them	Their level of organisation and planning	Their wanting to 'win' against you
Their commitment to the relationship	Their methodical approach and attention to detail	Purchase/sales value/volume of this relationship
The level of business risk/criticality for their organisation	Their tenacity and uncompromising approach	Number of other suppliers/customers used in this sector

**5.2 Fieldwork Phase 2 – Exploratory Semi-Structured Interviews**

**5.2.1 Overview**

This phase of the fieldwork involved semi-structured 1:1 interviews with a number of buyers and sellers. This phase was designed to determine what buyers and sellers seek to have influence over and to identify the variables that motivate buyers and sellers to exercise their power. Additionally, as the interviews were conducted with a separate group of participants, it allowed the findings from the focus groups to be explored. As these interviews were exploratory in nature, their purpose was to inform the design of the questionnaire.



There were four sections of the interview (see Appendix 3). The first section was seeking general information on their overall perceptions of the role of power in buyer-seller relationships. The second section sought specific information on what they, and the other party, attempted to have influence over. The third section of the interview was designed to identify the factors that both motivated and constrained buyers and sellers from using their influence. The fourth and final section of the interview was designed to clarify some issues from the focus groups.

### 5.2.2 Sample population

A cross-section of buyers and sellers representing companies from a variety of industries was also used in the second exploratory data collection phase. The participants were different buyers and sellers than those used in the first exploratory session. Table 5.3 details the roles and industries of the buyers and sellers interviewed. As in the first exploratory phase, the participants also represented various levels of authority and experience. The final sample consisted of ten buyers and eight sellers.

**Table 5.3: Interviewees by Role and Industry**

Job Title	Purchasing / Sales	Industry
Engineering & Services Buyer	Purchasing	Petrochemicals
Junior Buyer	Purchasing	Petrochemicals
Senior Buyer	Purchasing	Industrial Chemicals
Project Buyer	Purchasing	Engineering Design
Purchasing Manager	Purchasing	National Health Service
Purchasing & Facilities Coordinator	Purchasing	Automotive Retailing
Purchasing Manager	Purchasing	City Council
Head of Supply Chain	Purchasing	Insurance Services
Supply Chain Manager	Purchasing	Construction
Procurement Assistant	Purchasing	Fashion Retailer
Sales Manager	Sales	Safety Equipment
Business Development Director	Sales	Packaging
Sales Director	Sales	Distribution
Business Relationship Executive	Sales	IT Services
Sales Representative	Sales	Confectionery
Account Representative	Sales	Education Services
Sales Director	Sales	Printing Services
Contracts Coordinator	Sales	Energy



### 5.2.3 Outcomes

An output from the interviews was the identification of 24 variables over which buyers and sellers have, or resist, influence over. These are presented in Table 5.4. Another output from the interviews was the identification of 25 variables that motivate buyers and sellers to use their influence or resist it from the other party. The variables identified are presented in Table 5.5.

**Table 5.4: Influence Attempt Areas in Buyer-Seller Relationships**

Influence Attempt Areas in Buyer-Seller Relationships	
Method of transaction used	Volume of work
Processes used / ways of working	Status of the relationship
Timescales for activity completion	Choice of other suppliers / customers
Stock levels held / service capacity	Perceptions of your status / responsibility
Specifications / alternatives	Attitudes towards other competitors
Quality	Attitudes towards product / service
Returns / recycling systems	Attitudes towards your organisation
Terms and conditions	Supply chain issues / initiatives
Delivery times	New product development
Prices	Investment decisions / strategic direction
Terms of payment	Sharing of competitive intelligence
Length of contract	Sharing of best practice



**Table 5.5: Variables Motivating Buyers and Sellers to Use Their Influence**

Variables Motivating Buyers and Sellers to Use Their Influence	
My role / status / position demands it	To establish my own personal position
Pressure from my manager	To establish my organisation's position
Pressure to reach organisational targets	To make my job more interesting / challenging
Pressure to reach individual targets	To ensure organisational survival
To improve my job prospects / CV	Because I get recognised / rewarded in my organisation for good work
A personal drive to fulfil my own potential	Because I am committed to the success of my organisation
To maintain / create a good reputation	To develop / share best practice with my customer / supplier
To maximise the benefit for my organisation	To improve the competitiveness of the whole supply chain
To maximise my commission / performance related pay	Because of past experiences with the customer / supplier
To keep my job	Because I can
To keep up with my work colleagues and peers	To ensure my preferred suppliers / customers are selected / maintained
To maximise short-term gains from my customer / supplier	Because they have not fulfilled their promises
Wanting to 'win' against the other party	

**5.3 Fieldwork Phase 3: Postal Survey**

**5.3.1 Overview**

The questions in the questionnaire emerged from the issues raised in the extant literature and from the output of the exploratory stages. The aim of the survey was to identify factors to allow the development of a conceptual framework of power in buyer-seller relationships. All the analyses presented in this chapter were conducted using SPSS for Windows, Version 10. The significance level of Pearson Chi-Square test results (  $p$  = probability level) is based on a significant confidence level of 99% ( $0.01 > p$ ). Although the widely accepted confidence level in management research is 95%, the higher level is used in this study as this is recommended for construct and theoretical development (Coolican, 1994).



5.3.2 Profile of Respondents

The various techniques and channels used to distribute the questionnaire (as explained in Chapter 4) resulted in a usable sample size of 355.

5.3.3 Role

Table 5.6 details the profile of the respondents by their role. The ‘both’ category came from the exploratory interviews, where it was revealed that in some small organisations it was common to have only one commercial department that covered both buying and selling activities. As Table 5.8 highlights, 10% of respondents were from SMEs so this would appear to be consistent. The sample comprises similar numbers of managers (n=149, 42%) and non-managers (n=156, 44%) with a smaller proportion of executives (n=50, 14%). This is considered to be a representative sample of the total buyer-seller population in the business-to-business context.

Table 5.6: Role Profile

Role Profile					
Role	%	n	Status	%	n
Buyers	59	211	Non-managerial	44	156
Sellers	32	112	Manager	42	149
Both roles in equal amount	9	32	Executive	14	50
(n=355)					

5.3.4 Organisational Profile

The respondents were deemed representative in terms of their organisational profiles. Industries represented by the sample included a range of sectors, as highlighted in Table 5.7. The majority (34%) of the sample consisted of manufacturing organisations with the remainder representing a diverse spread of industries. 14% of the sample also represented public sector organisations covering education, health and government.



**Table 5.7: Respondents' Industry Profile**

Industry Profile		
Industry	%	n
Manufacturing/Production	34	120
Public Sector	14	50
Retail/Wholesale	10	34
Other	9	33
Business/Professional Services	8	30
Construction/Engineering	8	27
IT/Telecommunications	7	26
Transport/distribution	3	12
Banking/Finance/Insurance/Law	3	11
Utilities/Mining/Agriculture	2	8
Leisure/Catering/Hotels	1	4
(n=355)		

As well as having broad coverage of industrial sectors, the sample comprised a range of organisational sizes as shown in Table 5.8. The majority of the sample represented manufacturing organisations but were not all large organisations as 10% of the sample was made up of organisations employing less than 250 staff. This broad representation of organisations is also reflected in the turnover figures.

**Table 5.8: Organisational Profile**

Organisational Profile					
Employees in Organisation	%	n	Turnover	%	n
1-250	10	34	< £5m	16	56
251-499	29	102	£5m-£10m	7	24
500+	58	205	>£10m	74	261
Don't know/missing	4	14	Don't know	4	14
(n=355)					

The predominant strategic focus of the respondents' employing organisation was also addressed to ensure that the sample was not skewed by a dominance of a particular strategic orientation. The rationale here is that if all organisations were pursuing cost reduction strategies for example, this could affect the factors contributing to their perception of power. This data was also analysed using Crosstabs and Pearson's chi-square, split by role, to ensure the strategic orientation was balanced between commercial roles. As shown in Table 5.9, the sample provides broad coverage of the various strategic orientations pursued and the Pearson chi-square value indicates that the strategic orientation did not differ by role,  $X^2 (8, N = 355) = 9.95, p = .268$ .

**Table 5.9: Organisational Strategic Focus**

Organisational Strategic Focus					
Role	Cost Reduction	Quality	Innovation	Customer Responsiveness	Don't Know
Buying	39%	18%	10%	31%	1%
Sales	32%	21%	9%	36%	3%
Both	25%	35%	7%	28%	6%
<i>Total</i>	<i>36%</i>	<i>20%</i>	<i>9%</i>	<i>33%</i>	<i>2%</i>
$X^2 (8, N = 355) = 9.95, p = .268$ .					

### 5.3.5 Respondents' Profile

Table 5.10 details the respondents' profile by age, gender and experience. Males represent 75% of the sample and women 25% and there is a broad age span. Although the majority are male this is not considered to be unduly skewed as to bias the sample and is considered to be representative of the buyer-seller population. It is interesting to note the similarities in years of experience between buyers and sellers. As expected, these roles have limited crossover although sellers have slightly more experience in purchasing (mean=3 years) than buyers have in sales (mean=1 year). The mean number of years of experience between buyers and sellers in their own functional areas is identical (13 years) and the number of years in their current organisations again is very close (buyers=10, sellers=9). Those respondents who conduct both roles in similar amounts however, have



more experience in both functional areas and also have spent a higher number of years in their current organisation.

**Table 5.10: Respondents Profile**

Respondents' Profile			
Age		Gender	
Mean Age	41	Male	75%
Minimum Age	18	Female	25%
Maximum Age	65		
Experience	(Mean) years in Purchasing Role	(Mean) years in Sales Role	(Mean) years in Current organisation
Buyers	13	1	10
Sellers	3	13	9
Both in Equal Amounts	21	18	14
(n=355)			

**5.3.6 Relationship Status**

Within the questionnaire, respondents were asked to choose a ‘potentially powerful’ buyer-seller situation that they had experienced, upon which their answers would be based. As shown in Table 5.11, the results reveal that a large majority of respondents (70%) chose a relationship with a preferred supplier or key customer. These are organisations with which they would have developed relationships with over a period of time.

Further analysis of the data was undertaken to ascertain if this was a general trend across all respondents, or whether it varied dependent on the respondents’ role. Table 5.12 details the results of the analysis using Crosstabs and Pearson’s chi-square, split by role. As highlighted, all three role classifications had very similar results in terms of the preferred supplier / customer as this represented the majority status of all role types. The Pearson chi-square value (p=.009) also indicates that the status of the relationship chosen differ significantly by role. Specifically, the partnership category shows an association

between role and the status of a potentially powerful relationship, with preferred supplier / key customer being a more popular choice for buyers than those in sales or both roles in equal amount. Conversely, the ad-hoc/new relationships were a more popular choice for sales than those in purchasing.

**Table 5.11: Relationship Status**

Status of a Potentially Powerful Relationship	
Status	%
Preferred supplier / key customer	70%
Partnership, sole supplier/customer	17%
Ad-hoc/New supplier / customer	13%
(n=355)	

**Table 5.12: Relationship Status Split by Role**

Status of Buyer-Seller Relationship by Role			
Role	Preferred supplier / key customer	Partnership, sole supplier / customer	Ad-hoc / New supplier / customer
Buying	71%	20%	9%
Sales	68%	10%	22%
Both	69%	15%	16%
$X^2 (4, N = 354) = 13.49, p = .009$			

### 5.3.7 Professional Membership

Respondents were asked to confirm if they were members of a professional body to ensure a representative sample of buyers and sellers. The professional bodies listed were the Chartered Institute of Purchasing and Supply (CIPS), the Chartered Institute of Marketing (CIM), the Institute of Sales and Marketing Management (ISMM), the Institute of Logistical Management (ILM), the Institute for Supply Management (ISM)



and the Society of Procurement Officers (SOPO). A category labelled 'other' was also included that required respondents to state the name of the professional body. Of those stated under the 'other' category, the majority were industry specific bodies. Across the sample, 11% were members of at least one professional body, and 89% were not a member of any.

#### **5.4 Factor Analysis**

Factor analysis is an interdependence technique whose primary purpose is to define the underlying structure of a large number of variables (Hair et al., 2006). Through identifying and defining the variables that are highly interrelated, various dimensions of a latent concept, e.g. power, can emerge. The creation of these composite measures also enables the development of measurement instruments of the concept. In line with the aims and objectives of this research, factor analysis is the primary technique used to enable the conceptual development of power in buyer-seller relationships.

The following sections present the results of various factor analyses conducted, each in line with specific research questions. The methods employed to complete the exploratory factor analysis are outlined in section 4.8.5. For each of the separate factor analyses (self-perceived power, countervailing power, areas of influence, areas of resistance and motivators), the correlation matrix was preliminarily screened and examined for multicollinearity and singularity, specifically checking variables with significance values greater than 0.05 and correlation coefficients greater than 0.9 (Field, 2000).

To guide the decision on factor selection / retention only items with Eigenvalues over 1 were retained (Kaiser, 1960). Eigenvalues (or characteristic roots), measure the variance in all the variables which is accounted for by a given factor (Garson, 2006). If a factor has a low Eigenvalue, then it is contributing little to the explanation of variance in the variables and may be eliminated (Kinnear and Gray, 2000).

Any single-item factors emerging were also removed as these create fundamental errors in validity and reliability and should not be used to represent theoretical concepts of

attributes (Blalock, 1970, McIver and Carmines, 1981, Spector, 1992, Nunnally and Bernstein, 1994).

An additional criterion used was the factor loading score with only items with factor loadings above .50 being retained (Kaiser, 1960). Loadings of  $\pm .50$  are considered significant (Hair et al., 1998). Although justifications for lower factor loadings can be found for sample sizes over 350 (Stevens, 1992, Field, 2000), the stricter limit of .50 was imposed to increase parsimony of the results and reduce the number of variables in the factor analysis.

## **5.5 Objective 1: Factors Contributing to Power**

The first objective of this research is:

- **To identify the factors contributing to power and countervailing power in buyer-seller relationships**

Principal component analysis is used to address this through data reduction and the identification of the underlying factors of power. As this research question addresses two elements, power and countervailing power, two separate sections were created on the questionnaire, and separate analyses produced. Analysis of the buyer and seller profiles indicates few differences. Indeed, factor analysis split by role showed no significant differences. However, when all cases were treated as a homogenous sample, differences were apparent between self-perceived power and countervailing power. Given this, all the factor analyses reported in this chapter, are not split by role, but by 'self' and 'countervailing' to enable a two-way dynamic to be explored. For clarity, for every factor analysis, post-hoc tests were completed to test for any significant differences by role.

## **5.6 Self-Perceived Power Factor Analysis**

Using the criteria identified in section 5.4, and guided by conceptual considerations, a number of items were removed and the factor analysis went through seven iterations before arriving at a final, maximised solution. The initial solution resulted in a 13-factor



solution accounting for 64.85% of the total variance. However, examination of the factors revealed a variety of problems with the initial solution, including low factor loadings, low communalities and some single item scales, thereby reducing construct reliability (Hair et al., 1998).

Items not fitting the above criteria were eliminated and after each deletion the factor analysis was re-run. Several iterations of the factor analysis were run to arrive at the final solution. The final rotated factor analysis, as shown in Table 5.13, revealed six factors relating to self-perceived power, accounting for 64.59% of the total variance. This is above the limit (60%) that is deemed acceptable (Hair et al., 1998).

Kaiser-Meyer-Olkin's Measure of Sampling Adequacy (MSA) indicates the proportion of variance in the items that may be caused by underlying factors. MSA is an index with a range of 0 to 1. MSA scores of .80 or above are considered meritorious for the data set as a whole and values greater than .70 are adequate (Kaiser, 1974). The overall MSA values are .852 thereby exceeding the acceptable value.

Bartlett's Test of Sphericity was conducted to determine the appropriateness of the data matrix which yielded a value of 2865.822 ( $df=231$ ,  $p=.000$ ) which falls within the appropriate ranges (Tabachnick and Fidell, 1996).

Cronbach's Alpha Reliability tests, measuring internal consistency, were conducted for each factor as it is important to determine the reliability at this summated level (Gliem and Gliem, 2003). Alpha coefficient scores ranges from 0 to 1 and scores of .70 and above are considered acceptable. Scores over .80 are considered to demonstrate excellent scale reliability (Coolican, 1994). Although scores of over .70 are recommended a score of under .70 can be used if the research is exploratory in nature (Loehlin, 1998, Hair *et al.*, 2006). In addition, there is support in the supply chain literature for using scores as low as .6 (Min and Mentzer, 2004).

## **5.7 Factors Arising For Self-Perceived Power**

The six factors arising from the factor analysis are briefly described below. These are evaluated in Chapter Six. All the variables have high loadings over the acceptable limit of .5 and all the variables also have high communality (as illustrated in Table 5.12). The factors were named in line with the guidelines discussed in section 4.8.6.

### **Factor 1: Charisma**

This factor has four variables and a Cronbach's Alpha of  $\alpha = .806$ . These variables relate to the personality and appeal of the individual buyer or seller within the buyer-seller relationship. The variables are charisma, popularity / social skills, use of charm and the amount of respect others have for you.

### **Factor 2: Professional Equity**

This factor has four variables and a Cronbach's alpha of  $\alpha = .812$ . In comparison to the variables in factor 1, these variables relate not to the charisma and appeal of the individual but their honesty and fairness in the relationship. The variables are honesty with supplier / customer, fairness to supplier / customer, rationality applied to the situation and the degree of open-mindedness.

### **Factor 3: Personal Attributes**

This factor has four variables and a Cronbach's alpha of  $\alpha = .798$ . These variables relate to the competencies of the individual and their behaviour in the relationship. The variables are: controlled approach, tenacity, leadership skills and reading of non-verbal communication.

### **Factor 4: Quality of Offering**

This factor has four variables and a Cronbach's alpha of  $\alpha = .767$ . These variables differ from the previous three factors in that the focus here is on the quality of the product / service as well as that of the organisation. The variables are quality of products purchased / sold, the organisation's development strategy, the organisations reputation and the range of products purchased / sold.



### **Factor 5: Knowledgeability**

This factor has three variables and a Cronbach's alpha of  $\alpha = .741$ . These variables centre on the knowledge held. Interestingly, the knowledge variables relate to the knowledge the individuals have of the other party, not that of their own organisation. The variables in this factor are knowledge of the other party's market, knowledge of the products purchased / sold and knowledge of the other party's organisation.

### **Factor 6: Dependency**

This factor has three variables and a Cronbach's alpha of  $\alpha = .6438$ . Although this is the lowest alpha score of all the factors, this is still within acceptable limits (Gliem and Gliem, 2003, Min and Mentzer, 2004) and the high factor loadings justify its inclusion. These variables relate to dependency and risk and are focused on the organisation. The variables are dependency on the customer / supplier, economic strength of their organisation and business risk for the organisation. Interestingly here, in terms of economic strength it is the economic strength of the other party's organisation that is important, not the economic strength of the individual's organisation.

**Table 5.13: Latent Themes in Self-Perceived Power in Buyer-Seller Relationships**

Latent Themes for Self Perceived Power in Buyer-Seller Relationships							
Factors and variables	(communality)	Factor Loadings					
<b>Factor 1: Charisma</b>	<b><math>\alpha = .806</math></b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Charisma	(.739)	.827					
Popularity/social skills	(.648)	.749					
Use of charm	(.666)	.719					
Amount of respect others have for you	(.598)	.672					
<b>Factor 2: Professional Equity</b>	<b><math>\alpha = .812</math></b>						
Honesty with supplier/customer	(.745)		.853				
Fairness to supplier/customer	(.688)		.766				
Rationality applied to the situation	(.649)		.709				
Degree of open-mindedness	(.560)		.678				
<b>Factor 3: Personal Attributes</b>	<b><math>\alpha = .797</math></b>						
Controlled approach	(.727)			.788			
Tenacity	(.619)			.746			
Leadership skills	(.640)			.701			
Reading of non verbal communication	(.596)			.633			
<b>Factor 4: Quality of Offering</b>	<b><math>\alpha = .766</math></b>						
Quality of products purchased/sold	(.715)				.789		
Organisation's development strategy	(.622)				.735		
Organisation's reputation	(.565)				.695		
Range of products purchased/sold	(.608)				.675		
<b>Factor 5: Knowledgeability</b>	<b><math>\alpha = .740</math></b>						
Your knowledge of their market	(.782)					.863	
Your knowledge of products / service	(.616)					.729	
Your knowledge of their organisation	(.662)					.714	
<b>Factor 6: Dependency</b>	<b><math>\alpha = .643</math></b>						
Dependency on the supplier/customer	(.686)						.823
Business risk for organisation	(.554)						.709
Economic strength of the organisation	(.524)						.672
<b>Eigenvalues (post-rotation)</b>		2.72	2.65	2.53	2.40	2.03	1.88
<b>% of variance explained</b>		12.3	12.0	11.5	10.9	9.2	8.5
<b>Cumulative % of variance explained</b>		12.3	24.3	35.9	46.8	56.0	64.5
<b>Sample n = 355</b>	<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .852</b>						



5.8 Data Reduction

Through the factor analysis, data reduction of the variables was achieved to maximise the structure of the power construct in terms of its latent variables. The initial 51 variables included in the analysis were reduced to 22 following a number of iterations of the factor solution. This improves the case-to-item ratio to 16:1. Table 5.14 lists those variables that were removed as a result of the factor analysis, either owing to low communality or low factor loadings. These are discussed in Chapter 6.

Table 5.14: Variables Removed Through Factor Analysis – Self-Perceived Power

Variables Removed – Self-Perceived Power	
Your negotiation skills	Your experience in the role
Your image / dress/ appearance	Your commitment to the relationship with this customer / supplier
Your ability to identify the decision makers for this situation	The economic strength / size of your organisation
Your level of general intelligence	Your personal opinion of the product / service
The monetary value represented by this situation	Your opinion of the price / value for money of the product / service
The level of competition in the market	Your methodical approach and attention to detail
The ability of the outcome to contribute to your individual targets	Wanting to ‘win’ against this customer / supplier
Your level of organisation and planning	Your offers / use of hospitality
Your status / position in the organisation	The importance of the choice of location / room layout
Your knowledge of your organisation’s strategy / objectives	The reputation of their organisation / brand
The length of the relationship with this customer / supplier	Your knowledge of your organisation’s operating market
The empathy you display for this customer / supplier	Relationships you hold with influential people
Your attentiveness to your customer / supplier	Your motivation to achieve results
The level of respect you show to this customer / supplier	Your professionalism
Your confidence displayed	

5.9 Post-Hoc Analysis by Role for Self-Perceived Power

Post-hoc ANOVAs between the three role groups were performed to determine any significant mean differences by main role. Tukey tests were first conducted as this is the



most powerful test (Hair et al., 2006). In addition to Tukey, ANOVAs were conducted using the Hochberg GT2 pairwise test procedures (Hochberg and Benjamin, 1990). Hochberg GT2 was chosen as unlike Tukey, Bonferroni and Scheffe tests, Hochberg's GT2 is specifically designed to cope with situations where the sample sizes are different (Field, 2000). As shown in Table 5.6, there are discrepancies between the sample sizes of the three role classifications (purchasing, sales, both in equal amounts). As the high number of variables increased the potential for Type I errors the tests were completed on the summated factor scores (Hair et al., 2006). Although minor differences in scores, both the Tukey and Hochberg's GT2 tests reported the same results in terms of significance levels.

For self-perceived power, significant differences exist between the roles for Factor 1 (Charisma) and Factor 5 (Knowledgeability). As illustrated in Table 5.15, all the other multiple comparisons show no significant differences.

**Table 5.15: ANOVA Scores for Self-Perceived Power by Role**

FACTOR	ANOVA SCORE
<b>Factor 1: Charisma</b>	$F(2,352) = 7.76, p = .001$
<b>Factor 2: Professional Equity</b>	$F(2,352) = 1.50, p = .223$
<b>Factor 3: Personal Attributes</b>	$F(2,352) = .045, p = .956$
<b>Factor 4: Quality of Offering</b>	$F(2,352) = 2.65, p = .072$
<b>Factor 5: Knowledgeability</b>	$F(2,352) = 6.17, p = .002$
<b>Factor 6: Dependency</b>	$F(2,352) = 3.37, p = .035$



**5.10 Self-Perceived Charisma Factor**

The ANOVAs indicate is the means differ by role for each factor, but do not necessarily indicate the detail of where they differ. The variables within the Charisma factor were explored further therefore with Crosstabs and Pearson’s chi-square to establish where the different subsets as indicated in the ANOVAs occurred. This identifies the degree to which conditional distributions differ from what is expected under the assumption of statistical independence. For this analysis, the interval data was treated as nominal data. Within the Charisma factor, two of the four variables show associations by role; differences occur between buyer and seller, while the ‘both in equal amounts’ role could be linked as a homogenous subset with either of these roles. Pearson Chi-Square results are displayed in Table 5.16.

**Table 5.16: Pearson Chi-Square Results for Charisma Factor Variables**

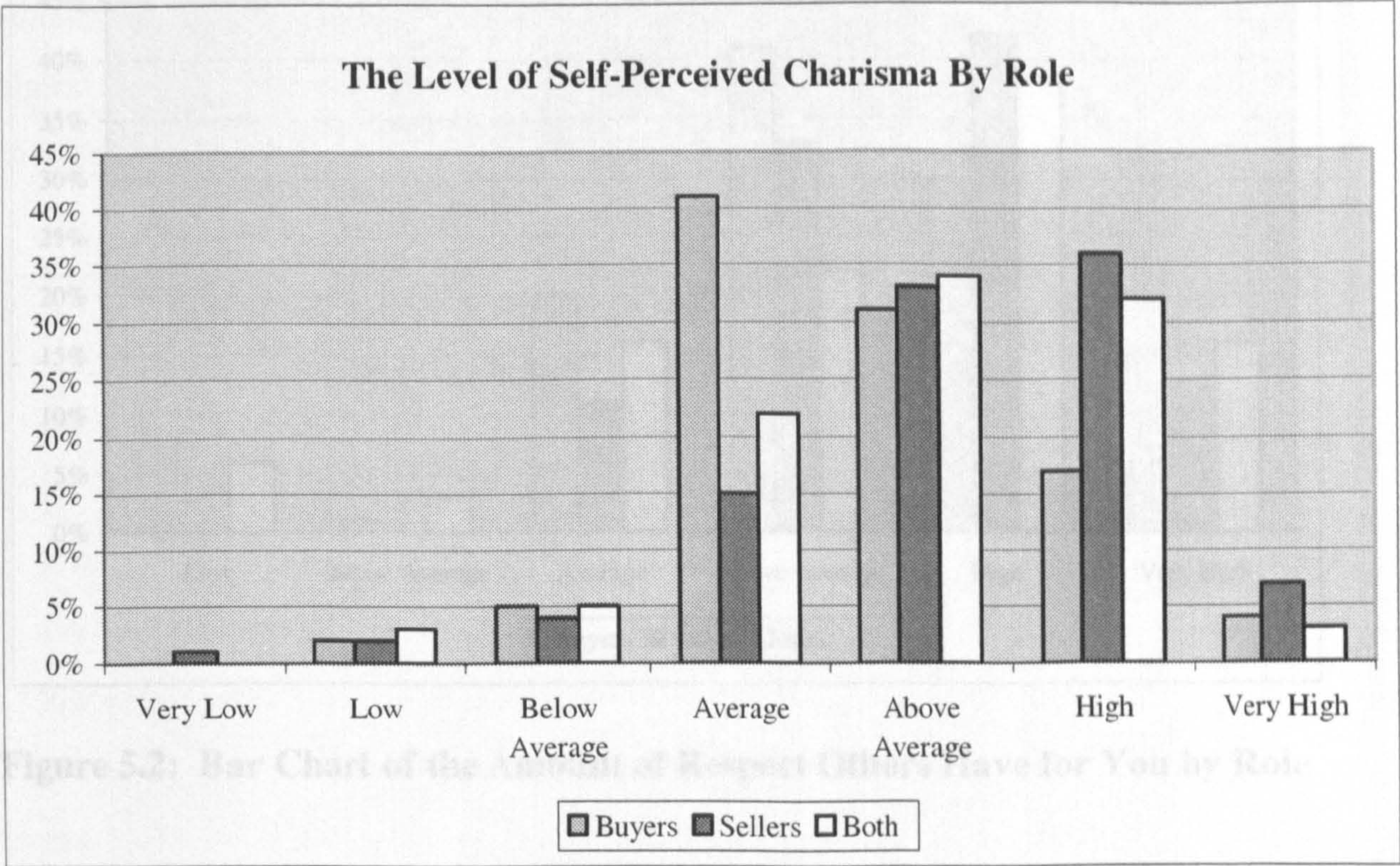
SELF-PERCEIVED POWER FACTOR 1: CHARISMA	
Variable	Chi-Square Score
Charisma	$\chi^2(14, n=354) = 39.46, p=.000$
Popularity / social skills	$\chi^2(12, n=354) = 12.80, p=.384$
Amount of respect others have for you	$\chi^2(12, n=355) = 39.50, p=.000$
Use of charm	$\chi^2(14, n=355) = 25.23, p=.032$

**5.11 Charisma**

Detailed analysis of the Crosstabs reveals that for the Charisma variable, buyers and sellers differ considerably in their self-perceptions in two of the Likert scale response categories; ‘average’ and ‘high’. In the ‘average’ rating category, those in a purchasing role had an actual count 31% higher than expected (85, 64.7 respectively) and those in a sales role had a count 103% lower than expected (17, 34.5). In contrast, on the ‘high’ rating category, those in a purchasing role had a count 42% lower than expected (35, 49.8 respectively) and those in a sales role had a count 50% higher than expected (40, 26.6).



This shows that with regard to self-perceived charisma buyers had a lower opinion of their own charisma than expected and sellers had a higher opinion than expected.

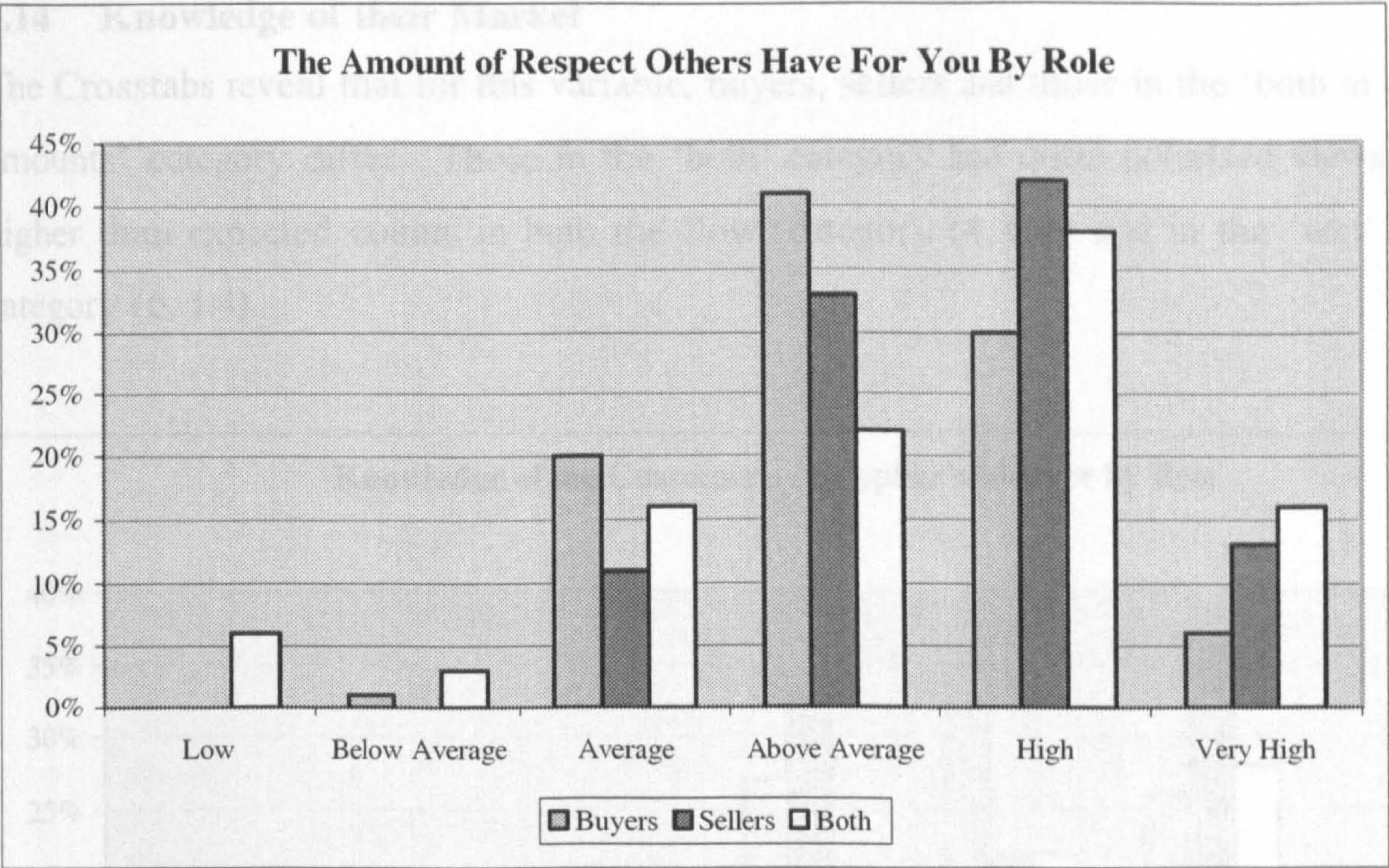


**Figure 5.1: Bar Chart of the Level of Self-Perceived Charisma by Role**

**5.12 Amount of Respect Others Have For You**

The Crosstabs reveal that for this variable, buyers and sellers differ considerably in their self-perceptions in several response categories. In the ‘average’ rating category, those in a purchasing role had a count 19% higher than expected (42, 35.1 respectively) and those in a sales role had a count 55% lower than expected (12, 18.6). In the ‘high’ category those in a purchasing role had a count 14% lower than expected (64, 73.1) and those in a sales role had a count 21% higher than expected (47, 38.8). On the ‘very high’ rating category, those in a purchasing role had a count 50% lower than expected (13, 19.6) and those in a sales role had a count 44% higher than expected (15, 10.4). This shows that with regard to the amount of respect the respondents perceived others have of them, buyers had a lower opinion than expected and sellers had a higher opinion, revealing a similar pattern to charisma.





**Figure 5.2: Bar Chart of the Amount of Respect Others Have for You by Role**

**5.13 Self-Perceived Knowledgeability Factor**

The variables within the Knowledgeability factor were explored with Crosstabs and Pearson’s chi-square to establish where the different subsets as indicated in the ANOVAs occurred. Within the Knowledgeability factor, all three variables show associations by role; differences occur between buyer and seller, while the ‘both in equal amounts’ role could be linked as a homogenous subset with either of these roles. Pearson Chi-Square results are displayed in Table 5.17.

**Table 5.17: Pearson Chi-Square Results for Charisma Factor Variables**

SELF-PERCEIVED POWER FACTOR 5: KNOWLEDGEABILITY	
Variable	Chi-Square Score
Your knowledge of their market	$x^2(12, n=355) = 36.99, p=.000$
Your knowledge of the product / service	$x^2(10, n=355) = 46.07, p=.000$
Your knowledge of their organisation	$x^2(14, n=355) = 42.04, p=.000$



5.14 Knowledge of their Market

The Crosstabs reveal that for this variable, buyers, sellers and those in the ‘both in equal amounts’ category differ. Those in the ‘both’ category had quite polarised views with higher than expected counts in both the ‘low’ category (4, 0.8) and in the ‘very high’ category (6, 1.4).

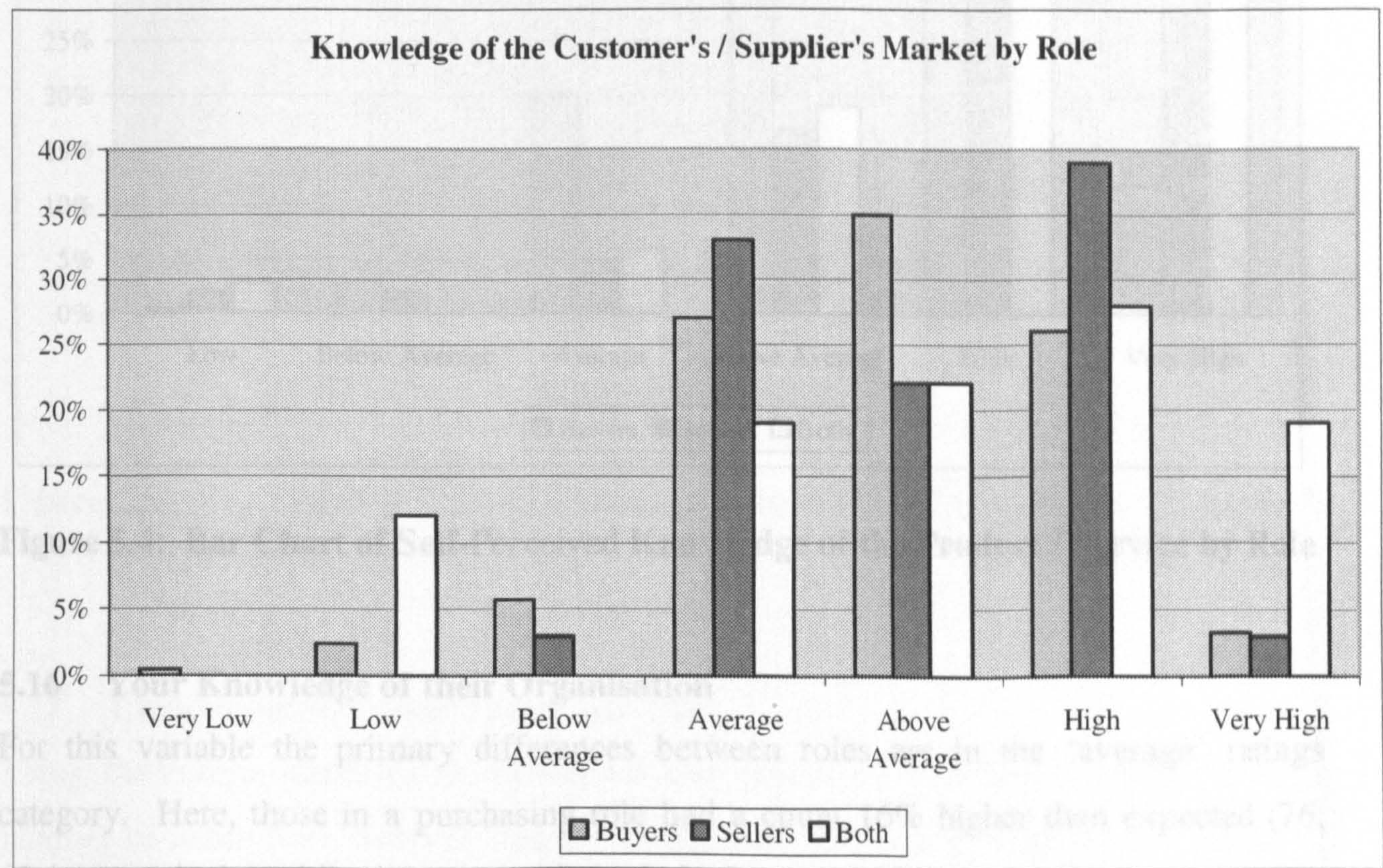


Figure 5.3: Bar Chart of Self-Perceived Knowledge of the Customer’s / Supplier’s Market by Role

5.15 Knowledge of the Product / Service

For this variable in the ‘average’ rating category, those in a purchasing role had a count 41% higher than expected (42, 29.7 respectively) and those in a sales role had a count 160% lower than expected (6, 15.8). In the ‘very high’ category those in a purchasing role had a count 55% lower than expected (26, 40.4) while undertaking both roles were 80% higher than expected (11, 6.1).



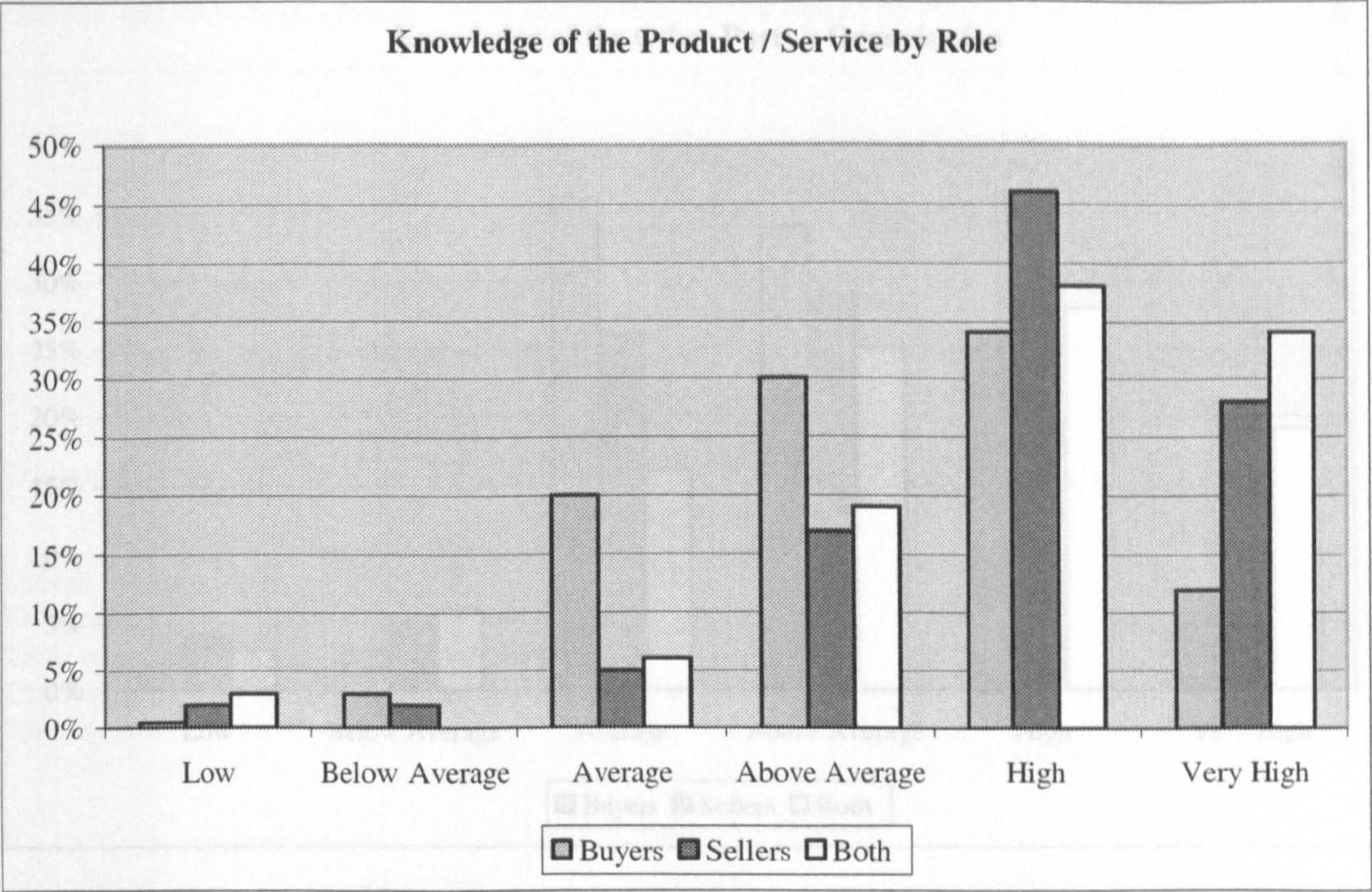
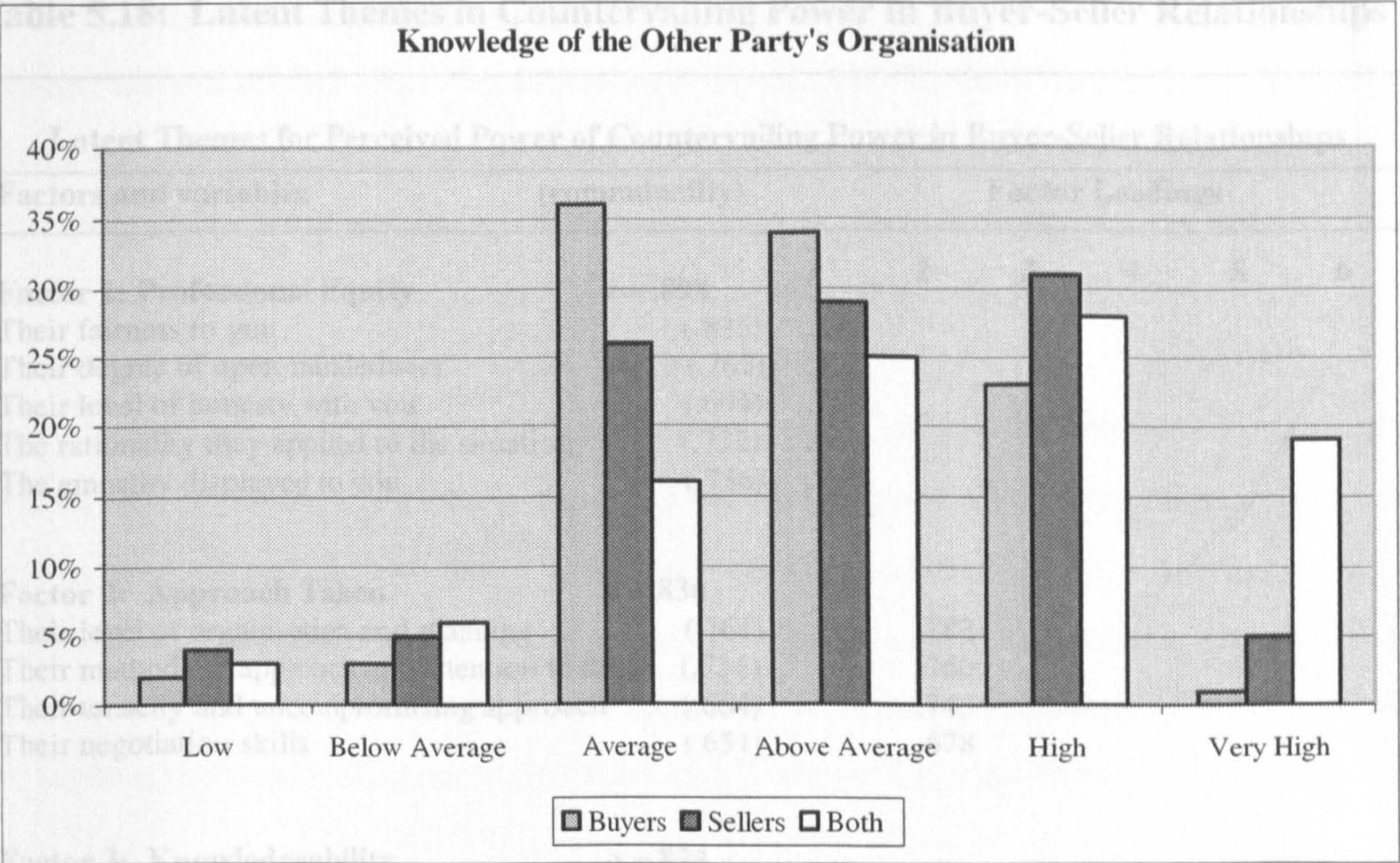


Figure 5.3: Bar Chart of the Self-Perceived Knowledge of Customer's / Supplier's  
**Figure 5.4: Bar Chart of Self-Perceived Knowledge of the Product / Service by Role**

**5.16 Your Knowledge of their Organisation**

For this variable the primary differences between roles are in the ‘average’ ratings category. Here, those in a purchasing role had a count 16% higher than expected (76, 65.4 respectively) while those in a sales role had a count 19% lower than expected (29, 34.7) and those undertaking both roles falling 98% lower than expected (5, 9.9).





**Figure 5.5: Bar Chart of the Self-Perceived Knowledge of Customer’s / Supplier’s Organisation by Role**

**5.17 Countervailing Power Factor Analysis**

Using the criteria identified in section 5.4 and guided by conceptual considerations, a number of items were removed and the factor analysis went through several iterations before arriving at a final, maximised solution. The initial solution resulted in a 9-factor solution accounting for 66.86% of the total variance. Items not fitting the criteria were eliminated and after each deletion the factor analysis was re-run. Seven iterations of the factor analysis were run to arrive at the final solution. The final rotated factor analysis, as shown in Table 5.18 revealed six factors relating to countervailing power, accounting for 71.33% of the total variance. The MSA values are .893 and the Bartlett's Test of Sphericity yielded a value of 4278.085 (df=231, p=.000).



Table 5.18: Latent Themes in Countervailing Power in Buyer-Seller Relationships

Latent Themes for Perceived Power of Countervailing Power in Buyer-Seller Relationships							
Factors and variables	(communality)	Factor Loadings					
		1	2	3	4	5	6
<b>Factor 1: Professional Equity</b>	<b><math>\alpha = .898</math></b>						
Their fairness to you	(.835)	.841					
Their degree of open-mindedness	(.762)	.821					
Their level of honesty with you	(.694)	.784					
The rationality they applied to the situation	(.732)	.757					
The empathy displayed to you	(.736)	.746					
<b>Factor 2: Approach Taken</b>	<b><math>\alpha = .836</math></b>						
Their level of organisation and planning	(.761)		.782				
Their methodical approach and attention to detail	(.731)		.760				
Their tenacity and uncompromising approach	(.664)		.745				
Their negotiation skills	(.651)		.678				
<b>Factor 3: Knowledgeability</b>	<b><math>\alpha = .824</math></b>						
Their knowledge of their own market	(.793)			.819			
Their knowledge of the product / service	(.713)			.770			
The knowledge of their own organisation	(.793)			.766			
The knowledge of your organisation's market	(.798)			.621			
<b>Factor 4: Dependency</b>	<b><math>\alpha = .781</math></b>						
Their dependency on your organisation	(.693)				.776		
Purchase / sales volume represented	(.672)				.775		
The business risk / criticality for their organisation	(.714)				.714		
<b>Factor 5: Charisma</b>	<b><math>\alpha = .808</math></b>						
Their use of charm	(.735)					.772	
Their charisma	(.739)					.738	
Their popularity / social skills	(.690)					.701	
<b>Factor 6: Strategic Opportunities</b>	<b><math>\alpha = .734</math></b>						
Their organisation's development strategy	(.658)						.713
Their knowledge of their organisation's objectives	(.678)						.668
Ability to contribute to personal targets	(.623)						.662
<b>Eigenvalues (post-rotation)</b>		3.75	2.75	2.65	2.29	2.19	2.06
<b>% of variance explained</b>		17.0	12.5	12.0	10.4	9.9	9.3
<b>Cumulative % of variance explained</b>		17.0	29.5	41.5	51.9	61.9	71.3
<b>Sample n = 355</b>	<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .893</b>						



### **5.18 Factors Arising For Countervailing Power**

The six factors arising from the factor analysis are briefly described below. These are evaluated in Chapter Six. All the variables have high loadings over the acceptable limit of .5 and all the variables also have high communality (as illustrated in Table 5.18). The factors were named in line with the guidelines discussed in section 4.8.6.

Interestingly, the same numbers of factors are produced for self perceived power and countervailing power and there is the same number of variables. Also there are obvious similarities between the two factor solutions with Professional Equity, Knowledgeability, Dependency and Charisma appearing in both. In terms of the differences, the Quality of Offering and Personal Attributes do not appear as factors in countervailing power – these are replaced instead with Approach Taken and Strategic Opportunities.

#### **Factor 1: Professional Equity**

This factor has five variables and a Cronbach's Alpha of  $\alpha = .898$ . These variables relate to their honesty and fairness in the relationship and with the addition of 'empathy displayed', mirror the variables in the self-perceived Professional Equity factor.

#### **Factor 2: Approach Taken**

This factor has four variables and a Cronbach's alpha of  $\alpha = .836$ . These variables are similar to the Personal Attributes factor in self-perceived power in that they focus on the competencies and behaviour of the individual, although they relate more to the style adopted and methods used. The variables are: organisation and planning, methodical approach and attention to detail, tenacity, and negotiation skills.

#### **Factor 3: Knowledgeability**

This factor has four variables and a Cronbach's alpha of  $\alpha = .824$ . As in those in the self-perceived knowledgeability factor, these variables relate to the knowledge held. The variables are: Their knowledge of their own market, their knowledge of the product / service, their knowledge of their own organisation and their knowledge of your market.

#### **Factor 4: Dependency**



This factor has three variables and a Cronbach's alpha of  $\alpha = .781$ . These variables are economically orientated and relate to organisational dependency and risk. Two of the three variables are dependency on the customer / supplier and the economic strength of their organisation, which mirror those in the self-perceived Dependency factor – their dependency on your organisation and the business risk for their organisation. The third variable - the purchase / sales volume represented by the relationship - is similar to the economic strength of their organisation (as found in the self-perceived Dependency factor).

#### **Factor 5: Charisma**

This factor has three variables and a Cronbach's alpha of  $\alpha = .808$ . It relates to the personality and appeal of the individual buyer within the buyer-seller relationship. As in the Charisma factor for self-perceived power, the variables are their charisma, their popularity / social skills and their use of charm. Unlike the self-perceived Charisma factor, this does not contain the variable relating to the amount of respect others have for you.

#### **Factor 6: Strategic Opportunities**

This factor has three variables and a Cronbach's alpha of  $\alpha = .734$ . These variables broadly relate to the long-term development strategy of the organisation and how this can impact the individual's personal position. The variables here are: Their organisation's product / process development strategy, their knowledge of their organisation's objectives and the ability of the outcome to contribute to their individual targets.

### **5.19 Data Reduction**

Through the factor analysis, data reduction was achieved to maximise the structure of the power construct in terms of its latent variables. The initial 42 variables included in the analysis were reduced to 22 following a number of iterations of the factor solution. Table 5.19 lists those variables that were removed as a result of the factor analysis, either owing to low communality or low factor loadings. These are analysed in Chapter 6.



Table 5.19: Variables Removed Through Factor Analysis – Countervailing Power

Variables Removed Countervailing Power	
Their personal opinion of the product / service	Their experience in the role
Their ability to identify the decision makers	Their level of intelligence
The relationships they hold with influential people	The level of respect they show to you
The amount of respect others have for them	Their commitment to the relationship
Their status / position in the organisation	Their professionalism
Their image / dress / appearance	Their attentiveness to you
Their ability to read / react to non-verbal communication	Their controlled approach
Their leadership skills	Their confidence displayed
Their motivation to achieve results	Their offers / use of hospitality
Their wanting to 'win' against you	Number of other suppliers / customers used in this sector

Further exploration of the variables within the Knowledgeability factor with Crosstabs and Pearson's chi-square established where the different subjects as indicated by the

5.20 Post-Hoc Analysis by Role for Countervailing Power

As detailed in Table 5.20 Post-hoc ANOVAs between the three role groups were performed to determine any significant mean differences on the countervailing power factors by main role. Tukey and Hochberg GT2 pairwise test procedures were again used (see section 5.9). Both the Tukey and Hochberg's GT2 tests reported the same results.

Table 5.21: Pearson's Chi-Square Results for Countervailing Knowledgeability

For countervailing power, significant differences between the roles are highlighted in just one factor – Knowledgeability. As illustrated in Table 5.20, all the other multiple comparisons show no significant differences.

Variable	Chi-Square Score
Their knowledge of their own organisation	$\chi^2(12, n=355) = 16.95, p=.151$
Their knowledge of their own market	$\chi^2(12, n=355) = 32.85, p=.001$
Their knowledge of the product / service	$\chi^2(12, n=355) = 63.54, p=.000$
Their knowledge of your organisation's market	$\chi^2(14, n=355) = 23.09, p=.054$



**Table 5.20: ANOVA Scores for Countervailing Power by Role**

FACTOR	ANOVA SCORE
Factor 1: Professional Equity	$F(2,351) = .846, p = .430$
Factor 2: Personal Attributes	$F(2,351) = .474, p = .621$
Factor 3: Knowledgeability	$F(2,351) = .931, p = .000$
Factor 4: Dependency	$F(2,351) = .419, p = .016$
Factor 5: Charisma	$F(2,351) = .513, p = .599$
Factor 4: Strategic Focus	$F(2,351) = 2.97, p = .052$

**5.21 Countervailing Knowledgeability Factor**

Further exploration of the variables within the Knowledgeability factor with Crosstabs and Pearson’s chi-square established where the different subsets as indicated by the ANOVAs occurred. Two of the four variables show associations by role; differences occur between buyer and seller, while the ‘both in equal amounts’ role could be linked as a homogenous subset with either of these roles. Pearson Chi-Square results are displayed in Table 5.21.

**Table 5.21: Pearson’s Chi-Square Results for Countervailing Knowledgeability Factor Variables**

COUNTERVAILING POWER FACTOR 1: KNOWLEDGEABILITY	
Variable	Chi-Square Score
Their knowledge of their own organisation	$\chi^2(12, n=355) = 16.95, p=.151$
Their knowledge of their own market	$\chi^2(12, n=355) = 32.85, p=.001$
Their knowledge of the product / service	$\chi^2(12, n=355) = 63.54, p=.000$
Their knowledge of your organisation’s market	$\chi^2(14, n=355) = 23.09, p=.059$



5.23 Their Knowledge of The Product / Service

5.22 Their Knowledge of Their Own Market

Analysis of the Crosstabs reveals that for this variable, buyers and sellers differ in their perceptions of the other party's countervailing power. In the 'average' rating category, buyers rate their counterparts' knowledge of their own market 36% lower than expected (27, 36.9 respectively). This pattern is reserved in the 'high' rating category where buyers' rating of their counterpart's knowledge is 13% higher than expected (84, 73.7). Sellers in this variable exhibit contrasting patterns. In the 'average' category sellers score the countervailing buyers knowledge of their own market 32% higher than expected (26, 19.6) and in the 'high' category, this is 26% lower than expected (31, 39.1). This shows that with regard to the other party's knowledge of their own market, buyers perceive sellers to be more knowledgeable than expected and sellers perceive buyers to be less knowledgeable than expected.

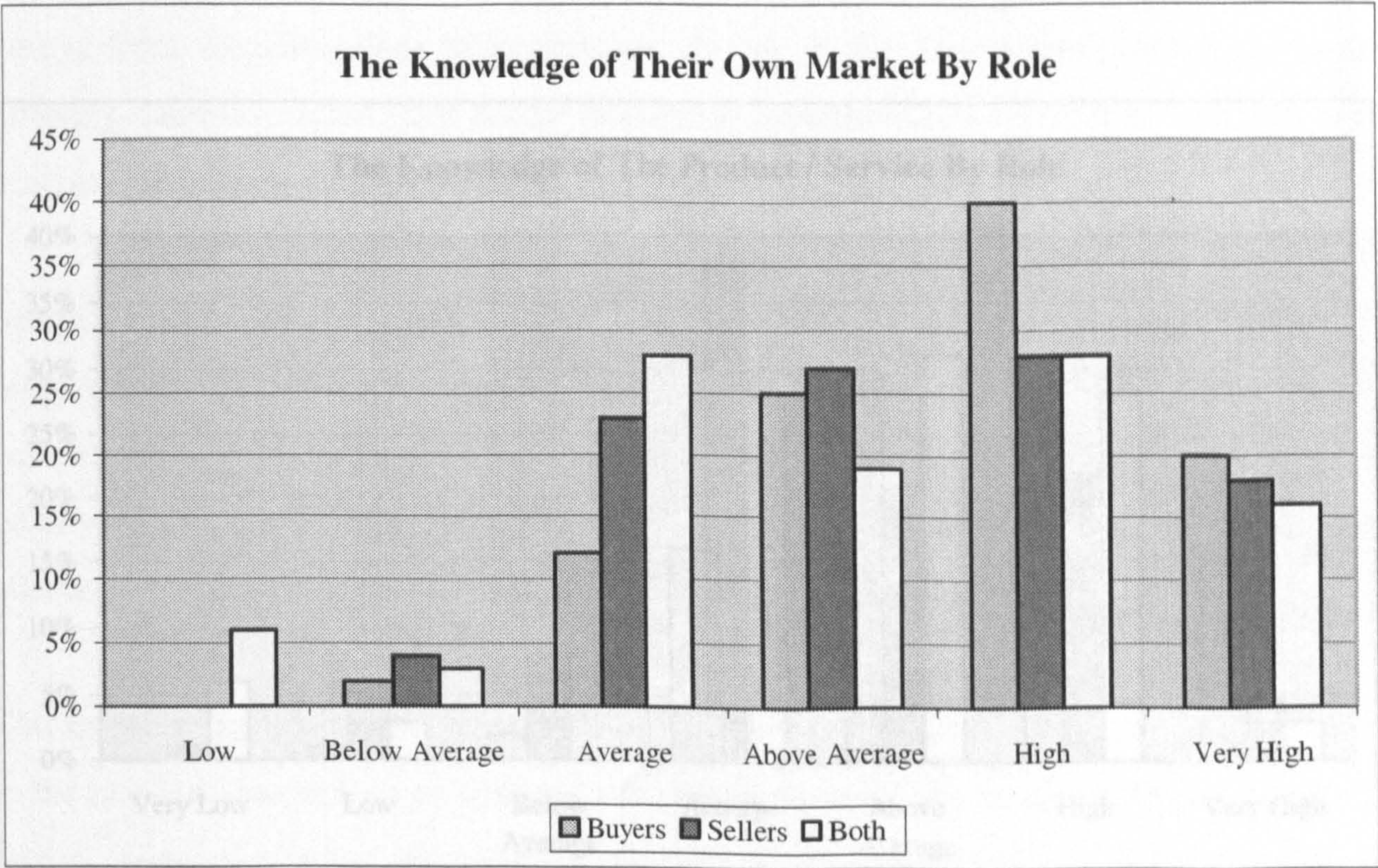


Figure 5.6: Bar Chart of the Other Party's Knowledge of Their Own Market by Role



5.23 Their Knowledge of The Product / Service

For this variable, buyers and seller differ considerably in their perceptions of the other party in several response categories. In the ‘below average’ rating category, those in a purchasing role rated the other party 92% lower than expected (4, 7.7 respectively) and those in a sales role rated the other party 19% higher than expected (9, 4.1). In the ‘average’ category those in a purchasing role rated the other party 58% higher than expected (42, 26.5). Similarly, on the ‘high’ rating category, those in a purchasing role rated the other party 17% higher than expected (79, 67.2) and those in a sales role rated the other party 42% lower than expected (25, 35.7). In the ‘very high’ response category, buyers rated the other party 40% higher than expected (31, 22) while sellers rated the other party 103% lower than expected (5, 11.7). This shows that with regard to the other party’s knowledge of the product / service, buyers perceived sellers to be more knowledgeable than expected, and sellers believe buyers to be less knowledgeable than expected.

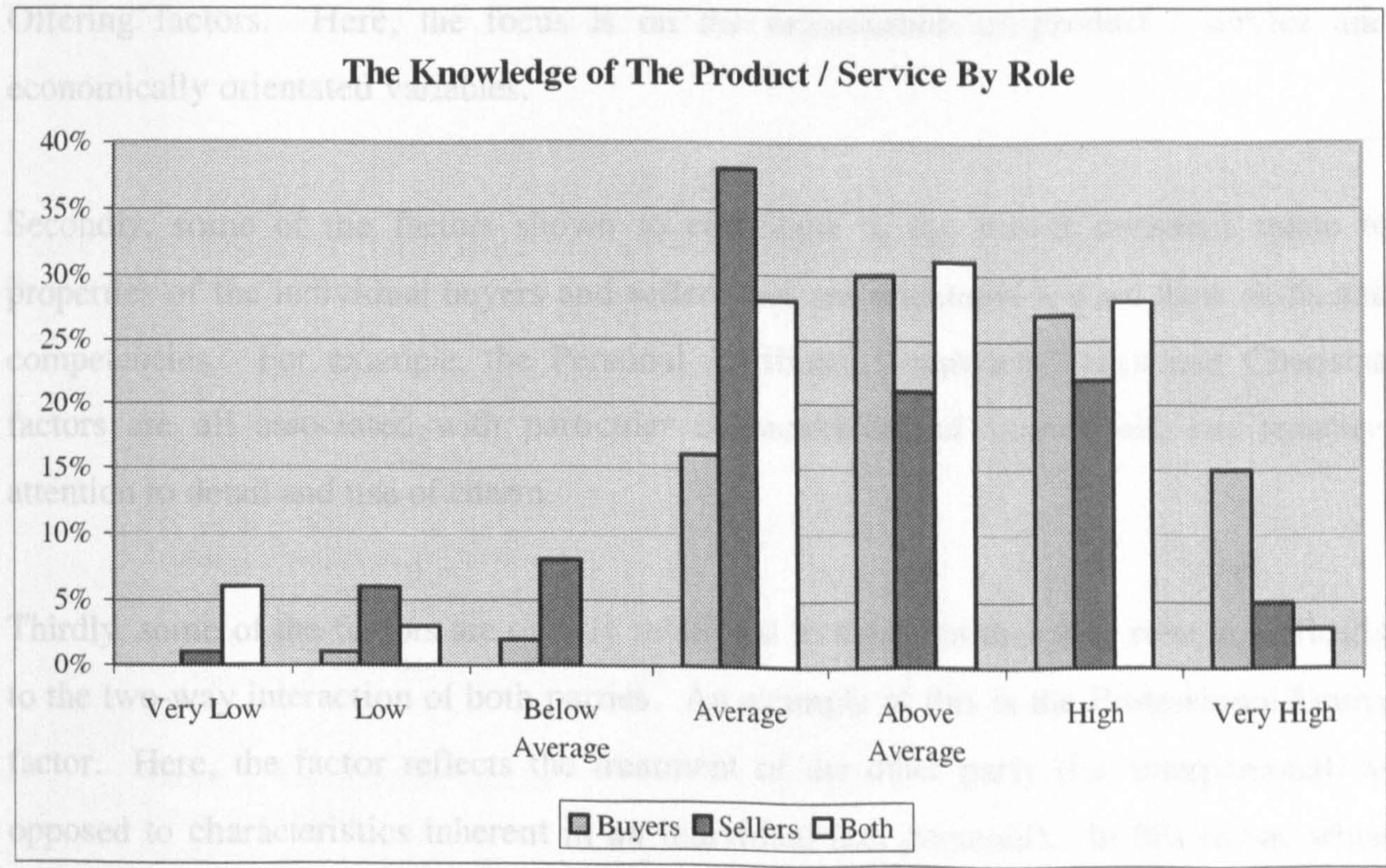


Figure 5.7: Bar Chart of the Other Party’s Knowledge of the Product / Service by Role



5.24 Objective 2: The Ontology of Power in Buyer-Seller Relationships

The second objective of this research is:

- To establish the ontological position on where power is located in buyer-seller relationships.

As with objective 1, this takes a two-way perspective as it also considers what the other

This research question underpins the factor analyses on self-perceived and countervailing power and seeks to contribute to the gaps in the extant literature where several schools of thought have emerged from different disciplines, but have not been integrated. The findings emerging from the factor analyses on both self-perceived and countervailing power indicate a pluralistic construct as several ontological positions of power are revealed. When the factor analysis was re-run. The final round factor analysis, as shown

in Table 5.22, revealed just two factors relating to what buyers and sellers perceive they

Firstly, there is evidence in the data that power in buyer-seller relationships stem, at least partly, from organisational properties, as shown in the Dependency and Quality of Offering factors. Here, the focus is on the organisation or product / service and economically orientated variables.

Secondly, some of the factors shown to contribute to the power construct relate to properties of the individual buyers and sellers and are orientated toward their skills and competencies. For example, the Personal Attributes, Approach Taken and Charisma factors are all associated with particular characteristics of individuals, i.e. tenacity, attention to detail and use of charm.

Thirdly, some of the factors are overtly relational in nature in that they refer specifically to the two-way interaction of both parties. An example of this is the Professional Equity factor. Here, the factor reflects the treatment of the other party (i.e. interpersonal) as opposed to characteristics inherent in an individual (i.e. personal). In this sense, while this factor still has high personal associations as it is ultimately related to how an individual behaves, it is less constant than purely personal traits and may change from relationship to relationship.

Factor 1: Attitudes	0.859	1	2
Attitudes towards product / service	(.812)	.885	
Attitudes towards your organisation	(.728)	.807	
Personality of your sales representative	(.601)	.775	
Factor 2: Interpersonal			
Relationship (post-rotation)		.893	.921
Cumulative % of variance explained		39.3	71.5
Sample n = 355	Kaiser Meyer Olkin Measured Supplying Accuracy = .014		



5.25 Objective 3: Areas of Potential Influence in Buyer-Seller Relationships

The third objective of this research is:

- To identify what buyers and sellers seek to influence.

As with objective 1, this takes a two-way perspective as it also considers what the other party seeks to influence. Thus, two factor analyses have been produced. Using the criteria identified in section 5.4, and guided by conceptual considerations, a number of items were removed and the factor analysis went through four iterations before arriving at a final, maximised solution. The initial solution resulted in a 6-factor solution accounting for 65.57% of the total variance. Items not fitting the criteria were eliminated and after each deletion the factor analysis was re-run. The final rotated factor analysis, as shown in Table 5.22, revealed just two factors relating to what buyers and sellers perceive they have influence over, accounting for 71.5% of the total variance. The MSA values are .814 and the Bartlett's Test of Sphericity yielded a value of 1106.231 (df=21, p=.000). The factors were named in line with the guidelines discussed in section 4.8.6.

Table 5.22: Latent Themes for Areas of Potential Influence (Self-Perceived) in Buyer-Seller Relationships

Latent Themes for Areas of Potential Influence in Buyer-Seller Relationships			
Factors and variables		(communality)	Factors
<b>Factor 1: Attitudes</b>		<b><math>\alpha = .850</math></b>	<b>1            2</b>
Attitudes towards product / service		(.812)	.885
Attitudes towards your organisation		(.720)	.807
Attitudes towards other competitors		(.626)	.783
Perceptions of your status / responsibility		(.641)	.776
<b>Factor 2: Commercial Details</b>		<b><math>\alpha = .820</math></b>	
Terms of Payment		(.761)	.858
Prices		(.717)	.832
Terms and Conditions		(.728)	.821
<b>Eigenvalues (post-rotation)</b>			<b>2.76        2.25</b>
<b>% of variance explained</b>			<b>39.3        32.1</b>
<b>Cumulative % of variance explained</b>			<b>39.3        71.5</b>
Sample n = 355		Kaiser Meyer Olkin Measure of Sampling Adequacy = .814	



## **5.26 Factors Arising For Self-Perceived Areas of Potential Influence**

The two factors arising from the factor analysis are briefly described below. These are evaluated in Chapter 6. All the variables have high loadings over the acceptable limit of .5 and also have high communality (as illustrated in Table 5.21). Cronbach's Alpha scores for both factors also exceed the recommended .70 value.

### **Factor 1: Attitudes**

This factor has four variables and a Cronbach's Alpha of  $\alpha = .850$ . These variables relate to the various attitudes and perceptions of the other party that buyers and sellers seek to influence and change. The variables in this factor are: attitudes towards the product / service, attitudes towards your organisation, attitudes towards other competitors and the perceptions of your status / responsibility.

### **Factor 2: Commercial Details**

This factor has three variables and a Cronbach's alpha of  $\alpha = .820$ . The variables here are unsurprising given the commercial context of buyer-seller relationships. These variables are arguably the fundamental aspects of the buyer and seller roles and include terms of payment, prices and terms and conditions.

## **5.27 Data Reduction**

Through the factor analysis, data reduction of the variables was achieved to reveal the broad areas over which buyers and sellers potentially have influence over. The initial 24 variables included in the analysis were reduced to 7 following a number of iterations of the factor solution. Table 5.23 lists those variables that were removed as a result of the factor analysis, either owing to low communality or low factor loadings. These are analysed in Chapter 6.



**Table 5.23: Variables Removed Through Factor Analysis – Self Perceived Areas of Influence**

Variables Removed Self-Perceived Areas of Interest	
Transactional methods used	Processes / ways of working
Timescales for activity completion	Stock levels held / service capacity
Specifications / alternatives	Quality
Returns / recycling	Delivery times
Length of contract	Volume of work
Status of the relationship	Choice of other suppliers / customers
Supply chain issues / initiatives	New product development
Investment decisions / strategic direction	Sharing of competitive intelligence
Sharing of best practise	

**5.28 Post-Hoc Analysis by Role for Self-Perceived Areas of Influence**

As detailed in Table 5.24, Post-hoc ANOVAs between the three role groups were performed to determine any significant mean differences on the self-perceived areas of influence factors by main role. Both the Tukey and Hochberg’s GT2 tests reported the same results. Significant differences between the roles are highlighted in just one factor – Commercial Details.

**Table 5.24: ANOVA Scores for Self-Perceived Areas of Influence by Role**

FACTOR	ANOVA SCORE
Factor 1: Attitudes	$F(2,352) = 5.98, p = .013$
Factor 2: Commercial Details	$F(2,352) = 15.64, p = .000$



**5.29 Commercial Details Factor**

Further exploration of the variables within the Commercial Details factor with Crosstabs and Pearson’s chi-square established where the different subsets as indicated by the ANOVAs occurred. Within this factor, two of the three variables show associations by role; differences occur between buyer and seller while the ‘both in equal amounts’ role could be linked as a homogenous subset with either of these roles. Pearson Chi-Square results are displayed in Table 5.25.

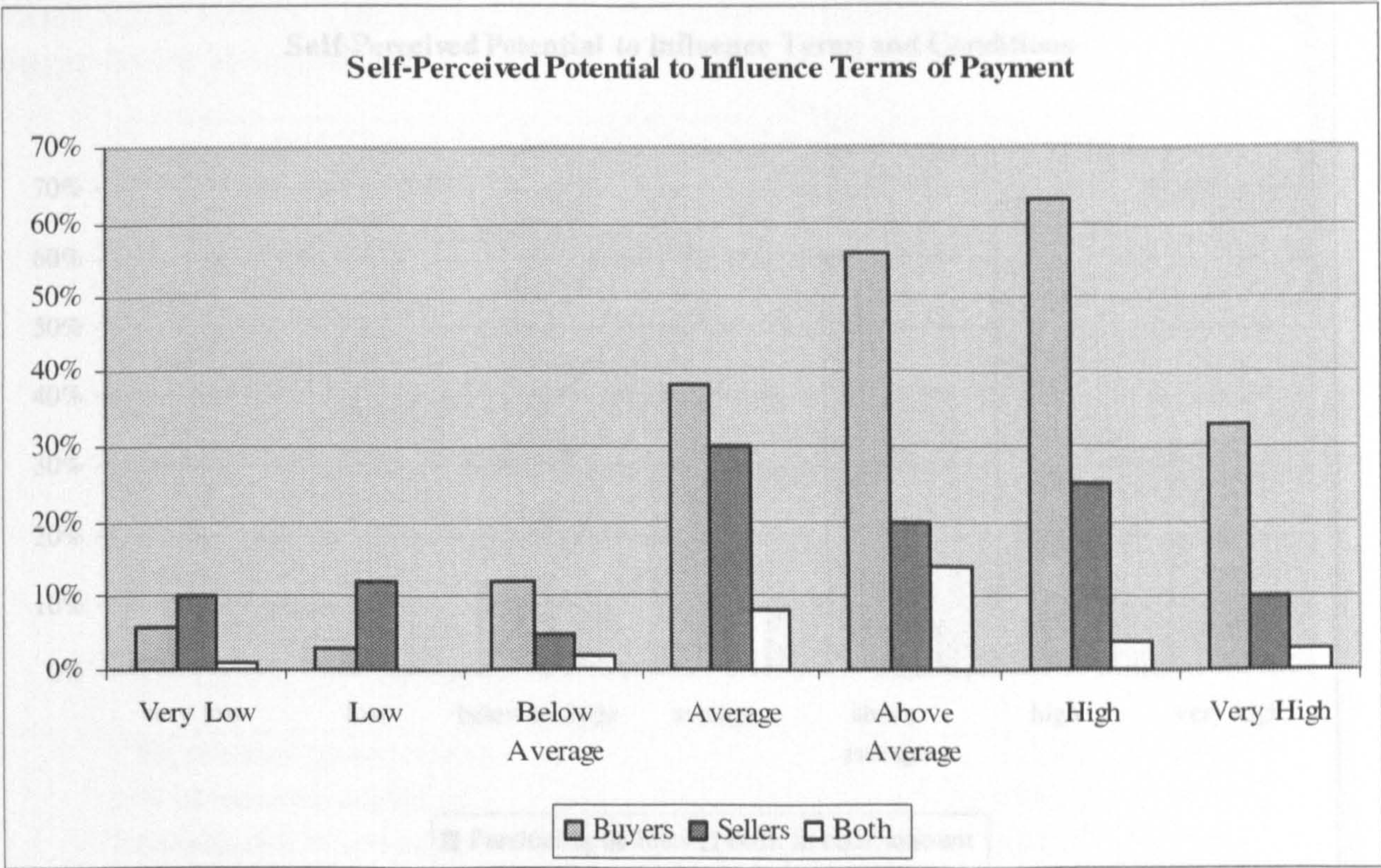
**Table 5.25: Pearson’s Chi-Square Results for Self-Perceived Commercial Details Factor Variables**

SELF-PERCEIVED AREAS OF INFLUENCE FACTOR 2: COMMERCIAL DETAILS	
Variable	Chi-Square Score
Terms of Payment	$\chi^2(14, n=355) = 40.04, p=.000$
Prices	$\chi^2(14, n=355) = 16.65, p=.275$
Terms and Conditions	$\chi^2(14, n=355) = 29.69, p=.008$

**5.30 Terms of Payment**

Analysis of the Crosstabs reveals that buyers and sellers differ in their perceptions of their potential to influence the terms of payment. Here, in a reversal of the previous factor analyses related to the power construct, buyers emerge as the party with the greatest self-perceived potential to influence. Specifically in the ‘low’ rating category, buyers rate their potential to influence terms of payment 196% lower than expected (3, 8.9 respectively), whereas sellers are 155% higher than expected in this category (12, 4.7). At the opposite end of the rating scale this pattern is reserved. In ‘very high’ rating category buyers have a count 20% higher than expected (33, 27.3) and sellers are 45% lower than expected (10, 14.5). This shows that the buyers in the sample perceive that they have more potential to influence terms of payment than the sellers.





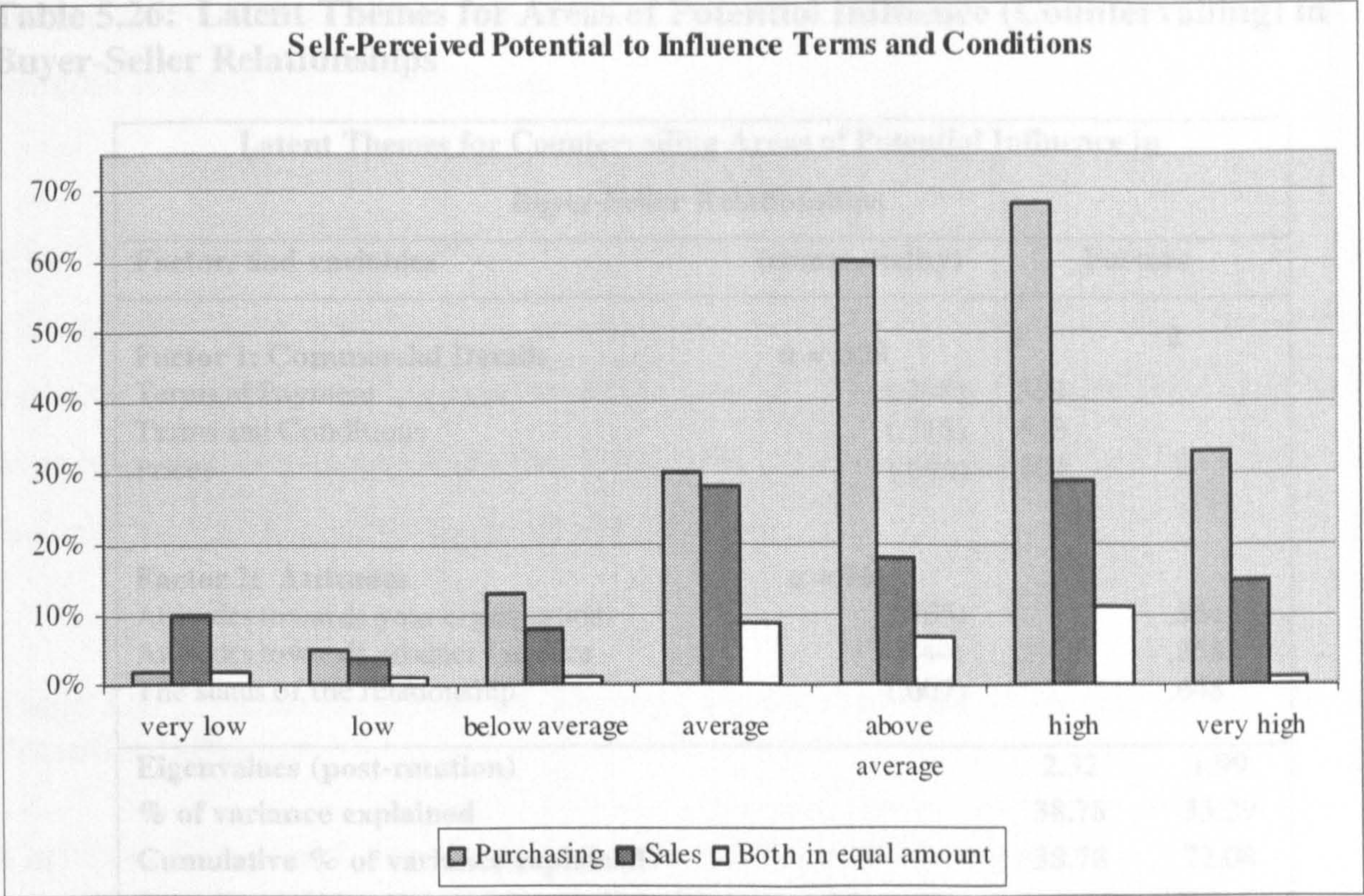
**Figure 5.8: Bar Chart of Self-Perceived Potential of Influence Terms of Payment by Role**

**Figure 5.9: Bar Chart of Self-Perceived Potential of Influence Terms and Conditions by Role**

### 5.31 Terms and Conditions

Analysis of the Crosstabs reveals that buyers and sellers differ in their perceptions of their potential to influence the terms and conditions. In a similar pattern to the ability to influence terms of payment, buyers emerge as the party with the greatest self-perceived potential to influence. Specifically in the ‘very low’ rating category, buyers have 24% lower observed counts on their potential to influence terms and conditions than expected (2, 8.3 respectively), whereas sellers are 24% higher than expected in this category (10, 4.4). At the opposite end of the rating scale this pattern is reserved. In ‘above average’ rating category buyers have 18% higher than expected counts (60, 50.5) and sellers are 49% lower than expected (18, 26.8). This shows that the buyers in the sample perceive that they have more potential to influence terms and conditions than the sellers.





**Figure 5.9: Bar Chart of Self-Perceived Potential of Influence Terms and Conditions by Role**

The two factors arising from the factor analysis are briefly described below. These are evaluated in Chapter 6. All the variables have high loadings over the acceptable limit of

### 5.32 Countervailing Areas of Potential Influence

Using the criteria identified in section 5.4, and guided by conceptual considerations, a number of items were removed and the factor analysis went through four iterations before arriving at a final, maximised solution. The initial solution resulted in a 5-factor solution accounting for 59.62% of the total variance. Items not fitting the criteria were eliminated and after each deletion the factor analysis was re-run. The final rotated factor analysis, as shown in Table 5.26, revealed two factors relating to what buyers and sellers perceive the other party has influence over, accounting for 72.08% of the total variance. The MSA values are .789 and the Bartlett's Test of Sphericity yielded a value of 786.424 (df=15, p=.000).

**Factor 2: Attitudes**  
 This factor has three variables and a Cronbach's Alpha of .766. These variables again mirror those in the Attitudes factor under the self-perceived areas of influence. For



**Table 5.26: Latent Themes for Areas of Potential Influence (Countervailing) in Buyer-Seller Relationships**

Latent Themes for Countervailing Areas of Potential Influence in Buyer-Seller Relationships			
Factors and variables	(communality)	Factors	
<b>Factor 1: Commercial Details</b>	<b><math>\alpha = .825</math></b>	<b>1</b>	<b>2</b>
Terms of Payment	(.798)	.884	
Terms and Conditions	(.715)	.818	
Prices	(.696)	.809	
<b>Factor 2: Attitudes</b>	<b><math>\alpha = .766</math></b>		
Attitudes towards your organisation	(.765)		.864
Attitudes towards product / service	(.744)		.853
The status of the relationship	(.607)		.648
Eigenvalues (post-rotation)		2.32	1.99
% of variance explained		38.78	33.29
Cumulative % of variance explained		38.78	72.08
Sample n = 355    Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .789			

**5.33 Factors Arising For Countervailing Areas of Potential Influence**

The two factors arising from the factor analysis are briefly described below. These are evaluated in Chapter 6. All the variables have high loadings over the acceptable limit of .5 and also have high communality (as illustrated in Table 5.26). Cronbach’s Alpha scores for both factors also exceed the recommended .70 value. The factors were named in line with the guidelines discussed in section 4.8.6. The two factors mirror those emerging from the self-perceived areas of influence, namely Commercial Details and Attitudes, with only very minor differences within the Attitudes factor.

**Factor 1: Commercial Details**

This factor has three variables and a Cronbach’s alpha of  $\alpha = .825$ . The variables here are identical to those within the Commercial Details factor under the self-perceived areas of influence. The variables are terms of payment, terms and conditions and prices.

**Factor 2: Attitudes**

This factor has three variables and a Cronbach’s Alpha of  $\alpha = .766$ . These variables again mirror those in the Attitudes factor under the self-perceived areas of influence. The



overlaps include two of the three variables: attitudes towards the product / service, and attitudes towards your organisation.

5.34 Data Reduction

Through the factor analysis, data reduction of the variables was achieved. The initial 24 variables included in the analysis were reduced to 6. Table 5.27 lists those variables that were removed as a result of the factor analysis, either owing to low communality or low factor loadings. These are analysed in Chapter 6.

Table 5.27: Variables Removed Through Factor Analysis – Countervailing Areas of Potential Influence

Variables Removed Countervailing Areas of Potential Influence	
Transactional methods used	Processes / ways of working
Timescales for activity completion	Stock levels held / service capacity
Specifications / alternatives	Quality
Returns / recycling	Delivery times
Length of contract	Volume of work
Attitudes towards other competitors	Choice of other suppliers / customers
Supply chain issues / initiatives	New product development
Investment decisions / strategic direction	Sharing of competitive intelligence
Sharing of best practise	Perceptions of your status / responsibility

5.35 Post-Hoc Analysis by Role for Self-Perceived Areas of Influence

As detailed in Table 5.28, Post-hoc ANOVAs between the three role groups were performed to determine any significant mean differences on the self-perceived areas of influence factors by main role. Both the Tukey and Hochberg’s GT2 tests reported no significant differences.



**Table 5.28: ANOVA Scores for Countervailing Areas of Influence by Role**

FACTOR	ANOVA SCORE
Factor 1: Commercial Details	$F(2,352) = .384 \quad p = .682$
Factor 2: Attitudes	$F(2,352) = 1.152, \quad p = .317$

**5.36 Objective 4: Factors Motivating the Use of Power in Buyer-Seller Relationships**

The fourth objective of this research is:

- **To identify what motivates buyers and seller to use their power.**

The variables included in this factor analysis all emerged from the 1:1 semi-structured interviews in the second exploratory phase of this research. The initial factor solution resulted in an 8-factor solution accounting for 59.74% of the total variance. Items not fitting the criteria identified in section 5.4 were eliminated and after each deletion the factor analysis was re-run. The factor analysis went through nine iterations before arriving at a final, maximised solution. The final rotated factor analysis, as shown in Table 5.29, revealed four factors relating to what motivates buyers and sellers to use their power, accounting for 75.46% of the total variance. The MSA values are .642 and the Bartlett's Test of Sphericity yielded a value of 830.775 (df=36, p=.000). The factors were named in line with the guidelines discussed in section 4.8.6.



**Table 5.29: Latent Themes for Areas Motivating the Use of Power in Buyer-Seller Relationships**

Latent Themes for Areas Motivating the Use of power in Buyer-Seller Relationships					
Factors and variables	(communality)	Factors			
<b>Factor 1: Targets</b>	<b><math>\alpha = .766</math></b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Pressure to reach organisational targets	(.798)	.879			
Pressure to reach individual targets	(.821)	.876			
<b>Factor 2: Personal Drive</b>	<b><math>\alpha = .712</math></b>				
To make my job more interesting / challenging	(.760)		.854		
A personal drive to fulfil my own potential	(.665)		.757		
To establish my own personal position	(.652)		.722		
<b>Factor 3: Strategic Development</b>	<b><math>\alpha = .762</math></b>				
To improve the competitiveness of the supply chain	(.802)			.893	
To share best practice with my customer / supplier	(.718)			.879	
<b>Factor 4: Relational Conditions</b>	<b><math>\alpha = .651</math></b>				
Wanting to 'win' against the buyer / seller	(.777)				.850
To ensure selection of my preferred suppliers / customers	(.718)				.802
<b>Eigenvalues (post-rotation)</b>		1.91	1.70	1.69	1.50
<b>% of variance explained</b>		21.21	18.83	18.80	16.63
<b>Cumulative % of variance explained</b>		21.2	40.04	58.84	75.47
<b>Sample n = 355</b>	<b>Kaiser-Meyer-Olkin Measure of Sampling adequacy = .642</b>				

**5.37 Factors Arising For Areas Motivating the Use of Power in Buyer-Seller Relationships**

The four factors arising from the factor analysis are briefly described below. These are evaluated in Chapter 6. All the variables have high loadings over the acceptable limit of .5 and also have high communality (as illustrated in Table 5.28). Cronbach’s Alpha scores for factor four (Relational Conditions) is below the recommended .70 value, but the high factor loading, communalities, Eigenvalues and variance explained all justify its inclusion.

**Factor 1: Targets**

This factor has two variables and a Cronbach’s Alpha of  $\alpha = .766$ . These variables relate to the pressure to reach targets, both organisational and individual.



### **Factor 2: Personal Drive**

This factor has three variables and a Cronbach's alpha of  $\alpha = .712$ . The variables all relate to an individuals' desire to improve ones own situation in their role. The motivation here therefore is inherently personal. These differ from the Targets factor, which relate to imposed targets, albeit these may be individual. The variables in this factor are: to make my job more interesting / challenging, a personal drive to fulfil my own potential and to establish my own personal position.

### **Factor 3: Strategic Development**

This factor has two variables and a Cronbach's alpha of  $\alpha = .762$ . The variables here relate to the long-term strategic development of the buyer-seller relationship. This indicates that buyers and sellers are motivated beyond purely individually orientated and short-term factors. Here the focus is on improvements with both the other party and extending beyond the dyad to the whole supply chain. The variables in this factor are to improve the competitiveness of the supply chain and to share best practice with my customer / supplier.

### **Factor 4: Relational Conditions**

This factor has three variables and a Cronbach's alpha of  $\alpha = .651$ . The variables here relate to the specific state of the buyer / seller relationship. Both positive and negative motivations are revealed here. The first variable, wanting to win against the buyer / seller indicates a more negative motivation than the second - to ensure the selection and maintenance of my preferred suppliers / customers.

## **5.38 Data Reduction**

Through the factor analysis, data reduction of the variables was achieved to reveal the broad areas over which buyers and sellers potentially have influence over. The initial 25 variables included in the analysis were reduced to 9 following 9 iterations of the factor solution. Table 5.30 lists those variables that were removed as a result of the factor analysis, either owing to low communality or low factor loadings. These are analysed in Chapter 6.



**Table 5.30: Variables Removed Through Factor Analysis – Factors Motivating Buyers and Sellers to Use their Power.**

Variables Removed Factors Motivating Buyers and Sellers to Use their Power	
My role / status / position demands it	Pressure from my manager
To improve my job prospects / CV	To maintain / create a good reputation
To maximise the benefit for my organisation	To maximise my commission / performance related pay
To keep my job	To keep up with work colleagues and peers
To maximise short-term gains	To establish my organisation's position
To ensure organisational survival	Because I get recognised / rewarded in my organisation for good work
Because I am committed to the success of my organisation	Because of past experiences with the customer / suppliers
Because I can	Because they have not fulfilled their promises

**5.39 Post-Hoc Analysis by Role for Factors Motivating Buyers and Sellers to Use their Power**

As detailed in Table 5.31, Post-hoc ANOVAs between the three role groups were performed to determine any significant mean differences on the self-perceived areas of influence factors by main role. Both the Tukey and Hochberg's GT2 tests reported the same results. Significant differences between the roles are highlighted in just one factor – Relational Conditions.

**Table 5.31: ANOVA Scores for Factors Motivating the Use of Power by Role**

FACTOR	ANOVA SCORE
Factor 1: Targets	$F(2,351) = 1.96, p = .142$
Factor 2: Personal Drive	$F(2,351) = 2.19, p = .113$
Factor 2: Strategic Developments	$F(2,351) = 1.74, p = .176$
Factor 2: Relational Conditions	$F(2,351) = 22.11, p = .000$



**5.40 Relational Conditions Factor**

Further exploration of the variables within the Relational Conditions factor with Crosstabs and Pearson’s chi-square established where the different subsets occurred. Within this factor, both of the variables have significant mean differences between buyer and seller, while the ‘both in equal amounts’ role could be linked as a homogenous subset with either of these roles. Pearson Chi-Square results are displayed in Table 5.32.

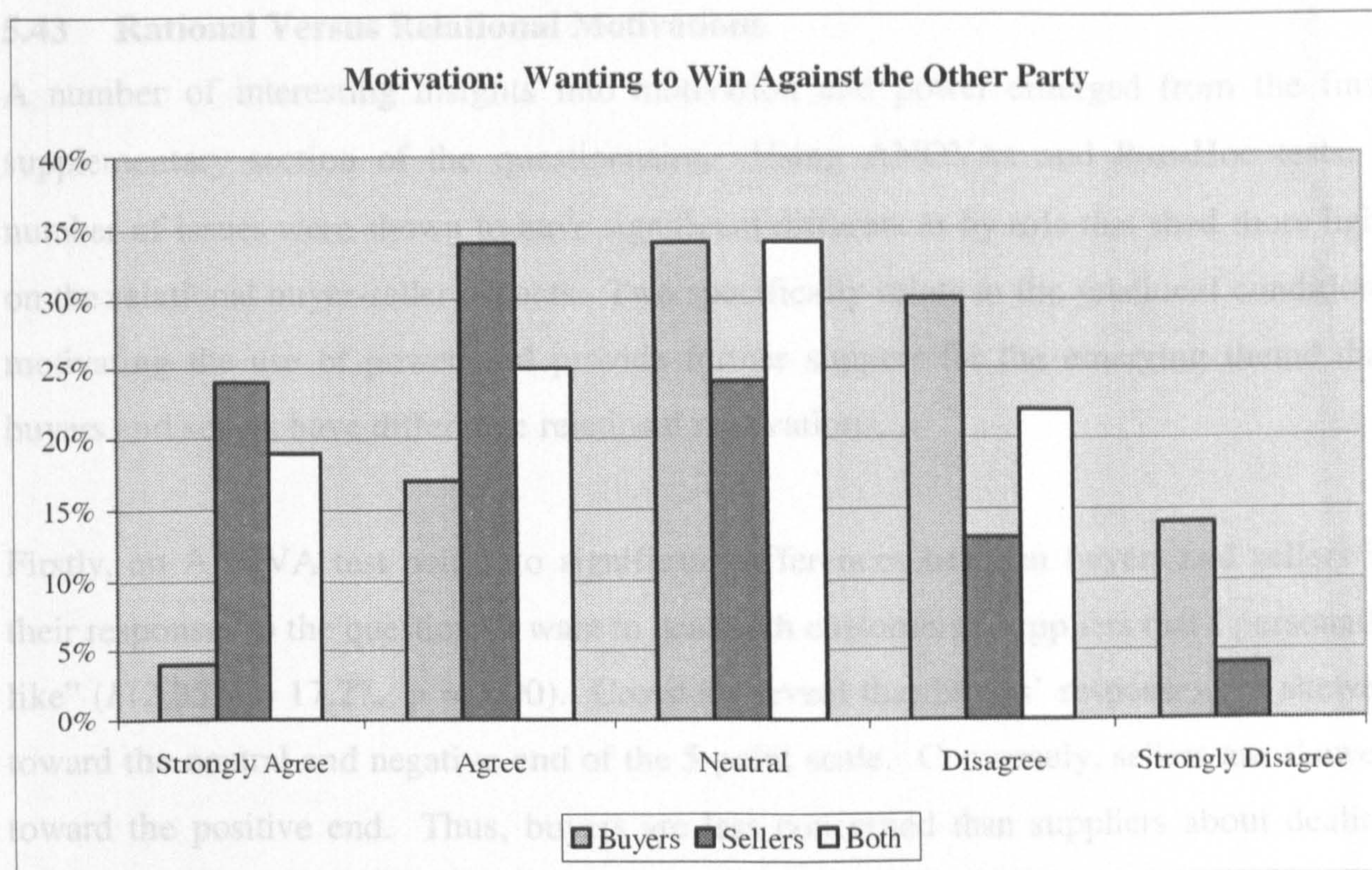
**Table 5.32: Pearson’s Chi-Square Results for Relational Conditions Factor Variables**

MOTIVATING FACTORS	
FACTOR 2: RELATIONAL CONDITIONS	
Variable	Chi-Square Score
Wanting to ‘win’ against the other party	$\chi^2(8, n=355) = 54.37, p=.000$
To ensure my preferred customers / suppliers are selected / maintained	$\chi^2(8, n=355) = 42.13, p=.000$

**5.41 Wanting to ‘Win’ Against the Other Party**

Analysis of the Crosstabs reveals that buyers and sellers differ in how their ‘wanting to win against the other party’ affects their motivation to use their power. Here, buyers take a more positive view than sellers. Specifically, buyers score 156% lower than expected in the ‘strongly agree’ category (10, 25.6 respectively) and 35% lower than expected in the ‘agree’ category (36, 48.7). Sellers demonstrate the reverse with scores 98% higher than expected in the ‘strongly agree’ category (27, 13.6) and 46% higher than expected in the ‘agree’ category (38, 25.9). At the opposite end of the rating scale this pattern is reserved. In ‘disagree’ rating category buyers have a count 24% higher than expected (63, 50.5) and sellers are 78% lower than expected (15, 26.8). In the ‘strongly disagree’ rating category buyers have a count 44% higher than expected (30, 20.8) and sellers are 120% lower than expected (5, 11). This shows that sellers are more negatively motivated and do not appear to be regarding buyers as partners, instead taking a more adversarial win-lose stance.





**Figure 5.8: Bar Chart of Wanting to Win Against the Other Party by Role**

#### 5.42 To Ensure My Preferred Suppliers / Customers are Selected / Maintained

Analysis of the crosstabs reveals that buyers and sellers differ in how ensuring their preferred suppliers / customers are selected and maintained affects their motivation to use their power. Here, the significant differences between buyers and sellers is in the 'strongly agree' category. Buyers have a count 65% lower than expected (27, 44.6 respectively) and sellers have a count 64% higher than expected (39, 23.7). Of interest here is that buyers appear less concerned with maintaining their preferred relationships than sellers, despite the previous variable revealing that buyers take a more positive relational view than sellers. However, there are similarities between the two results in this factor. An undertone in them both relates to the manipulation of the situation, whether this is through wanting to win or ensuring certain relationships are maintained. In both of these categories, buyers appear to be more rational in their motivations than sellers.



### **5.43 Rational Versus Relational Motivations**

A number of interesting insights into motivation and power emerged from the final supplementary section of the questionnaire. Using ANOVAs and Post-Hoc tests, a number of issues were shown to have significant differences by role that shed more light on the relational buyer-seller aspects. Two specifically relate to the relational conditions motivating the use of power and provide further support for the emerging theme that buyers and sellers have difference relational motivations.

Firstly, an ANOVA test points to significant differences between buyers and sellers in their responses to the question “I want to deal with customers / suppliers that I personally like” ( $F(2,352) = 17.27, p = .000$ ). Crosstabs reveal that buyers’ responses are skewed toward the neutral and negative end of the 5-point scale. Conversely, sellers are skewed toward the positive end. Thus, buyers are less concerned than suppliers about dealing with people that they personally like, which provides further support for, and insight into, their lower than expected scores on why they are less motivated by the need to maintain their preferred suppliers.

In a similar vein, ANOVA results for the responses to the question “I find it difficult to be hard on close customers / suppliers” indicate significant differences between roles ( $F(2, 352), 18.90, p = .000$ ). Again it is buyers who appear to demonstrate more rationality in their role as 68% of respondents either disagree or strongly disagree with this statement. With 44% of sellers agreeing or strongly agreeing with this statement, this appears to be consistent with previous results, whereby sellers are less rational in their business relationships, largely driven instead by relational elements.

### **5.44 Summary**

This chapter has presented the results of the primary research, in line with the research objectives. The data emerging from the two exploratory phases was presented. These variables were used to develop the questionnaire. From the questionnaire responses, factor analyses were conducted to identify the latent factors underlying the power construct, in line with the research objectives of identifying the factors contributing to



power and countervailing power in buyer-seller relationships and also to uncover its ontological position. Factor analyses were also utilised to identify what buyers and sellers have influence over and what motivates them to use their power. Post-hoc analyses were conducted to identify areas where buyers and sellers differed in their opinions. All these findings will be evaluated in line with the research objectives and the extant literature in Chapter 6. The contribution to knowledge will be discussed and this research will be positioned in the extant body of knowledge.



## **CHAPTER 6: DISCUSSION OF RESULTS AND CONTRIBUTION TO KNOWLEDGE**

### **6.0 Aims and Objectives**

The aim of this final chapter is to evaluate the outcomes of the research with respect to the research questions. In Chapter 5 the results of the research were presented. This chapter builds on these results by evaluating them in line with both the research objectives and the extant literature on power in buyer-seller relationships. This allows the research to be positioned in terms of its contribution to knowledge. The chapter begins with a summary of the gaps in the current body of knowledge of power in buyer-seller relationships. The specific research questions emerging from these gaps are then addressed in turn and the data analysed in line with these, including the implications for management practice. The overall aim of the research, to develop a conceptual framework of power in buyer-seller relationships, draws together these analyses and the framework is presented. When all the research aims and objectives have been evaluated the contributions to knowledge made by this research and its implications to power theory in buyer-seller relationships is discussed. To conclude this final chapter, the limitations of the study will be identified and areas for future research will be recommended.

The specific objectives for this chapter are to:

- **Evaluate the results in line with the research questions**
- **Evaluate the results in line with the extant literature on power in buyer-seller relationships**
- **Present the conceptual framework of power in buyer-seller relationships**
- **Discuss the contribution to knowledge made by this research**
- **Position this contribution to knowledge in the extant literature.**
- **Identify the limitations of this research**
- **Recommend areas for future research surrounding power in buyer-seller relationships**



## **6.1 Summary of Gaps in the Extant Literature**

As discussed in Chapter 2, despite power theory being a popular area for research since the seminal papers on social power in the 1950s (Bierstedt, 1950, French, 1956, Dahl, 1957, French and Raven, 1959) fundamental gaps still remain in the conceptual development of power, specifically related to inter-organisational buyer-seller relationships. Across domains, consensus exists on the definition of power; the potential to influence (or resist) the actions of others (Emerson, 1962, Yukl, 1989), yet close scrutiny of this definition raises three fundamental questions and gaps in the specific context of buyer-seller relationships, which to date, have not been fully addressed in the literature. These questions are:

- **What constitutes power in buyer-seller relationships?**
- **What is the ontological position of power in buyer-seller relationships?**
- **What do buyers and sellers have the potential to influence in these relationships?**
- **What motivates buyers and sellers to use their power in these relationships?**

## **6.2 Gaps 1 & 2: The Potential of Whom?**

The first major gap in the literature concerns the nature of power in buyer-seller relationships and whether it is organisations, networks, individuals or a combination of these that hold power? In the supply chain and purchasing literature, the organisation (Cox, 1999, Ratnasingam, 2000, Cox *et al.*, 2001, Esposito and Raffa, 2001, Cox, 2004, Cox *et al.*, 2004, Sanderson, 2004), or the supply network (Ellram and Cooper, 1990, Anderson *et al.*, 1994, Hall, 2001) is frequently enforced as a predetermined unit of analysis, leading to rational, economically-orientated bases of power. In contrast, research from negotiation studies and some marketing streams have focussed on individuals (Zemanek and Pride, 1996, Giannakis and Croom, 2000), or relational dimensions (Busch and Wilson, 1976, Ho, 1991, Nielson, 1998, Cheng *et al.*, 2001) as the origins of power. These schools of thought tend however towards a one-dimensional view of power, from the perspective of either a buyer or seller. Although each school of



thought has empirical evidence to confirm reliability, these have never been integrated to test their validity in terms of whether these represent an element of power or the whole construct.

The question concerning what contributes to power in buyer-seller relationships gives rise to a fundamental ontological gap on the social reality of power and where it is located (Emerson, 1962, O'Byrne and Leavy, 1997). This research addresses the latent themes underpinning the construct of power in specific two-way inter-organisational contexts. Through these analyses the ontological position of power emerges.

### **6.3 Gap 3: The Potential to Influence What?**

Power pervades most of the social sciences. Given this wide scope, explicit definitions for particular research contexts are needed (Dahl, 1957, Emerson, 1962, Hunt and Nevin, 1974). Indeed, it is unlikely that a buyer or seller would seek to influence the same factors that are found within an intra-organisational context, which has been the setting of much power research (Rogers, 1974, Lachman, 1989, Bradshaw, 1998, Munduate and Dorado, 1998, Pettigrew and McNulty, 1998, Elangovan and Xie, 2000, Rajan and Krishnan, 2002, Somech and Drach-Zahavy, 2002). Few studies of power in buyer-seller relationships however define explicitly what each party attempts to influence; thus presenting another gap in the extent body of knowledge. Given the complexity of these relationships, this could potentially range from operational issues of quality and delivery requirements to commercial details including prices and contractual terms, through to strategic issues of diversification, product development and competitive intelligence (Lawler and Yoon, 1993, Ertel, 1999).

### **6.4 Gap 4: What Factors Motivate the Use of Power?**

Power as the potential to influence, is conceptually and empirically distinct to its use and should therefore be separated in research. Failure to clarify these differences can lead to ambiguity and misleading results as confounding variables may obscure genuine effects related to power (Dahl, 1957). Therefore to develop fully the concept of power in buyer-seller relationships, the factors moving it from a passive potential to action need to be



identified. Commitment (Porter et al., 1974) and aspiration (Mannix and Neale, 1993, Kim, 1997) have been identified as moderating variables on the use of power in the social-dynamics domain, yet these have not been integrated or tested in a buyer-seller context. Thus, what motivates buyers and sellers to use their power is the final gap in the literature that this research fills.

To fill these gaps in the extant knowledge the following research questions have been developed.

- **To identify the factors contributing to power and countervailing power in a two-sided study of buyers and sellers.**
- **To establish the ontological position on where power is located in buyer-seller relationships.**
- **To identify what buyers and sellers have influence over.**
- **To establish the factors contributing to the use of power by buyers and sellers.**
- **To evaluate the implications of the findings to the management of inter-organisational relationships.**

This chapter will evaluate and discuss the results arising in line with these research questions.

## **6.5 Research Question 1: Factors Contributing to Self-Perceived Power**

The following sections (6.5.1-6.7) relate to the first half of objective one of this research, which was to identify the factors contributing to the self-perceived power of buyers and sellers. Sections 6.8.1-6.9 covers the second half - countervailing power. In relation to why buyers and sellers perceive themselves to be powerful in buyer-seller relationships, six factors emerge from the factor analysis. Each will be discussed separately.

### **6.5.1 Factor 1: Charisma**

The first factor emerging from the factor analysis on self-perceived power is Charisma. The four variables in the factor relate to the personality and appeal of the individual



buyer or seller within the buyer-seller relationship, highlighting the social interaction between both parties. It is interesting that buyers' and sellers' self-perceived charisma is the first factor to emerge, as this appears to indicate a fairly high level of self-esteem. That this has a higher factor loading than organisational strength, knowledge and competency-based factors highlights that they have a clear view of their own role and importance in the buyer-seller relationship.

Another interesting finding here is that buyers and sellers differ in their self-perceptions in two of the variables that make up the Charisma factor; charisma and the amount of respect others have for you. In both of these variables, the results revealed a similar pattern; notably that buyers had a lower self-opinion than expected and sellers had a higher self-opinion than expected. As this only measured perceptions, this does not necessarily indicate that the sellers' actual levels of charisma and respect from others are any higher than buyers. However, if sellers have a higher self-opinion than buyers, this may distort the assumed power dynamics in buyer-seller relationships, potentially affecting who leads the relationship and how far developments are pushed. Underpinning reasons for the differences between buyers and sellers self-perceptions were outside the scope of this research. However, further exploration of this issue would make interesting future research.

### **6.5.2 Factor 2: Professional Equity**

The second factor emerging for self-perceived power is Professional Equity, which relates to the honesty and fairness that buyers and sellers show to the other party in the relationship. In a similar vein to Charisma, these variables all relate to the social interaction between buyers and sellers. The implication here therefore is that the strength of these factors may change from relationship to relationship, as this factor is contingent on the specific two-way social dynamics.

### **6.5.3 Factor 3: Personal Attributes**

Although this factor also addresses variables related to the individual buyers and sellers, the focus here is arguably less relational in nature. The competencies instead relate to the



personal characteristics or skills of the buyers and sellers. Given this personal focus, these are likely to be more consistent across their range of relationships, as they are individually defined as opposed to socially constructed.

#### **6.5.4 Factor 4: Quality of Offering**

Quality of offering is the first factor emerging that relates directly to the organisation that the buyer or seller represents. Here, power is attributed to the strength of reputation of the organisation and / or the products and services being exchanged. Buyers and sellers therefore do appear to benefit from representing a reputable organisation. Perhaps surprisingly, the focus is not necessarily on the market dominance of the employing organisation but the quality and reputation of their products and services. If these goods and services allow transference of influence to the buyer or seller, this has major implications for organisations in terms of brand reputation and organisational development. Additionally, organisations may need to become more integrated internally with buyers and sellers working more closely with marketing and research and development to ensure they understand the brand strategies pursued.

#### **6.5.5 Factor 5: Knowledgeability**

The Knowledgeability factor relates to the knowledge held by the individual buyers and sellers of the products purchased/sold, the other party's market and the other party's organisation. The first area, knowledge of the product, relates well to the previous factor – quality of offering. The argument here is that the power associated with the quality of products or services on their own may not be sufficient, as it needs the individual buyers and sellers to have an understanding of the quality. Again, this highlights the transitive role of the individual buyers and sellers in the concept of power in buyer and seller relationships. Interestingly, the two remaining knowledge variables relate to the knowledge the individuals have of the other party's market and organisation, not that of their own organisation.

Buyers and sellers also differ in this factor displaying similar results as found in the Charisma factor. Buyers here also rated their own knowledge lower than was expected



and sellers rated theirs higher than expected. Again, this was measuring self-perceptions rather than actual knowledge so conclusions cannot be drawn on whether they have more knowledge or not. However, this perceived difference in knowledge of the other party in itself may alter the power dynamics between buyer and seller.

#### **6.5.6 Factor 6: Dependency**

The final factor emerging relates to the economic strength afforded by the employing organisations and the implicit risk and dependency inherent in the buyer-seller relationship. Here, the focus is on the organisation rather than the individual buyers and sellers. While it is not surprising that an economically orientated factor emerges, that this is the last factor is interesting highlighting the importance that buyers and sellers place on their own role.

### **6.6 Self-Perceived Power in Buyer-Seller Relationships**

These factors demonstrate a number of important findings made by this research on the nature of power in buyer-seller relationships. Primarily, the findings support the various schools of thought in the extant literature which align power to individuals (Zemanek and Pride, 1996, Giannakis and Croom, 2000), relationships (Busch and Wilson, 1976, Ho, 1991, Nielson, 1998, Cheng et al., 2001) and organisations (Cox, 1999, Ratnasingam, 2000, Cox *et al.*, 2001, Esposito and Raffa, 2001, Cox, 2004, Cox *et al.*, 2004, Sanderson, 2004). This highlights that self-perceived power in buyer-seller relationships is multi-faceted and incorporates several broad thematic areas. The ontological implication of this is explored in section 6.10. A picture emerges from the factor analysis of power in buyer-seller relationships as a pluralistic concept, incorporating individual, relational and organisational dimensions. A contribution of this research is that it provides empirical data to posit that these three individual schools of thought are too narrow if taken as independent views of power. Rather, they are all part of the broad construct of self-perceived power in buyer-seller relationships.

This contribution builds on the work by the IMP group and their AAR model (Håkansson and Johanson, 1992, Håkansson and Snehota, 1995). Although the AAR model was



developed to describe industrial network structures rather than power, there are many similarities. The role of the individual highlighted through this research has strong similarities with the AAR's actor bonds, the relational dimension is aligned to the activity links as these are relationship specific, and finally, the organisational and dependency factors arising from this research provide support for the AAR's resource ties.

The six factors also support previous research on the critical aspects that distinguish partnerships from other forms of buyer-seller relationships (Lemke et al., 2003). The similarities lie in the importance of the relational aspect of the partnership, whereby personal relationships are actively managed between both parties and the implicit interdependency of the partnership driven by the supply of a special product. This is in line with the results of the factor analysis, in terms of the first four factors; Charisma, Professional Equity, Personal Attributes and Quality of Offering. The first three here focus on relational and personal dimensions of the buyer-seller relationships, and the fourth relates to the products and services bought and sold.

This similarity with the critical dimensions of partnerships research is arguably surprising however given the potentially powerful situations that the respondents chose to base their results on. Of these situations chosen, only 17% of respondents chose a partnership relationship, with the majority (70%) choosing a preferred supplier or key customer relationship. This may possibly indicate that the respondents lack clarity on the differences between preferred relationships and partnerships. Equally, this may highlight the similarities in approach between these two relationship classifications by the buyer-seller population.

The selection of preferred suppliers or key customers by the majority of respondents suggests that the reduced interdependency of these relationships might maximise buyers' and sellers' potential to capitalise on both the relational and structural elements of their power. Indeed, it is probable that ad-hoc or new relationships would inhibit the relational aspects as these will take time to assess and develop, and in partnerships or sole supply relationships, the commercial arrangement effectively cuts off competition, thereby reducing the potential to maximise, or stretch, rational elements.



This research also contributes to the debate in the existing literature on whether buyer-seller behaviour is rational or relationally orientated. With regard to the emerging factors for self-perceived power, both buyers and sellers clearly place much emphasis on their own skills and presence within the relationship. Charisma emerging as the first factor is a good example of this. This appears to clearly demonstrate that buyers and sellers both believe the relational element that they themselves present to the other party is an important aspect of their potential power.

## **6.7 Data Reduction: Items Removed**

As part of the data reduction process some items were removed from the final factor analysis solution of self-perceived power (see Table 5.14). A number of these are of particular interest to power theory in buyer-seller relationships. Whilst the extant literature on buyer-seller relationships points to differences between the management of new and established relationships (Croom and Batchelor, 1997), the results of this research highlight that neither the length of the relationship or the commitment to it, appear to affect self-perceived power. Thus, whilst these variables may affect the management of the relationship, it is the inter-relational variables (e.g. Professional Equity and Charisma) that impact self-perceived power as opposed to the relationship status.

Also removed from the final factor analysis solution were two variables relating to the economic dynamics of the competitive environment; the level of competition in the market and the economic strength / size of your organisation. These are also surprising variables to have low factor loadings, given the extant literature on organisational power (Cox, 1999, Cox *et al.*, 2001, Cox, 2004, Cox *et al.*, 2004, Ireland, 2004, Sanderson, 2004). However, the removal of these variables does not necessarily negate the role of the organisation in affording power. Indeed, as shown in the Quality of Offering the organisational context is represented, although the focus here is on the reputation of the organisation as opposed to its economic strength. The Dependency factor also supports the contextual view of power. Interestingly here, in terms of economic strength it is the



strength of the other party's organisation that is important to self-perceived power, not that of the individual's organisation.

## **6.8 Research Question 1: Factors Contributing to Countervailing Power**

The following sections (6.8.1 - 6.9) relate to the second half of objective one of this research, which was to identify the factors contributing to the countervailing power of buyers and sellers. Here, six factors also emerge from the factor analysis, although the factors vary slightly from those relating to self-perceived power.

### **6.8.1 Factor 1: Professional Equity**

The first factor to emerge for countervailing power is Professional Equity. This factor relates to the other parties honesty and fairness in the relationship and with the addition of 'empathy displayed', mirror the variables in the self-perceived Professional Equity factor. That this factor has the highest loading indicates that buyers and sellers demonstrate a higher consistency of opinion here. Whilst for self-perceived power buyers and sellers own Charisma emerged as the most important factor, when assessing the other party it is the honesty, fairness and empathy of the other party that is seen to be the most important. This indicates that buyers and sellers believe that their own charisma influences the other party more than the other party's charisma influences them. This rationalisation of their behaviour is an interesting result.

### **6.8.2 Factor 2: Approach Taken**

This factor has overlaps with the Personal Attributes factor in self-perceived power although the variables here relate more to the style adopted and methods used by the other party. The variables within this factor are organisation and planning, methodical approach and attention to detail, tenacity, and negotiation skills. It is interesting that these skills only appear as a dimension of power on the countervailing power analysis. An explanation for this could be that it is easier to observe and assess the other party in this respect. This factor, along with Professional Equity, demonstrates that buyers and



sellers, when assessing countervailing power focus largely on the operational approach used within the buyer-seller relationship.

### **6.8.3 Factor 3: Knowledgeability**

This factor relates to the knowledge held by the other party. In line with the Knowledgeability factor for self-perceived power, here buyers and sellers views also differ. With regard to the other party's knowledge of their own market and their knowledge of the product /service, buyers perceive sellers to be more knowledgeable than expected and sellers perceive buyers to be less knowledgeable than expected. This supports the findings from the self-perceived Knowledgeability factor where similar results between buyers and sellers emerged. This two-way assessment of buyers' and sellers' knowledge adds weight to the argument that sellers have a higher degree of knowledge than buyers. Whilst both only measure perceptions of Knowledgeability as opposed to testing actual knowledge, that consistent results emerge from both does indicate a pattern.

### **6.8.4 Factor 4: Dependency**

This factor is economically-orientated and relates to organisational dependency and risk. This is consistent with the Power Regime theories on power, in which power is attributed to the organisation and two-way dependencies between the buying and selling organisations (Cox, 1999, Cox *et al.*, 2001, Cox, 2004, Cox *et al.*, 2004, Ireland, 2004, Sanderson, 2004). Again however, that this only has the fourth highest factor loading of the six factors emerging highlights that buyers and sellers, whilst recognising the economic and commercial contextual conditions impacting on power, place more emphasis on some of the relational processes and interactions in determining power sources.

### **6.8.5 Factor 5: Charisma**

Consistent with the self-perceived power factors, Charisma also emerges in the countervailing power results. The difference here is its placing in the factor solution.



Although this emerged as the highest loading factor for self-perceived power, for countervailing power it is fifth. This may indicate that although buyers and sellers use this as an evaluative dimension in assessing countervailing power, they consider it to more important to their self-perceived power. Also of interest here, is that when assessing the other party's charisma, there are no significant differences between buyers and sellers. This is in contrast to the self-perceived Charisma factor, in which sellers had a higher than expected opinion of their charisma and buyers a lower than expected opinion. This suggests that there is a higher consistency of opinion on levels of charisma when assessing the other party perhaps owing to more objectivity than when assessing their own levels of charisma.

#### **6.8.6 Factor 6: Strategic Opportunities**

This factor relates to the long-term development strategy of the countervailing organisation and how this can impact the individual's personal position. The variables within this factor are their organisation's product / process development strategy, their knowledge of their organisation's objectives and the ability of the outcome to contribute to their individual targets. This factor therefore highlights that the employing organisation affords power to the other party through its strategic development, although interestingly it is not this as a single variable which is considered important. That this is correlated with the individual's knowledge of these objectives and the relationship between these and their personal targets highlight again the role of the individual buyer or seller. In this factor, the buyer or seller appears therefore to be the vehicle through which the strategic opportunities are translated. Given the relationship between the organisations development strategy and the ability to contribute to the individual targets, the individual therefore may be important in determining which strategic developments are considered and taken forward.

This link between organisational strategies and individual targets supports the extant literature in the marketing literature which posits that buyers arbitrate between collective, organisational and personal objectives (Wilson, 2000). This is potentially an important relationship as if there are conflicts arising between these, the research from the



negotiation literature posits that personal objectives may become salient over group objectives (Mannix, 1993). This may limit the organisations ability to develop certain strategic opportunities.

#### **6.8.7 Countervailing Power in Buyer-Seller Relationships**

Despite the considerable overlap in some factors between self-perceived and countervailing power, the differences suggest that the two should be treated independently. This supports the argument for power to be considered as a two-way dynamic (Bonoma and Johnston, 1978, Wilkinson, 1996, Campbell, 1997, Svensson, 2002). Consistent with the results of the self-perceived power factor analysis, the countervailing power factors also support the view that power is a pluralistic concept incorporating individual, relational and organisational dimensions.

### **6.9 Data Reduction: Items Removed**

Within the extant literature on power, non-direct influence was raised as a dimension of power (Cartwright, 1965), whereby the use of third parties could be used to alter the influence over the decision-making process (Raven, 1990). However, when analysing the items removed from the final countervailing power factor analysis solution, this non-direct strategy does not appear to be supported. This is evidenced through the removal of the two variables; their ability to identify the decision makers and the relationships they hold with influential people. With the emphasis on a number of relational factors, the evaluative dimension of countervailing power for buyers and sellers therefore is on their relationship and not those of third parties.

An unexpected result was that the other party's experience and their status / position were removed from the countervailing power factor solution. Although there is no supporting evidence in the extant literature for these items, the focus on skills and knowledge as important dimensions in countervailing power may have indicated the importance therefore of experience and the associated status. The management implications of this are discussed in section 6.13.1.



## **6.10 Research Question 2: The Ontology of Power**

This research question arose from the debates in the extant power literature on where power is located in buyer-seller relationships. A contribution of this research is that the factors emerging for both self-perceived and countervailing power provides empirical support for the integration of these three disparate schools of thought, thus providing a mosaic approach to knowledge extension (Weick, 1989) of buyer-seller power theory.

Power as the property of the organisation is echoed in four factors; Quality of Offering and Dependency (self perceived) and Dependency and Strategic Opportunities (countervailing). These factors demonstrate that buyers and sellers use the power afforded by the employing organisation, either through business risk, economic strength, quality of the products / services or strategic developments as a dimension of their assessment of buyer-seller power. This is consistent with the rationally orientated school of thought of power as property of an organisation (Cox, 1999, Ratnasingam, 2000, Cox *et al.*, 2001, Esposito and Raffa, 2001, Cox, 2004, Cox *et al.*, 2004, Sanderson, 2004).

However, while this school of thought attributes power solely to the organisation, the results of this research reveal that the power construct in buyer-seller relationships has a broader ontological position. The factor solutions also provide support for the view that power is a property of individual buyers and sellers (Zemanek and Pride, 1996, Giannakis and Croom, 2000). This is evidenced in four factors; Knowledgeability and Personal Attributes (self-perceived) and Approach Taken and Knowledgeability (countervailing). In these factors, buyers and sellers assess power through the specific competencies of the individuals involved in the relationship. These factors are viewed as individually-orientated as their nature indicates that these skills would be fairly consistently applied across a range of buyer-seller relationships. This supports the view that the personalities of those involved in the buying-selling process therefore become embedded within the power source (Wilkinson, 1996).

The results of this research also support the third school of thought emerging from the extant power literature relating to the ontological position of power in buyer-seller relationships - power as a property of individuals within relationships (Busch and Wilson,



1976, Ho, 1991, Nielson, 1998, Cheng et al., 2001). This is evidenced in the Charisma and Professional Equity factors, both of which appear in the self-perceived and countervailing factor solutions. Here, unlike the individually-orientated factors, the focus is on the relational context and thus is shaped by the dyadic interaction, which is consistent with the extant research (Baker, 1990, Ho, 1991, Podolny, 1993).

Factor analysis is used to define the underlying structure of multivariate concepts through defining sets of variables that are highly correlated and identifying how its broad dimensions are evaluated (Hair et al., 2006). Results of the self-perceived and countervailing factor solutions provide empirical evidence that buyers and sellers view power as a pluralistic concept with three ontological positions. This adds weight to the argument that singular-disciplinary research and methodologies on power have become self-fulfilling. Lifting constraints on the ontological perspective has widened the view of power and provides empirical support for the integration of the three ontological schools of thought. Again this adds support to the IMP group's perspective that power has a pluralistic ontological position (Håkansson and Johanson, 1992, Håkansson and Snehota, 1995).

It is also interesting to note that each of the three schools of thought identified in the extant power literature are represented, and each have two factors both for self-perceived and countervailing power. This suggests that none of the three ontological positions is more dominant and that buyers and sellers consider each both in terms of their own power and that of the other party.

### **6.11 Research Question 3: What Buyers and Sellers Attempt to Influence**

This research question arose from the extant power literature in buyer-seller relationships, where paucity of knowledge was evidenced. Much of the power research is intra-organisational, set within an employee-supervisor context (French and Raven, 1959, Rogers, 1974, Lachman, 1989, Bradshaw, 1998, Munduate and Dorado, 1998, Pettigrew and McNulty, 1998, Elangovan and Xie, 2000, Rajan and Krishnan, 2002, Somech and Drach-Zahavy, 2002). However, while these studies have informed the broader power



literature, it is important to contextualise the research as this can shape and constrain peoples' actions (Hurley et al., 1997). Without this contextual framework, power cannot be adequately conceptualised (Clegg, 1989).

Despite a growing body of knowledge of power set in the specific buyer-seller environment (Cox, 1999, Cox *et al.*, 2001, Cox, 2004, Cox *et al.*, 2004, Ireland, 2004, Sanderson, 2004), the literature does not stipulate what buyers and sellers have influence over. This research contributes to the existing knowledge of power through empirical testing of this.

The results of this research also took a two-way approach; assessing what buyers and sellers have the potential to influence, and what the other party has the potential to influence. Only two factors emerged from each factor solution and these were consistent for both. The two factors are Attitudes and Commercial Details.

#### **6.11.1 Factor 1: Attitudes**

There is considerable overlap between both the self-perceived Attitude factor and the countervailing Attitude factor. In both, attitudes towards the product / service and attitudes of the organisation feature. This suggests that despite the relational element of the power sources demonstrated in the previous results, attitudes towards the items of exchange and the employing organisations are primary areas of focus for influence. Within the two Attitudes factors, the areas of difference centre on broader areas which buyers and sellers have the potential to influence attitudes towards. For self-perceived areas of influence, buyers and sellers have influence over other competitors and the perceptions of their own status. This may contribute to altering the assumed dependencies in the relationship. The additional variable in the countervailing Attitude factor is attitudes towards the status of the relationship, again highlighting the importance of the relational element.

The Attitudes factor provides support for the findings on the distinguishing attributes of partnerships; interdependency, personal relationships and geographic proximity (Lemke



et al., 2003). Interdependency and personal relationships are both represented within the Attitudes factor. If they are actively seeking to influence these dimensions, this indicates that future relationship development is an important aspect to buyers and sellers.

#### **6.11.2 Factor 2: Commercial Details**

Given the commercial context of buyer-seller relationships, the three variables in this factor – prices, terms and conditions, and terms of payment, are unsurprising areas over which buyers and sellers have potential influence over. That the factor solutions for self-perceived areas of influence and countervailing areas of influence contain identical variables demonstrates the consistency of opinion.

However, an interesting result within this factor is the differences between buyers and sellers in relation to their perceived ability to influence terms of payment and terms and conditions. Here, buyers emerge as the party with the greatest self-perceived potential to influence. While buyers perceive they have more potential to influence these two areas there are no significant differences in the potential to influence the price. This suggests that the sellers are more dependent on the buyers and may make concessions on the terms of payment and terms and conditions in order to secure the business at the right price.

The findings surrounding the areas that buyers and sellers seek to influence fill a gap in the existing knowledge base on power in buyer-seller relationships. Although lacking in empirical evidence, several researchers have posited that buyers and sellers may have influence over a number of issues including quality assurance, technology, human resources, management systems, strategic compatibility, improvement, performance trends, flexibility (Merli, 1991), delivery requirements, product development and competitive intelligence (Lawler and Yoon, 1993, Ertel, 1999). Many of these items however were removed from the final factor analysis solution. These included a number of variables related to operational efficiencies (transactional methods used, ways of working, delivery and timescales), quality and strategic developments (supply chain initiatives, new product developments, competitive intelligence, best practise and strategic direction).



The results of this research therefore highlight that the areas of influence in buyer-seller relationships are far narrower. These additional areas suggested in the literature may still be important and may be considerations in other areas of the buyer-seller relationship (supplier selection or evaluation for example). However, they do not feature as areas in which buyers and sellers have influence over.

## **6.12 Research Question 4: Motivating Factors**

This research question arose from the gap in the existing research in which power in the buyer-seller context lacks the distinction between its passive potential to influence and its use. This research question therefore sought to identify the factors that motivate buyers and sellers to use their influence.

### **6.12.1 Factor 1: Targets**

The first factor motivating buyers and sellers to use their potential power is the pressure to reach targets, both organisational and individual. This is consistent with the extant power literature, in which it is suggested that the drive to influence may be obvious if it is directed toward an extrinsic goal (Raven, 1990). These targets therefore may provide the focus for goal achievement. There is additional support for this in the wider management literature where empirical studies found the desire to meet agreed targets was a factor in motivating peoples' willingness to initiate change (Thorne and Meehan, 2005).

### **6.12.2 Factor 2: Personal Drive**

Personal Drive as a motivator relates individuals' desires to improve their own situation in their role; thus the motivation here therefore is inherently personal as opposed to targets which may be imposed upon them. This supports findings in the extant literature where aspiration was found to be a motivator in the use of power (Mannix and Neale, 1993, Kim, 1997) and in initiating change (Thorne and Meehan, 2005).



### **6.12.3 Factor 3: Strategic Development**

The variables in this motivating factor are to improve the competitiveness of the supply chain and to share best practice with my customer / supplier; thus indicating that buyers and sellers are motivated beyond purely individually orientated factors. Consistent with the results of the factors contributing to power this demonstrates a relational dimension to the buyer-seller exchanges. The future orientated nature of this factor suggests some commitment to the buyer-seller relationship beyond the immediate exchange. Commitment is identified in the organisational psychology literature as a variable, which affects an individual's willingness to exert effort on the organisation's behalf (Porter et al., 1974). This research provides some support for this, although the findings here indicate that the commitment is not to the organisation but to the buyer-seller relationship. Interestingly, despite Strategic Developments acting as a motivating factor in the use of power, these are not areas which buyers and sellers have the potential to influence. This is an important contribution to power theory as it demonstrates that what buyers and sellers influence and what motivates them to use their influence are conceptually and empirically distinct aspects of power.

### **6.12.4 Factor 4: Relational Conditions**

This factor relates to the specific state of the buyer / seller relationship and reveals both positive and negative motivations. The first variable, wanting to win against the buyer / seller is negatively focused. Post-hoc tests demonstrate that there are significant differences here between the views of buyers and sellers. Specifically, sellers are more negatively motivated and do not appear to be regarding buyers as partners, instead taking a more adversarial win-lose stance. This raises an interesting issue on their position in the buyer-seller relationship and may be indicative of the use of power-related tactics and techniques by buyers to maximise their own position and outcomes in the relationship.

The second variable in this factor is more positively orientated - to ensure the selection and maintenance of my preferred suppliers / customers. Again buyers and sellers differ in their responses. Buyers appear less concerned with maintaining their preferred relationships than sellers, despite the previous variable suggesting that buyers appear to take a more positive relational view than sellers. If sellers feel in a less powerful position



or are conscious of 'wanting to win', they may feel that by dealing with preferred customers these issues may be mitigated.

Despite these two variables within this factor revealing positive and negative motivations, there are similarities between the two. An undertone in them both relates to the manipulation of the situation, whether this is through wanting to win or ensuring certain relationships are maintained. In both of these categories, buyers appear to be more rational in their motivations than sellers. This is supported by the data in the supplementary section of the questionnaire that suggests that buyers and sellers have different relational motivations. Buyers and sellers in their responses to the question "I want to deal with customers / suppliers that I personally like" differ in that sellers are skewed toward the positive end of the scale. Thus, buyers are less concerned than suppliers about dealing with people that they personally like. Similarly, in the question "I find it difficult to be hard on close customers / suppliers", buyers appear to demonstrate more rationality in their role as 68% of respondents either disagreed or strongly disagreed with this statement, while 44% of sellers agreed or strongly agreed. This appears to be consistent with previous results, whereby sellers are less rational in their business relationships, largely driven instead by relational elements.

### **6.13 Implications to Management of Buyer-Seller Relationships**

The final research objective was to evaluate the management implications of the results of this research. Advancing the understanding of power in buyer-seller relationships has clear implications for management practice, particularly for strategy development, negotiation, and the recruitment and training of buyers and sellers.

#### **6.13.1 Power in Buyer-Seller Relationships and Management Implications**

The factors arising relating to both self-perceived and countervailing power create a number of implications for buyers and sellers. A fundamental finding from this research is that power stems from a combination of individual, organisational and relational factors. To raise their power profile therefore, buyers and sellers need to address all three of these areas in relation to how they present and conduct themselves in buyer-seller



exchanges. Of particular note here, is the importance of the Knowledgeability factor as there was a variance between views between buyers and sellers, with sellers generally having a higher opinion of their own knowledge and a lower opinion of that of the other party. As this research only sought to measure perceptions and attitudes, therefore it is not clear whether there is an actual difference in level of knowledge between buyers and sellers. However, as this perception may contribute to the power dynamics in the relationship, buyers need to ensure that they have access to, and understanding of, the wider strategic issues of each party's market, products, and organisation.

This access to knowledge raises further management implications as many of these strategic issues relating to the organisation and its markets traditionally sit within a sales and marketing function, rather than purchasing. This in part may explain the higher perceived level of knowledge by sellers. To enable buyers to build their Knowledgeability power base, organisations need to facilitate cross-functional integration and knowledge management between these functional areas. Further support for internal integration between buyers and sellers is evidenced in the consistency of opinion between buyers and sellers in relation to what constitutes power in buyer-seller relationships. Indeed, this supports an argument for close working between these two commercial roles within organisations. Particular benefit may be gained here through sharing training, skills and best practice across these roles.

Given the contribution of inherently individual characteristics in contributing to power, these factors should be considered when recruiting buyers and sellers to maximise these power bases. These in isolation are not enough however to maximise power creating potential impacts on training and development strategies. The identification of the key factors contributing to power in buyer-seller relationships enables buyers and sellers to assess the strength of their power bases relative to the other party. These assessments can then form the basis for development strategies.



### **6.13.2 The Ontology of Power and Management Implications**

The findings from this research provide support for a pluralistic ontological position of power in buyer-seller relationships. As well as making a theoretical contribution to knowledge, this also raises implications for management. Through highlighting that dependency alone may not maximise power in buyer-seller relationships, this provides additional opportunities for leveraging power. It is accepted that in some situations economic market forces and the relative positioning of organisations may be rigid in specific exchanges. Yet, in other situations, the position of either party may be 'stretched' through factors such as Professional Equity and Personal Attributes. This may have significant management implications, particularly for those organisations without strong market-orientated positions. This potential to stretch a buyers' or sellers' power base demonstrates that the organisation is not a passive victim of their environment and strategies can be developed to alter the power dynamic between buyer and seller.

### **6.13.3 Areas of Influence in Buyer-Seller Relationships and Management Implications**

Despite the broad, pluralistic nature of power in buyer-seller relationships, the areas they have influence over are narrow in comparison. The influence attempts by both parties concentrate on commercial details and various attitudes held. This suggests a limited view of these roles in their operational focus. Commercial negotiation is at the heart of the buyer-seller interface so the emergence of these as areas of influence is an expected result. Another potential reason for this result may be that buyers' and sellers' targets may be based upon successful outcomes in this area, as targets have been shown to be a major factor motivating the use of power.

That the attitudes of the other party are an area of influence is interesting, particularly when evaluated against the operational and strategic issues which were removed from the final factor solution. The ability to influence the attitudes of the other party highlights two important management implications. Firstly, the role and impact of the people involved has great weight in influencing the perceived power dynamics, further reiterating the contribution made by individual buyers and sellers. Secondly, this serves



to emphasise further the relational dimension of buyer-seller relationships and the importance associated with them by those conducting the exchanges.

#### **6.13.4 Motivating Factors and Management Implications**

Broad management implications arise from the motivating factors identified. The first motivating factor emerging from the factor solution is Targets. Dependent on the targets set, this may influence those areas which buyers and sellers seek to influence and may account for their narrow focus on commercial details and attitudes. As the use of targets is a primary motivator to buyers and sellers, managers could extend their use through setting more strategically orientated goals and outputs, which may influence what they seek to have power over. This may be an important consideration, particularly given that Strategic Opportunities was identified as a factor contributing to countervailing power. Thus, if buyers and sellers can increase the other party's perceptions of them in this area, this may increase their potential power.

Personal Drive as a motivating factor presents some obvious implications for management practice. As buyers and sellers use personal challenges as a motivator, organisations should seek to provide development opportunities, aligned with the organisations objectives. Again, this serves to highlight the importance of individuals in the buyer-seller relationship.

With regard to Strategic Development, the relationship itself acts as the motivation for buyers and sellers to use their power to improve its competitiveness in the long term. This commitment to the relationship (as opposed to a commitment to the organisation) may potentially create conflict if organisational and relationship-specific goals are not aligned. This commitment to the relationship raises important management implications particularly when evaluated in conjunction with the final factor, Relational Conditions. As this final factor revealed a negative motivation to win, it is important that these threats to the working relationship and long-term strategic developments are minimised. Specifically, managers need to ensure that the individuals within these buyer-seller relationships have a strong interpersonal basis upon which positive developments can be



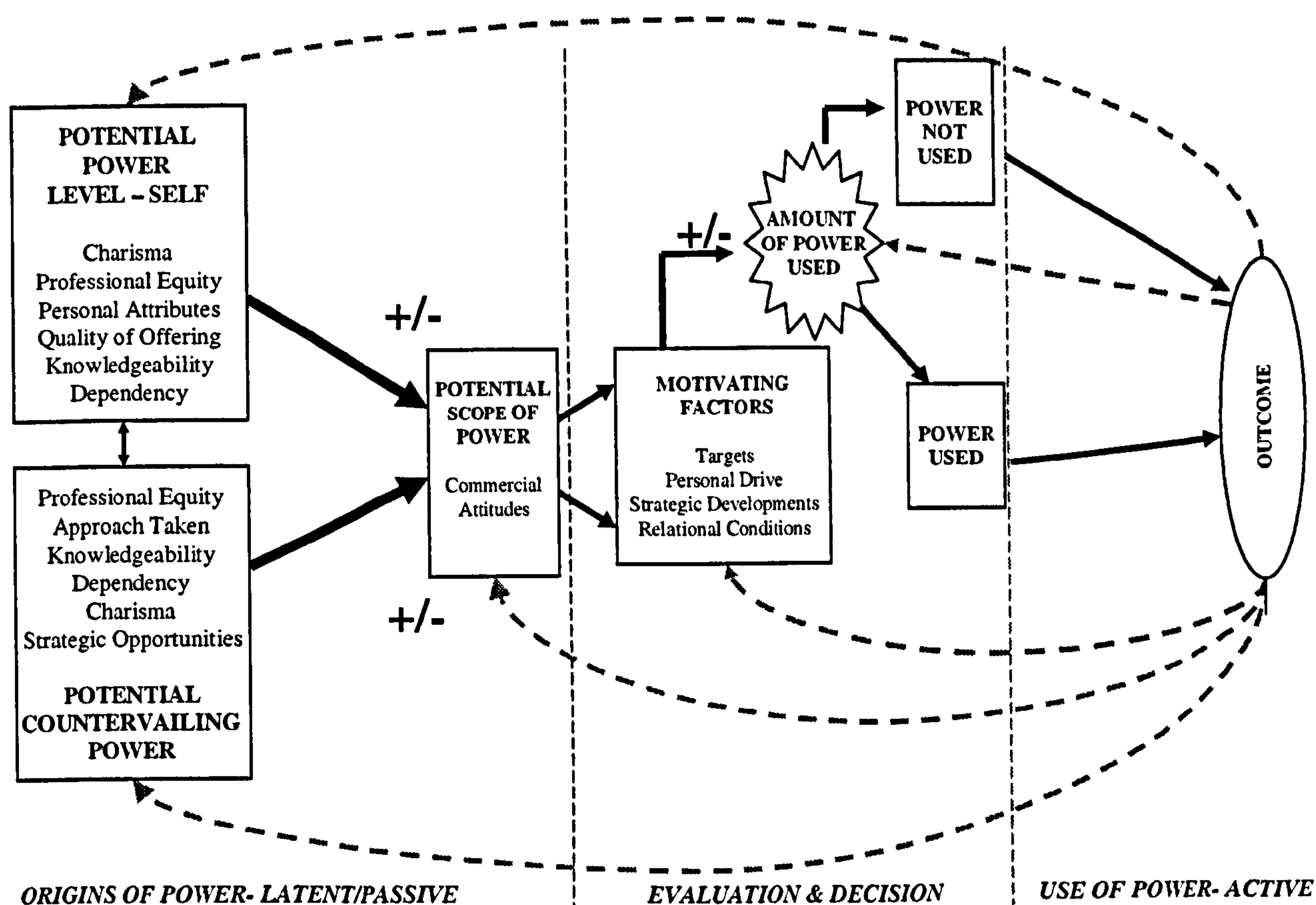
made. If there are inherent relationship issues, this may encourage the negative use of power in order to try to 'win' over the other party.

#### **6.13.5 A Conceptual Framework of Power in Buyer-Seller Relationships**

The overall aim of this research was to develop a conceptual framework of the power construct in buyer-seller relationships. This has been achieved through the research objectives. To bring these different aspects of the power construct together and to demonstrate visually the results of this research, a conceptual framework has been developed (see Figure 6.1). This effectively summarises the results of this research. As a caveat however, it is important to state that this is a visual representation of the results and the lines do not assume causality.

There are three main elements of this framework as the results from this research provide evidence for these to be separated. The first element relates to the origins of power in buyer-seller relationships, covering both parties in the dyad. These dimensions of power in the two-way interaction will determine the power dynamic and the potential scope of influence of each party. Importantly, this phase is latent and passive as it relates to the potential power to influence only. The second element of the framework concerns the evaluation processes and decisions made by the individual buyers and sellers. Here, motivating factors will determine the amount of power both parties seek to use. The final element represents the active use of power and the subsequent outcomes. Tactics in exercise of power were beyond the scope of this research but may make an interesting avenue for future research as a natural extension to this research.





**Figure 6.1: ‘Meehan’s Framework of Power’: A Conceptual Framework of Power in Buyer-Seller Relationships**

It is important to recognise the dynamic and ongoing nature of power in buyer-seller relationships. This is represented through the feedback loops, highlighted by the dotted line in Figure 6.1. These feedback loops can appear at various stages of the framework and serve to inform current and future exchanges.

Important issues to clarify are the timelines and implied linear structure of the framework. The timeframes in which this framework exists are contingent on the specific context – ranging from almost instantaneous completion of the three phases to considered application in a more rigid structure. The feedback loops and what they represent also demonstrate that the framework may have a continual flow of interactions creating a transient power dynamic. This is in line with previous research on power (Bachrach and Baratz, 1962, Webster and Wind, 1972, Raven, 1990, Cox *et al.*, 2001) and game theory and reciprocity (Ben-Porath, 1980, Axelrod, 1984, Christopher, 1998, Welling and Kamann, 2001) whereby actions are influenced by previous interactions.



#### **6.14 Contribution to Knowledge**

A number of contributions to power theory in buyer-seller relationships are made through this research. The two-way origins of power in buyer-seller relationships have been identified, which draws on and synthesises aspects of previous schools of thought, thereby broadening the operationalisation of the power construct. This synthesises the extant body of knowledge. Through this consolidation a comprehensive picture of the nature of power in buyer-seller relationships emerges.

The factors emerging in relation to the nature of power in buyer-seller relationships contribute to the advancement of power theory. Interestingly however, these factors do not support the five-base typology - reward, referent, legitimate, expert and coercive (French and Raven, 1959). This research context in part may account for this, as the five-base typology was empirically set in an intra-organisational employee-supervisor context. Moreover, it sought to measure the influence on the person that is produced by a social agent, assessing their behaviour in terms of why they comply. This therefore does not necessarily identify the underlying power construct, rather the tools used to lever a change in behaviour. The results of this research also corroborates the view that power research needs clearly defined contexts (Dahl, 1957, Emerson, 1962, Hunt and Nevin, 1974) as to 'borrow' theoretical models from different fields, without addressing the different underpinning philosophies can threaten the validity and reliability of the data.

A key body of knowledge in the supply chain power literature is the work by the Power Regime Theorists (Cox, 1999, Cox *et al.*, 2001, Cox, 2004, Cox *et al.*, 2004, Ireland, 2004, Sanderson, 2004). Unlike the five-base typology, the Power Regime Framework approach is set empirically in buyer-seller, business-to-business relationships to assess the wider economic influences affecting the ability of an organisation to manage the supply chain. Implicit in this school of thought is the notion of dependency as it draws on the resource-dependency approach to power (Emerson, 1962, Blau, 1964). The results from this research corroborate that Dependency is a factor to which power is



attributable. However, this research extends the theoretical construct of power beyond purely organisational and economic notions, through its synthesis of the three dominant schools of thought of where power is attributed, thus contributing to the extant knowledge base.

Dependency and conflict was shown to be a key issue in the extant power literature across the purchasing, marketing channels, negotiation and coalition fields. This research serves to shed light on some of these areas through the identification of factors motivating the use of power in buyer-seller relationships. In relation to the power balance, the literature points to an increase in competitive behaviour and a focus on individual rather than mutual gain when the buyer-seller dyad had unbalanced power (McClintock *et al.*, 1973, McAlister *et al.*, 1986, Mannix, 1993). The combination of motivating factors, including Targets, Personal Drive and Relational Conditions suggest that potentially conflict may arise between these. This is specifically highlighted through the dichotomous Relational Conditions factor. This is also consistent with the channels conflict literature (Lusch, 1976b, Lusch, 1976a, Gaski, 1984, Gaski and Nevin, 1985, Gaski, 1986, Gaski, 1988, Gaski, 1989, Brown *et al.*, 1991, Lusch and Brown, 1996, Ross *et al.*, 1997). Importantly, here it is noted that the potential conflict emerges from the factors motivating the use of power and therefore is action orientated, as opposed to where power is attributed to.

Moreover, the disparate strands of research on power within the management field have led to predominantly one-sided studies of either the buyers' or the sellers' situation. Through identifying both self-perceived and countervailing power of both buyers and sellers, this research advances power theory.

Extant research in the purchasing domain points to the different perceptions of power held by buyers and sellers (Neuman and Samuels, 1996, Campbell, 1997, Spekman *et al.*, 1998, Ahman, 2001). In support of this, the data reveals some differences in attitudes between buyers and sellers on a number of variables and factors and the two-way



dynamic is clearly an important consideration in power research. Nevertheless, it can be argued that the results provide more evidence that buyers and sellers are more alike than they are different as there is considerable amount of consistency of opinion between roles. This is an important contribution to knowledge and management practice as it underpins a contention that these two functional roles should be further integrated, both academically and structurally within organisational practice.

Another major contribution of this research to power theory is that it highlights the relational dimension of the buyer-seller exchange. The organisational and dependency factors emerging provide the contextual boundaries of power, yet the individual and the specific relational dynamics also contribute to the levels of power held. This supports the view in the marketing literature that organisational buying behaviour has social dimensions, which are contingent upon the people involved in the process (Webster and Wind, 1972, Bonoma and Johnston, 1978, Fern and Brown, 1984, Wilson, 2000). This is also echoed in the motivating factors identified; particularly in the Relational Conditions factor where there is a desire to work with preferred contacts. This adds weight to the findings of empirical research in the negotiation field where it is posited that familiarity with the other party positively influences selection (Tenbrunsel et al., 1999) and that people are more likely to favour those in their group, even if the group is formed on arbitrary, trivial or random criteria (Kim, 1997).

Further evidence for this is seen in the areas that buyers and seller have influence over. Alongside Commercial Details, the other area of influence emerging is Attitudes. If the buyer-seller relationship is a motivating factor this result is unsurprising. It is also congruent with the findings on trust (Coleman, 1988, Tenbrunsel *et al.*, 1999) adding further weight to the argument that the status of the buyer-seller relationship therefore should be given consideration in research on inter-organisational power.

The ontology of power in buyer-seller relationships has been explored in this research, with the results providing support for the integration of the three distinct schools of



thought on where power is attributed. This builds on the call for research into the embedded nature of power in buyer-seller relationships (Sachan and Datta, 2005). The empirical ontological evidence from this research adds significant weight to the view of multiple realities and embedded power structures, as highlighted in the IMP approach (Håkansson, 1982, Håkansson and Johanson, 1992, Håkansson and Snehota, 1995, Bello *et al.*, 1999, Håkansson and Ford, 2002, Wilkinson and Young, 2002).

Specifically, power in buyer-seller relationships is a property of the individual, the organisational context and the relational interaction between both parties. This is a fundamental contribution to knowledge as ontological philosophies underpin the validity and reliability of existing and future research. This provides a significant contribution to the conceptual development of power in buyer-seller relationships as the synthesis of these discrete areas offers a more robust representation of the construct than the existing schools of thought in isolation. This also contributes to the wider research community enabling further research on power in buyer-seller relationships to be developed. The identification of the pluralistic ontological position of power also contributes significantly to management practice through recognising and reacting to the role of the individual and the relational dimension in buyer-seller exchanges. These impacts stretch from recruitment and training through to strategy development and functional integration.

The ontological contribution made by this research has been achieved through an original research design, which lifts researcher bias as the buyer-seller practitioner population determined the items included in the survey instrument. The three phase approach (focus groups, interviews, and questionnaire) utilised three different samples of the population to triangulate the findings. Moreover, the use of buyers and sellers from various industries, levels of seniority and different relationship types increases the external reliability of the findings.

Previous power research has tended towards those relations where there are substantial and observable economic differences between partners (Caldwell, 2003). This has been



compounded through the use of case studies where the focal organisations are often large manufacturers buying in huge volumes of high risk, capital-spend items from smaller-scale suppliers (Wilson, 2000, Caldwell, 2003). In a similar vein, other studies of power in buyer-seller relationships (Whipple and Gentry, 2000, Tan *et al.*, 2002) have been criticised for an over-reliance on distributing questionnaires only to members of professional purchasing bodies. By removing these barriers in the research design and ensuring a broad population of buyers and sellers, by industry, seniority, spend, organisational size, experience and product / service classification, this has allowed a truer, more representative picture of power in buyer-seller relationships to surface. The generalisability of the research is an important output as the concept of power has a broad theoretical resonance and while the results emerging are contextually bound in buyer-seller relationships, the research approaches methods used in this research can potentially be used in a number of contexts in Management research.

Through the promotion of robust research designs, two-way analyses of buyers and sellers can give insights into power, and the influence not just of environmental conditions but also organisational, social and personal factors. Coupled with the identification of factors that motivate individuals to exercise power and what they have influence over, this aids managers to assess, predict and plan successful commercial strategies.

The buyer-seller and supply chain literature is predominantly descriptive, dominated by debates on its evolution (Cox, 1999, Croom *et al.*, 2000). Consequently, its theoretical development has been slow (New, 1997, Croom *et al.*, 2000, Giannakis and Croom, 2000) and gaps still exist in the area of power (Zemanek and Pride, 1996, Cox, 1999, Giannakis and Croom, 2000). Through the creation of a conceptual framework, this research addresses the theoretical gaps associated with power in buyer-seller relationships, thus contributing to the academic development of the purchasing and sales disciplines. A unique contribution is made through the separation of the sources of power, areas of influence and the factors motivating power to be used. This detailed



operationalisation plays a seminal role in the study of power in buyer-seller relationships, shaping the foundations for further, future research in this area.

## **6.15 Research Limitations**

While this research was conducted through a robust and considered research design to minimise threats to the reliability and validity of the results, as with all research projects, some limitations still exist.

### **6.15.1 Dyadic Context**

This research is set in a dyadic buyer-seller context, despite the increased interest in the literature surrounding supply chain management and the call for power research to use the supply chain or network as units of analysis (Ellram and Cooper, 1990, Håkansson and Johanson, 1992, Anderson *et al.*, 1994, Goldkuhl and Melin, 2001, Hall, 2001, Zheng *et al.*, 2001, Håkansson and Ford, 2002). This potentially limits the applicability of the finding to extended supply chains. However, as discussed at length in section 2.26 and section 3.10, a number of key considerations directed this decision.

A fundamental concern is the empirical evidence pointing to the lack of supply chain approaches in practice (New, 1997, Spekman *et al.*, 1998, Crichton *et al.*, 2003, Cox *et al.*, 2004). Additional practical constraints of using the supply chain or network as the unit of analysis included the complexities of research design and the lack of access to ‘full’ supply chains. Indeed, to assess fully the supply chain context, this would require access to all organisations, from raw material supplier to the end customer which in practice was infeasible.

### **6.15.2 Data Collection**

The results of this research are based on the responses of a broad range of individuals in buying and selling roles. As discussed in sections 5.1.2, 5.2.2 and 5.3.3 – 5.3.7, while the samples at each of the three different research phases are considered representative in terms of various classifications (age, gender, seniority, industry, organisational size etc),



the data was collected predominantly from those in traditional buying or selling roles. In relation to the questionnaire, as highlighted in section 4.6.4, the sample frame of 2,500 of CIPS members was created using only those members with buy\*, procure\*, purchase\* or sales in their job title. Similarly, the sample frame of 500 created using the Fame database was based on individuals with purchasing or sales job titles. These respondents made up 90% of the sample.

Although this design has been justified given the specific focus on buyer-seller relationships, it is recognised that these represent 'true' buying and selling roles and there may be others within organisations who conduct these roles, yet this may not be reflected in their job title. This may be particularly common in purchasing. For example, in small organisations the managing director or office manager may conduct the buying and selling activity. In larger organisations, particularly in technical disciplines, purchasing responsibility may fall to engineers, project managers or similar. Therefore, the sample may not fully represent these individuals and their views. Although this presents a risk to the reliability of the results, this is considered to be very small and where practical was mitigated. Evidence of this risk reduction is seen through the use of the 'other' role category to capture the buying and selling structures that may exist in SMEs, and the use of various distribution methods and snowball sampling which encouraged a broader distribution of questionnaires that did not discriminate by job title or organisational size.

### **6.15.3 Geographical Scope**

All three phases of this research were undertaken in the UK in order to keep the research scope within manageable levels of costs and access. Another reason for this geographical constraint was to limit the potential of moderating variables surrounding cultural differences from affecting the results of the research. Further empirical research is needed therefore to allow the findings to be generalised to buyer-seller relationships in wider geographical settings.



#### **6.15.4 Perception-Based Assessment**

A gap identified in the literature is the absence of a validated scale on how to measure power, which gave rise to the first research question. Given the research aims, this necessitated a research design based on respondents measuring their own self-perceptions of power, and that of the other party.

There is a considerable support across disciplines for a perceptual approach to the measurement of power (Bierstedt, 1950, French and Raven, 1959, Lukes, 1974, Bonoma and Johnston, 1978, Baker, 1990, Zemanek and Pride, 1996, Caldwell, 2003, Cialdini and Goldstein, 2004), and it is posited that these perceptions, even if not based on fact, still shape the actions of buyers and sellers (Wilkinson, 1996, Cox et al., 2001). However, despite this weight of support for a perceptual view of power, it is recognised that these views may not necessarily represent reality. This is not a threat to the results of this research (given that its aims were to identify the nature of power in buyer-seller relationships), although future development of this research and empirical testing of the framework need to recognise this constraint. This is of particular importance if predictive testing and causality research are to be pursued.

#### **6.15.5 Framework Limitations**

The framework developed (see Figure 6.1) is a visual representation of the findings, highlighting the conceptually distinct elements of power in buyer-seller relationships. Causality was outside the scope of this research therefore this framework is presented with this limitation. Additionally, the final element, relating to the use of power has not been empirically tested in this research, as again this was outside the scope of this research.

### **6.16 Recommendations for Future Research**

This research has contributed to the extant literature on power in buyer-seller relationships through filling fundamental theoretical gaps in the body of knowledge on the origins of power in buyer-seller relationships, what each party can influence and what motivates power to be exercised. The closing of these gaps contributes to the theoretical



development of inter-organisational studies (New, 1997, Aitken, 1998, Croom *et al.*, 2000, Giannakis and Croom, 2000, Giannakis and Croom, 2001). To develop further the conceptual and empirical understanding of power in buyer-seller relationships the following areas for future research are recommended, which were beyond the scope of this research.

#### **6.16.1 Specific Supply Chains and Industries**

Whilst this research has provided a better understanding of power in buyer-seller relationships, comparative analyses of the framework with different buyer-seller populations may allow for further contextual refinement. For example, it may be worthwhile to test in regulated versus non-regulated industries, retail versus manufacturing or in buyer-seller relationships where some parties have dominant market positions. Although there is currently a lack of evidence of organisations operating in fully integrated supply chains, if organisations move toward this approach in the future, the framework could also be tested in this context.

#### **6.16.2 Establish Causal Links**

Whilst this research has contributed to the gaps in the extant knowledge of power in buyer-seller relationships, development of multivariate models using structural equation modelling would be a useful avenue for future research. This would allow causal links to be identified in relation to what the different aspects of power can influence in buyer-seller relationships. For example, which aspects and combinations of an individual's power profile is most effective in enabling influence over commercial details and attitudes. This would be of particular benefit to the practitioner community as this would allow for predictive modelling thereby enabling them to measure and assess what they need to focus their improvement on to achieve their desired results. The cautionary notes surrounding perceptual measurement of power discussed in section 6.15.4 however would need to be considered and factored into any research design.



### **6.16.3 The Use of Power**

The natural next stage for future research, based on the framework presented, is to test the third element of the framework, which relates to the use of power in buyer-seller relationships. Empirical testing of the exercise of power, once the choice to use it has been made, including approaches and methods would be a valuable addition to the power literature. Research into the use of power in buyer-seller relationships could cover the decision-making process that buyers and sellers use to inform their choices of methods. Additionally, the impacts of the use of power, both in terms of immediate outcomes and long-term relational effects are areas that still require detailed exploration.

### **6.16.4 Buyer - Seller Differences**

A specific interesting finding that emerges from the results of this research relates to the different opinions between buyers and sellers. Although the number of factors in which they differed was small (only five in total across all areas tested) the findings are nevertheless potentially revealing. Although this was beyond the scope of this research to uncover the underpinning reasons for these difference may present another interesting area for future research.



# **Appendix 1**

## **References**



## Appendix 1

### References

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# Appendix 2

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## Appendix 2

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# Appendix 3

## Interview Questions

## **1:1 interview questions**

*To be read out to all participants...*

“I am going to ask a series of questions to which I would like you to answer as honestly as possible. This is not a test of your knowledge and there are no right or wrong answers – the research is looking at perceptions of individuals so any views you have are valid. Anonymity will be maintained at all times. Nobody will be named personally or defined by criteria that will individually distinguish them. The information discussed will be used purely for my research purposes and will not be divulged to a third party, nor will the interview be taped. The interview should last about half an hour to an hour. You can stop the interview at any time”

### **Section 1:**

1. “Can you confirm your role?” Buyer/Seller
2. “Can you confirm your level in the organisation?” Junior/Manager
3. What is your level of experience in a buying role?
4. What is your level of experience in a selling role?
5. Have you done any other commercial roles?
6. Power has been described as the potential to influence. Do you think this is important in buyer-seller relationships?

### **Section 2:**

4. In your role, what do you seek to influence over the other party?
7. Anything else? (ensure all areas are exhausted)
8. What do you think the other party tries to influence?
9. Does your organisation push to you influence other factors?



### **Section 3:**

10. Do you sometimes not use your potential power over the other party? Why?
11. Is this a conscious decision or dictated by circumstances?
12. Are you motivated by individual or organisational benefits?
13. What specific things motivate you to use your power against the other party?
14. Anything else? (ensure all areas are exhausted)

### **Section 4:**

15. Do you think that “image factors” (e.g. status, charisma, professionalism, room layout etc) are important?
16. What do you consider when assessing a market?
17. Do you experience different approaches to power by different people?
18. Have you experienced a weak buyer or seller in a powerful organisation or powerful economic position? Why were they perceived weak? Did you capitalise on this? How?
19. Do you have different types of relationships?
20. Are some relationships more dependent than others?
21. Does this affect how much you can influence the other party?

“Thank you for taking part in this interview”

# Appendix 4

## Pilot Questionnaire



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## APPENDIX 4: PILOT QUESTIONNAIRE

*Having influence is different than using it. Think of a situation in your current role where you held the **POTENTIAL** to influence an external customer/supplier (or resist change from them). Based on this situation, please rate the following: (Tick one box per item only).*

	don't know	very low	low	below average	average	above average	high	very high
Your knowledge of the product/service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your knowledge of your organisation's operating market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your knowledge of this customer's/supplier's market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your knowledge of this supplier's/customer's organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your personal opinion of the product/service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your opinion of the price/value for money of the product/service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The monetary value represented by this situation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your experience in your role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your ability to identify the decision makers for this situation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your level of general intelligence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amount of relationships you hold with influential people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your level of popularity/social skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The level of respect you show to this customer/supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The amount of respect others have for you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The length of the relationship with this customer/supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your commitment to the relationship with this customer/supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The level of business risk/criticality for your organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The economic strength/size of your organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The economic strength/size of this customer/supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your level of dependency on this supplier/customer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The level of competition in the market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your knowledge of your organisation's strategy/objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability of outcome to contribute to your individual targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The reputation of your organisation/brand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The reputation of this supplier's/customer's organisation/brand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your organisation's product/process development strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The quality of products/services purchased/sold	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The range of products/services purchased/sold	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your charisma	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your status/position in the organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your use of charm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your professionalism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your image/dress/appearance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your attentiveness to your supplier/customer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The importance of the choice of location/room layout	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your negotiation skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your level of organisation and planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your methodical approach and attention to detail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your tenacity and uncompromising approach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your ability to read/react to non verbal communication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your controlled approach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your leadership skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The empathy you display for this customer/supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your fairness to this supplier/customer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The level of rationality you applied to the situation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your level of honesty/openness with this supplier/customer	<input type="checkbox"/>							



## APPENDIX 4: PILOT QUESTIONNAIRE

Using the same situation, please rate your supplier/customer's representative on the following: (Tick one box per item only)

	don't know	very low	low	below average	average	above average	high	very high
Their knowledge of the product/service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their knowledge of your organisation's operating market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their knowledge of their own market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their knowledge of their own organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their personal opinion of the product/service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their experience in their role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their ability to identify the decision makers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their level of intelligence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amount of relationships they hold with influential people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their popularity/social skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The level of respect they show to you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The amount of respect others have for them	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their commitment to the relationship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The level of business risk/criticality for their organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their level of dependency on your organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their knowledge of their organisation's objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability of outcome to contribute to their individual targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their organisation's product/process development strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their charisma	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their status/position in the organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their use of charm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their professionalism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their image/dress/appearance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their attentiveness to you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their negotiation skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their level of organisation and planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their methodical approach and attention to detail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their tenacity and uncompromising approach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their ability to read/react to non verbal communication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their controlled approach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their leadership skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The empathy displayed to you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their fairness to you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The rationality they applied to the situation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their level of honesty with you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their degree of open-mindedness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their confidence displayed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their motivation to achieve results	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their offers/use of hospitality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their wanting to 'win' against you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Purchase/sales value/volume of this relationship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Number of other suppliers/customers used in this sector	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Still based on this situation, please confirm:

Classification of goods purchased/sold (tick any that apply)

Raw materials ☐      Indirect items/consumables ☐      Services ☐      Items for re-sale ☐  
Commodities ☐      Capital equipment ☐      Energy/utilities ☐      Logistics ☐

Status of relationship (tick one box only)

Partnership ☐      Sole supplier/customer ☐      Preferred supplier/Key customer ☐  
Approved supplier/customer ☐      New supplier/customer ☐      Ad-hoc supplier/customer ☐



## APPENDIX 4: PILOT QUESTIONNAIRE

Still using this situation, rate your POTENTIAL to influence/resist change in the following areas: (Tick one box per item only)

[illegible]

Still using this situation, please rate their POTENTIAL to influence/resist change in the following areas (Tick one box per item only)

[illegible]



## APPENDIX 4: PILOT QUESTIONNAIRE

*Think now about all your supplier/customer relationships. In general, what motivates you to use your influence/resist change? (Tick one box per item only)*

	strongly agree	agree	neutral	disagree	strongly disagree
My role/status/position demands it	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pressure from my manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pressure to reach organisational targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pressure to reach individual targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To improve my job prospects/CV	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A personal drive to fulfil my own potential	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To maintain/create a good reputation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To maximise the benefit for my organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To maximise my commission/performance related pay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To keep my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To keep up with my work colleagues and peers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To maximise short-term gains from my customer/supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To establish my own personal position	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To establish my organisation's position	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To make my job more interesting/challenging	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To ensure organisational survival	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Because I get recognised/rewarded in my organisation for good work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Because I am committed to the success of my organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To develop/share best practice with my customer/supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To improve the competitiveness of the whole supply chain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Because of past experiences with the customer/supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Because I can	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To ensure my preferred suppliers/customers are selected/maintained	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Because they have not fulfilled their promises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wanting to 'win' against the other party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*How far do you agree with the following statements (Tick one box per item only)*

	strongly agree	agree	neutral	disagree	strongly disagree
I take a holistic view of the whole supply chain I operate in	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I find it difficult to be hard on close customers/suppliers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I want to deal with customers/suppliers I personally like	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Face-to-face contact is important in developing my business relationships	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I always trust my key suppliers/customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I believe my key suppliers/customers always treat me fairly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My customers/suppliers often fail to use their influence effectively	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I sometimes choose not to use my influence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Some orders/requests are processed unchallenged	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My individual reward is more important to me than organisational success	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I sometimes use my influence excessively/negatively	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I always consider the consequences of exerting influence on suppliers/customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My influence could potentially damage my suppliers/customers organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I'm harder with people who I don't like	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel under pressure in my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My job stretches me/creates challenges	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I do the minimum amount of work that my role demands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My working day often seems to drag	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Work is the most absorbing interest in my life	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I regularly do extra work for my job which isn't really required	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I work much harder than most people in my type of job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I avoid conflict situations at work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I want an easy life at work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I enjoy exerting my influence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Company policies sometimes weaken my potential influence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My influence is limited to commercial details/aspects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



## APPENDIX 4: PILOT QUESTIONNAIRE

*Thank you for completing this survey.*

*Please send your completed copies in the enclosed, self-addressed envelope to:*

*Joanne Meehan  
Liverpool John Moores University  
Faculty of Business & Law  
98 Mount Pleasant  
Liverpool  
Merseyside  
L3 5UZ*

*If you require further copies or have any queries or comments, please contact me by e-mail: [j.meehan@livjm.ac.uk](mailto:j.meehan@livjm.ac.uk)*



## **Appendix 5**

### **Covering Letter for Questionnaire**



Liverpool John Moores University  
Faculty of Business and Law  
98 Mount Pleasant  
Liverpool  
Merseyside L3 5UZ

DATE

### **Buyer-Seller Relationships**

Attached is a questionnaire, which as part of my PhD doctoral research project aims to understand buyer-seller behaviour. It is a nationwide survey and covers both buyers and sellers attitudes to provide a thorough two-way understanding of commercial relationships.

It is quite a detailed questionnaire, requiring you to reflect on your experience and I hope you will find the time to complete and return it. This is not a test of your knowledge. It is looking to understand your views and attitudes. It is by understanding these issues that organisations can address how they can improve performance and motivation. Reflecting on performance and behaviour is an important activity to improve how we interact in our business relationships. Hopefully this questionnaire will raise some interesting areas for you to reflect upon. Please answer all questions honestly – you are not asked for your name and all replies are completely anonymous.

To ensure validity of the results, this survey requires a substantial amount of responses from both buyers and sellers, from people at all levels in a variety of organisations. For this reason, a number of copies are included as well as self-addressed envelopes for return. Please could you forward copies to your work-colleagues, customers or suppliers? If further copies are required, you can contact me by email on [j.meehan@livjm.ac.uk](mailto:j.meehan@livjm.ac.uk). If you have any queries, please do not hesitate to contact me.

Thank you for you time.

Joanne Meehan  
Lecturer in Strategic Purchasing  
Liverpool John Moores University  
Faculty of Business and Law  
Tel: 0151 231 3876  
Email: [j.meehan@livjm.ac.uk](mailto:j.meehan@livjm.ac.uk)



## **Appendix 6**

### **Final Version of Questionnaire**

**APPENDIX 6: FINAL VERSION OF QUESTIONNAIRE  
BUYER-SELLER BEHAVIOUR SURVEY**

*This is a national survey looking at buyer-seller behaviour. Responses are based on your own experiences therefore there are no right or wrong answers so please answer all questions as honestly as possible. All replies are confidential and you are not asked for your name or organisation. The questionnaire should take about 20-30 minutes to complete, as some parts of the questionnaire will require you to reflect on your experiences. Thank you for your time in completing this questionnaire.*

**YOU & YOUR ORGANISATION**

**What is your main role?** (Tick one box only)      Purchasing ☐      Sales ☐      Both in equal amounts ☐

**Which of the following best describes your position in your organisation?** (Tick the nearest match to your job title)

Junior buyer/seller ☐      Buyer/seller ☐      Executive/CEO/board director ☐  
Senior buyer/seller ☐      Buying/sales Manager ☐      Other (please state) \_\_\_\_\_

**What is your employment status?** (Tick one box only)

Permanent fulltime ☐      Permanent part-time ☐      Contract fulltime ☐      Contract part-time ☐

**What is your level of sales/purchasing decision-making authority within your organisation?** (Tick one box only)

None ☐      Low ☐      Medium ☐      High ☐      Sole responsibility ☐

**Are you a member of any of the following professional organisations?** (Tick any that apply)

Chartered Institute of Purchasing & Supply ☐      The Institute of Logistical Management ☐  
Chartered Institute of Marketing ☐      Institute for Supply Management ☐  
Institute of Sales & Marketing Management ☐      The Society of Procurement Officers ☐  
Any other (please specify) \_\_\_\_\_

**Number of years experience in a Purchasing role** \_\_\_\_\_

**Number of years experience in a Sales role** \_\_\_\_\_

**Number of years in current organisation** \_\_\_\_\_

**What is your gender?**      Male ☐      Female ☐

**What is your age?** \_\_\_\_\_

**In which sector would you classify your organisation?** (Tick one box only)

Manufacturing/production ☐      Retail/wholesale ☐      Health/education/government ☐  
Business/professional services ☐      Construction/engineering ☐      Utilities/mining/agriculture ☐  
Telecommunications/IT ☐      Transport/distribution ☐      Banking/finance/insurance/law ☐  
Leisure/catering/hotels ☐      Other ☐      Don't know ☐

**What is your organisation's annual turnover?** (Tick one box only **AND** delete currency as applicable)

less than 1million ☐      1 million-5 million ☐      5.1 million-10 million ☐      over 10million ☐      Don't know ☐  
(£'s, Euro's, US\$)      (£'s, Euro's, US\$)      (£'s, Euro's, US\$)      (£'s, Euro's, US\$)

**How many employees are in your organisation?** (Tick one box only)      1-24 ☐      25-499 ☐      500+ ☐      Don't know ☐

**What is your organisation's primary strategic focus?** (Tick one box only)

Efficiency/cost reduction ☐      Quality ☐      Innovation ☐      Customer Responsiveness ☐      Don't know ☐



## APPENDIX 6: FINAL VERSION OF QUESTIONNAIRE

Having influence is different than using it. Think of a situation in your current role where you held the **POTENTIAL** to influence an external customer/supplier (or resist change from them). Based on this situation, please rate the following: (Tick one box per item only).

Knowledge of the product/service	don't know	very low	low	below average	average	above average	high	very high
Your knowledge of the product/service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your knowledge of your organisation's operating market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your knowledge of this customer's/supplier's market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your knowledge of this supplier's/customer's organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your personal opinion of the product/service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your opinion of the price/value for money of the product/service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The monetary value represented by this situation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your experience in your role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your ability to identify the decision makers for this situation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your level of general intelligence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amount of relationships you hold with influential people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your level of popularity/social skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The level of respect you show to this customer/supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The amount of respect others have for you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The length of the relationship with this customer/supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your commitment to the relationship with this customer/supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The level of business risk/criticality for your organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The economic strength/size of your organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The economic strength/size of this customer/supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your level of dependency on this supplier/customer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The level of competition in the market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your knowledge of your organisation's strategy/objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability of outcome to contribute to your individual targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The reputation of your organisation/brand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The reputation of this supplier's/customer's organisation/brand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your organisation's product/process development strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The quality of products/services purchased/sold	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The range of products/services purchased/sold	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your charisma	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your status/position in the organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your use of charm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your professionalism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your image/dress/appearance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your attentiveness to your supplier/customer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The importance of the choice of location/room layout	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your negotiation skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your level of organisation and planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your methodical approach and attention to detail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your tenacity and uncompromising approach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your ability to read/react to non verbal communication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your controlled approach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your leadership skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The empathy you display for this customer/supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your fairness to this supplier/customer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The level of rationality you applied to the situation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your level of honesty/openness with this supplier/customer	<input type="checkbox"/>							



## APPENDIX 6: FINAL VERSION OF QUESTIONNAIRE

Using the same situation, please rate your supplier/customer's representative on the following: (Tick one box per item only)

	don't know	very low	low	below average	average	above average	high	very high
Their knowledge of the product/service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their knowledge of your organisation's operating market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their knowledge of their own market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their knowledge of their own organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their personal opinion of the product/service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their experience in their role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their ability to identify the decision makers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their level of intelligence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amount of relationships they hold with influential people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their popularity/social skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The level of respect they show to you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The amount of respect others have for them	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their commitment to the relationship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The level of business risk/criticality for their organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their level of dependency on your organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their knowledge of their organisation's objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability of outcome to contribute to their individual targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their organisation's product/process development strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their charisma	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their status/position in the organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their use of charm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their professionalism	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their image/dress/appearance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their attentiveness to you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their negotiation skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their level of organisation and planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their methodical approach and attention to detail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their tenacity and uncompromising approach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their ability to read/react to non verbal communication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their controlled approach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their leadership skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The empathy displayed to you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their fairness to you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The rationality they applied to the situation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their level of honesty with you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their degree of open-mindedness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their confidence displayed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their motivation to achieve results	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their offers/use of hospitality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Their wanting to 'win' against you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Purchase/sales value/volume of this relationship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Number of other suppliers/customers used in this sector	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Still based on this situation, please confirm:

Classification of goods purchased/sold (tick any that apply)

Raw materials ☐ Indirect items/consumables ☐ Services ☐ Items for re-sale ☐  
Commodities ☐ Capital equipment ☐ Energy/utilities ☐ Logistics ☐

Status of relationship (tick one box only)

Partnership ☐ Sole supplier/customer ☐ Preferred supplier/Key customer ☐  
Approved supplier/customer ☐ New supplier/customer ☐ Ad-hoc supplier/customer ☐



## APPENDIX 6: FINAL VERSION OF QUESTIONNAIRE

Still using this situation, rate your POTENTIAL to influence/resist change in the following areas: (Tick one box per item only)

[illegible]

Still using this situation, please rate their POTENTIAL to influence/resist change in the following areas (Tick one box per item only)

[illegible]



## APPENDIX 6: FINAL VERSION OF QUESTIONNAIRE

Think now about all your supplier/customer relationships. In general, what motivates you to use your influence/resist change? (Tick one box per item only)

	strongly agree	agree	neutral	disagree	strongly disagree
My role/status/position demands it	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pressure from my manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pressure to reach organisational targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pressure to reach individual targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To improve my job prospects/CV	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A personal drive to fulfil my own potential	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To maintain/create a good reputation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To maximise the benefit for my organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To maximise my commission/performance related pay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To keep my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To keep up with my work colleagues and peers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To maximise short-term gains from my customer/supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To establish my own personal position	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To establish my organisation's position	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To make my job more interesting/challenging	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To ensure organisational survival	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Because I get recognised/rewarded in my organisation for good work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Because I am committed to the success of my organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To develop/share best practice with my customer/supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To improve the competitiveness of the whole supply chain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Because of past experiences with the customer/supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Because I can	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To ensure my preferred suppliers/customers are selected/maintained	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Because they have not fulfilled their promises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wanting to 'win' against the other party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

How far do you agree with the following statements (Tick one box per item only)

	strongly agree	agree	neutral	disagree	strongly disagree
I take a holistic view of the whole supply chain I operate in	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I find it difficult to be hard on close customers/suppliers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I want to deal with customers/suppliers I personally like	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Face-to-face contact is important in developing my business relationships	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I always trust my key suppliers/customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I believe my key suppliers/customers always treat me fairly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My customers/suppliers often fail to use their influence effectively	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I sometimes choose not to use my influence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Some orders/requests are processed unchallenged	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My individual reward is more important to me than organisational success	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I sometimes use my influence excessively/negatively	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I always consider the consequences of exerting influence on suppliers/customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My influence could potentially damage my suppliers/customers organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I'm harder with people who I don't like	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel under pressure in my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My job stretches me/creates challenges	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I do the minimum amount of work that my role demands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My working day often seems to drag	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Work is the most absorbing interest in my life	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I regularly do extra work for my job which isn't really required	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I work much harder than most people in my type of job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I avoid conflict situations at work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I want an easy life at work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I enjoy exerting my influence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Company policies sometimes weaken my potential influence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My influence is limited to commercial details/aspects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



## APPENDIX 6: FINAL VERSION OF QUESTIONNAIRE

*Thank you for completing this survey.*

*Please send your completed copies in the enclosed, self-addressed envelope to:*

*Joanne Meehan  
Liverpool John Moores University  
Faculty of Business & Law  
98 Mount Pleasant  
Liverpool  
Merseyside  
L3 5UZ*

*If you require further copies or have any queries or comments, please contact me by e-mail: [j.meehan@livjm.ac.uk](mailto:j.meehan@livjm.ac.uk)*