

Power-based Behaviors in Supply Chains and Their Effects on Relational Satisfaction: A Fresh Perspective and Directions for Research

Abstract

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

Keywords: Cooperative strategies; Supply chain relationships; Power; Power-based behaviors; Relational satisfaction; Dependence

1. Introduction

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

“Supply chain scholars have devoted much attention to interorganizational relationships,” focusing on both contractual and relational governance (Cao & Lumineau, 2015, p. 15). In the present study, we attend to relational governance, which has been delineated as trust and relational norms. These norms are “shared expectations about the behaviors of each party” (Cao & Lumineau, 2015, p. 17). Specifically, we consider the effects of power-based behaviors on relational outcomes. Firms’ behaviors toward their business partners vary in the direction, extent, and approach that power is exerted (Ganesan, 1993; Hingley, 2005; Meehan & Wright, 2013). Firms’ choices of behaviors and strategies are affected by one another’s capabilities and perceptions of power symmetry/asymmetry and dependence in embedded relationships (Bastl, Johnson, & Choi, 2013; Nyaga et al., 2013; Tate, Ellram, & Gölgeci, 2013). Each firm’s strategy to wield and respond to power affects the evolution and outcomes of dyadic relationships. Some firms dominate their partners by demanding conformance. Other firms stress equitability, seeking to engage in shared problem solving and compromise. Still other firms focus on accommodation and compliance to partner’ expectations. This interplay of action and reaction between partners shapes and

reshapes supply chain relationships (Hingley, 2005), ultimately leading to relational satisfaction or dissatisfaction.

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

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

Perspectives on power and dependence found in supply chain management and channels of distribution literature, as well as negotiations (specifically, the dual concern

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

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

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

2. Theoretical background of power/dependence in business dyads

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

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

partners are among the key factors in supply chains, affecting choices of power-based behaviors and responses to these behaviors.

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

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

The important point to note when motivating the need for taxonomy of power-based behaviors is that power and dependency can shift between a buyer and supplier over time. For example, in the supply chain literature, a bargaining position for negotiating a dyadic relationship may change for the better or worse over time (Autry & Golicic, 2010). The

relationship between partners may change from a state of locked-in dependency to one of a more open commitment (Narasimhan et al., 2009). To chart the transitions for each partner requires a vocabulary of behaviors that is nuanced in reflecting both sides of the buyer–supplier relationship.

Next, we discuss the concepts central to our updated way of perceiving power-based behaviors and their effects on supply chain relationships. We posit that dominance, egalitarian, and submissive behaviors are three major interconnected yet distinct power-based behavioral archetypes that supply chain partners apply to each other as means of expressing and responding to power.

3. Power-based behaviors and relational satisfaction

3.1. The three power-based behaviors

Cooperative strategies and interorganizational relationships have attracted substantial attention in management research (Börjeson, 2015; Dyer & Singh, 1998; Powell, Koput, & Smith-Doerr, 1996; Turker, 2014; Vlaar, Van den Bosch, & Volberda, 2006). Firms perform different interorganizational behaviors often as part of their cooperative strategies when engaging with their business partners during the course of their relationships (Vandaele et al., 2007). In this research, we examine power-based behaviors as a specific type of interorganizational behaviors. There are facilitating factors that tend to provoke the usage of each of the power-based behaviors. Additionally, there are tendencies in the nature of interfirm interaction accompanying the use of each behavior. These are summarized in Table 1 and discussed below.

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3.1.1. Dominance behavior

Dominance behavior relates to actions taken with the intent of compelling a partner to act in the firm interests unilaterally. Engaging in dominance behavior is a tendency when a supply

chain partner expects its partner to comply, often with an expressed or implicit implication that failure to comply will have adverse consequences. Though dominance behavior could be driven by motives such as strategic positioning and sociopolitical needs that are not directly linked to possession of power, the firm's power position in a dyad influences the decision to exert dominance (Cox, 2001). Firms may possess various power advantages, giving them the means to use behaviors to assert influence over a partner. For instance, when dependence is imbalanced among partners, the less dependent firm may tend to act more assertively, secure in its knowledge that the more dependent partner will be likely to acquiesce to expectations. Further, the less dependent partner may be unconcerned about the effects of its behavior on the more dependent partner's perception of their relationship (Emerson, 1962; Heide & John, 1988; Kumar, Scheer, & Steenkamp, 1995a). As these thoughts suggest, the more dependent partner can feel compelled to act in abeyance to dominance behavior (Caniëls & Gelderman, 2007). Intriguingly, a firm can perform dominance behavior even if it is lacking sufficient power sources to justify the behavior or assure that response will be as expected.

Anticipating the possible actions and reactions by supply chain partners is aided by concepts from the dual concern model (e.g., Pruitt & Carnevale, 1993; Rhoades & Carnevale, 1999). Developed for negotiations, the model asserts that a lack of concern for others while having a high concern for the self can lead to contentious behaviors. The model offers the motivational orientations affecting strategies by parties. Rhoades and Carnevale (1999) related further that "combinations of these concerns predict the strategies that negotiators will choose in a particular circumstance." (p. 1778). Consistent with this reasoning, a partner may choose dominance behaviors when it perceives it has available power to do so, has a prevailing concern for self, and has an absence/insufficiency of accompanying concern for the partner.

In the instance of a lack of concern for the other, the more powerful partner may tend toward authoritarianism expecting that the partner will be submissive to its demands. The behaviors used by the *aggressively* dominating party tend to be coercive power forms (Hunt & Nevin, 1974), attesting to the “discretion and the means to asymmetrically enforce one’s will” over the other party in an overt and contentious way (Sturm & Antonakis, 2015, p. 139). The dual concern model suggests that responses to these aggressive behaviors may either match or mismatch. Matching can arise when a partner firm believes that it has sufficient countervailing power or, despite lacking countervailing power, that the dominating partner needs to be resisted to assure fairness or protect the firm interest. In either case, contentiousness rises in the dyad. Mismatching arises when the response is a submissive power-based response.

Alternatively, a tendency toward dominance may be motivated by the desire to win over a partner in both actions and spirit. In these situations, the dominating partner believes that their leadership will assure win–win outcomes. This tendency might occur when a firm’s priority is monitoring and controlling commercial, operational, and strategic issues (Meehan & Wright, 2013) so as to assure efficiency and reliability (Cameron & Quinn, 2011) amicably within the dyad. Here, the intent might be far removed from that of an authoritarian or bully, with *amicable* dominance behavior forms chosen, i.e., subtle and courteous exercise of noncoercive power such as reward or expertise (Hunt & Nevin, 1974), out of a self-certainty that power is sufficient to cause partners to willingly conform in anticipation of win–win outcomes. Amicable dominance behaviors are reflected most closely in conditions where there is a concern for self and concern for the partner, resulting in problem-solving behaviors. Although a tendency for the dominant supply chain partner is to direct the other partner, when done amicably, these dominance behaviors may be acceptable, even appreciated, because the dominant partner is seen as legitimately guiding the dyad’s success.

The intentions of the initiator can be misunderstood by the responder. For instance, amicable intentions in applying dominance behavior may be perceived by the recipient partner as aggressive dominance. To avoid such relationship harming perceptions and misunderstandings (Vlaar et al., 2006), performers of amicable dominance behavior can work to assure that partners perceive them as having legitimate orchestration capability, i.e., the capability to influence the beliefs, goals, and behavior of other key partners (Möller & Svahn, 2003). Therefore, firms aspiring to industry leadership have worked to foster a reputation for orchestrating entire supply chains, such that potential partners will trust in their expertise to lead the relationship. When a business partner is seen by the other as having orchestration capability, dominance behavior may more likely be viewed as amicable, opening the door for more positive outcomes for both partners in a dyad (Möller & Svahn, 2003).

3.1.2. Egalitarian behavior

Egalitarian behavior denotes a greater degree of reciprocity, equitability, and compromise between the parties and bilateral management of a relationship. Egalitarian behavior consists of activities by a business partner that demonstrates that they feel that their partner has equal worth and social status. Across definitions, equality is paramount, encouraging behaviors where people are treated as equals and related to as equals (Stanford Encyclopedia of Philosophy). As such, even if one or both of the firms may have the means to use dominating forms of power, their preference is to behave as equals. The dual concern model recognizes that concern for self may be accompanied by concern for the other (Rhoades & Carnevale, 1999), leading to egalitarian tendencies, including a willingness to compromise, collaborate, and co-manage the relationship, with equitable sharing of relational rents. Equity is achieved between partners through exhibiting qualities such as reliability and forbearance of opportunism, with outcomes that include building trust between partners (Johnston et al., 2004).

Symmetrical dependence discourages partners from trying to assume a dominant role over the other (Cox, 2001; Levina & Vaast, 2008) and encourages mutual compromise to achieve mutually desirable outcomes. As this implies, egalitarian behavior encourages cohesion, reciprocity, and synergy between the parties, as well as autonomy and openness as key ingredients of innovation (Harryson, Dudkowski, & Stern, 2008; Levina & Vaast, 2008). Open innovation platforms are often established on egalitarian principles where different ideas are tolerated and every participant is treated respectably so as to spur openness and synergistic accumulation of innovation (Albors, Ramos, & Hervás, 2008). Thus, a key ability that is intertwined egalitarian behavior is equitability, referring to the ability wherein both parties to feel they are treated fairly over a period of time (Leonidou et al., 2008). The perception that a business partner is concerned, respectful, and willing to exchange ideas with the other partner constitutes underlying mechanisms of relational satisfaction (Lai, 2007), and equitability can help build such perception.

Egalitarian behavior fits well in situations where partners expect relational returns over longer periods of time and in a sustained fashion (Börjeson, 2015). While relationships where egalitarian behavior are exercised are not always conflict free, firms performing egalitarian behavior can leverage conflicts as innovative input for continued value creation, instead of trying to avoid it. For example, undeterred by its relative size and power, Nokia practices egalitarian behavior, offering openness, flexibility, and autonomy in its collaborations. These actions attracted the best partners. They, in turn, volunteer the best of their in-house expertise (Ketchen, Ireland, & Snow, 2007). In short, regardless of their dependence positions, partners can often improve relational satisfaction by mutually adopting egalitarian behavior.

3.1.3. Submissive behavior

Submissive behavior is conformity to the requirements of a partner. Submissive behaviors are actions that are adaptive, accommodating, and conforming to requirements as set by a business partner. It places the compliant partner primarily in the position of an acquiescent partner using obliging and yielding behaviors (Bonoma, 1976) to achieve concord between the parties. When a firm realizes that it is more dependent and/or lacking in countervailing power, it is more likely to choose submissive behavior in response to a partner's demands (Caniëls & Gelderman, 2007). Moreover, as suggested by the dual concern model, submissive behavior is more likely to be performed when there is a prevailing concern for the other partner (Rhoades & Carnevale, 1999). Finally, when a firm has developed adaptive capability, referring to the ability to coordinate, recombine, and allocate resources to meet business partners' demands and proposals (Lu et al., 2009), it may be more receptive to submissive behavior; this may even be a purposeful part of the submitting partner's strategy for relationship development.

We offer two primary forms of submissive behavior, *willing* submissiveness and *resentful* submissiveness. *Willing* submissiveness is characterized by having an intrinsic motivation and low to zero resistance to the requirements of the demanding partner. Alternatively, *resentful* submissiveness is characterized by feeling compelled to submit while simultaneously desiring—but feeling unable—to resist the demands of the partner. Willing submissive behavior tends to be the result of a partner having decided that compliance is consistent with their intent for the firm, congruent with expectations for the relationship or legitimate because of contract or tacit acknowledgment of the partner being a channel captain.

When a partner feels compelled to submit to demands despite a desire to resist, submissive behavior can lead to resentment. For instance, a category champion such as Rubbermaid may feel that a partner such as Walmart should view it as an equal, with egalitarian behaviors following. However, should Walmart choose to exert dominance

behaviors on Rubbermaid, the need to submit soon becomes apparent. This leads a weaker partner to acquiescence, despite doing so grudgingly or with resentment. The ensuing damage to relational satisfaction can be accompanied by a submissive partner taking steps to shift the power balance, whether by forming coalitions to counterbalance its dominant partner's power advantage (Bastl et al., 2013) or striving to identify alternative partners.

3.2. Relational satisfaction

It should come as no surprise that an effective relationship is considered productive, rewarding, and satisfactory (Athanasopoulou, 2009). But what constitutes effectiveness? There are numerous relational outcomes that reflect effectiveness including cohesiveness, cooperation, commitment, and trust, with few grievances and little conflict (Benton & Maloni, 2005; Scheer et al., 2015). Yet another important outcome is relational satisfaction. We define *relational satisfaction* as a positive affective state resulting from an appraisal of a firm's relationship with another (Frazier, 1983), with qualities including an appreciation for and enjoyment in the relationship with its partner (Lai, 2007). Relational satisfaction is a key enabler of other relational outcomes such as trust, continuity, and loyalty (Flint, Blocker, & Boutin Jr, 2011). When partners have high relational satisfaction, they feel that the relationship is fulfilling and gratifying (Geyskens & Steenkamp, 2000) which, in turn, cascades to other positive outcomes including financial and operational performance (Athanasopoulou, 2009). Similarly, Lai (2007) found that firms that are economically and socially satisfied with their partners perform better. Similar to the results of Autry and Golicic's (2010) study, there is likely a feedback loop between relationship strength (exhibited through satisfaction) and performance over time where supply chain partner' relationships "spiral" upward or downward, driven by the effects of initiating and responding power-based behaviors in dyads.

Preferably, relational satisfaction is experienced by both parties, reflected in partners sharing favorable sentiment toward one another and with each valuing the relationship. However, relational satisfaction is firm specific, with the possibility that one firm is satisfied while the other may be dissatisfied with the relationship (Mullins et al., 2014). In this research, we are interested in economic and noneconomic mutual satisfaction of business partners accumulated across all transactions. Although it could be believed that performance induces relational satisfaction, it may be the nature of the buyer–supplier relationship that drives satisfaction more than performance (Benton & Maloni, 2005). This is yet another reason why it is imperative to understand the behaviors affecting relational satisfaction between partners.

3.3. Expectations on power-based behaviors and relational satisfaction

In the preceding discussion of the three power-based behaviors, a number of expectations have already been suggested. We encapsulate a range of initiating and response behaviors and expected outcomes of these behaviors in Table 2. Each of the nine cells in the table presents research opportunities.

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3.3.1. Dominance behaviors used by initiator and power-based responses (Cells 1,2,3)

A supply chain partner seeking to exert control over the behaviors of its partner may choose dominance behavior to compel submissive behavior. When a submissive response follows, the relationship can be affected in healthy or destructive ways (Cell 3). As a healthy example, a partner might view the dominance behavior as legitimate and amicable, like when the initiator is recognized as a channel captain exerting dominance for the good of the dyad or entire supply chain. Here, the initiating firm’s dependence is often lower than the partner firm’s dependence, and both parties are cognizant—and accepting—of the power held by the initiator. Indeed, channel captains are often recognized as having leadership capabilities and

resources that can be geared toward partners for mutual success, with captains often either assuming risk or taking the lead (Defee et al., 2009) to create win-win outcomes. Toyota and its relationships with its partners represent this form of dominance/willing submissiveness by exercising an experience-based and capability-based leadership and providing financial and technical resources and training to its partners to support this position. Toyota's partners recognize that compliance and subordination will likely improve their performance. Willing submissive behavior will likely follow an initiating firm's dominance behavior when the corresponding partner values the relationship, views its partner's power source as legitimate, and feels that its partner is exerting dominance behavior amicably, such as by using its orchestration capabilities. The outcome of this condition would be relatively high relational satisfaction.

Alternatively, perceptions of aggressive dominance behavior can lead a partner to feel forced to submit to demands, resulting in grievances toward its dominating partner and reduced relational satisfaction. As suggested earlier, besides adverse effects on relational satisfaction, dominance behavior as a part of contentious strategies against partners can reduce relational cohesiveness (Kabanoff, 1991) and increase overt or covert conflict (Lai, 2007).

Instead of willingly or resentfully submitting to demands by the dominant partner, the corresponding partner may perform matching responses such as applying countervailing power (Cell 1). As suggested by the dual concern model, these matching strategies can be problematic for the well-being of the dyad because these behaviors result in greater contentiousness between parties (Rhoades & Carnevale, 1999) and the likelihood that the parties become confrontational (Gaski, 1984). For example, a control-oriented firm like Walmart, which is able to maintain a position of low dependence relative to suppliers, tends to exercise dominance behavior. Some suppliers, especially category leaders in their

respective fields, may instinctively engage in dominance behaviors in response. As the tensions between the two build, the category leader may find itself possessing a revised realization about its sources of power, along with becoming a resentful yielder to Walmart. Resentful yielding likely leads to lower relational satisfaction. Additional outcomes from this kind of contentious situation include deterioration of interfirm functioning, with adverse effects on communication quality and performance.

Finally, following an initiator's dominance behavior, the responding partner might exert egalitarian behavior (Cell 2). Here, the responding partner may be expectant/hopeful that the initiator will step away from their initial dominant posture, providing opportunity for shared problem solving and negotiated decisions. This strategy, while not as contentious as using dominance behaviors in reply, is nonetheless inconsistent with the initiator's expectations, potentially creating unease and compelling the initiator to respond more forcefully with its initial expectations/demands. However, an increase in contentiousness following egalitarian response seems more likely when the initiator has used aggressive dominance behaviors. This is because the initiator of amicable dominance behavior tends toward benevolence, possibly leading them to be more receptive to the responder's efforts to bring suggestions into the discussion rather than merely acquiescing to the demands made by the initiator.

3.3.2. Egalitarian behaviors used by initiator and power-based responses (Cells 4,5,6)

Cell 5 represents the condition where both the initiating partner and responding partner engage in egalitarian behavior. Egalitarian behavior is associated with collaborative, participative, and equitable relationships (Powell et al., 1996) where synergies are prioritized, a better fit between resources or capabilities and characteristics of business partners are achieved, and benefit/cost ratios of each partner are alike. Enabling each other to behave on more-or-less equal grounds regardless of relative power or dependence mutually enhances

partners' efficacy, provides more space for autonomy (Langfred, 2005), and has often more favorable outcomes than playing "carrot-and-stick games" (Puranam, Gulati, & Bhattacharya, 2013) that accompany dominance and submissive behaviors. Likewise, fairness, a key attribute of egalitarian behavior, plays a positive role in relational satisfaction (Kumar, Scheer, & Steenkamp, 1995b). Because of being equitable, performers of egalitarian behavior are more likely to achieve a good fit between resources or capabilities and characteristics of business partners that is argued to be a precondition for effective cooperation (Antolin-Lopez et al., 2015). Some might even argue that the feeling of equity among partners regardless of power imbalances is essential for satisfaction (Benton & Maloni, 2005).

Shared egalitarian behavior (Cell 5) seems most likely to be present in the power-based initiating and response behavior patterns of partners with offsetting or complementary power sources and symmetrical dependence. Under these conditions, supply chain partners tend to abstain from exercising offensive or nonproductive behaviors (Heide & John, 1988; Kumar et al., 1995a), with symmetrical power/dependence also discouraging partners from trying to assume a dominant role over the other (Cox, 2001; Levina & Vaast, 2008). Balance also encourages mutual compromise to achieve mutually desirable outcomes. Thus, egalitarian behaviors become the natural tendency for symmetrically dependent partners who then work jointly to formulate joint strategies and activities (Bonoma, 1976) to assure good performance. For example, autonomy and collaboration are two key mottos of W.L. Gore, a firm renowned for its egalitarian approach to doing business. A supply chain relationship established on this ground with a like-minded partner is likely to produce positive relational satisfaction.

The actions of partners when they have asymmetrical power/dependence are less certain as the partner with more power/less dependence can choose dominance (Cell 4) or egalitarian (Cell 5) behaviors in response to the egalitarian behaviors of the initiator. A

partner possessing power advantage does not necessarily yield dominance behaviors toward weaker and more dependent others. The dual concern model recognizes that concern for self, accompanied by concern for the other, tends to lead to egalitarian tendencies. So, the stronger partner might respond with egalitarian behaviors despite being capable of dominating the partner. Interestingly, evolutionary research suggests that stronger individuals are limited in their predispositions to exploit weaker individuals for their own gain because the latter can refuse offers while waiting for alternative offers from less dominant prospects (Debove, Baumard, & André, 2015). Using this logic, egalitarian behaviors initiated by a stronger supply chain partner need not be out of concern for the other partner. Instead, it can be a self-serving realization that pushing the weaker partner too hard might lead the weaker partner to withdraw.

Relationships may suffer if only one partner adopts egalitarian behavior while the other responds with dominance (Cell 4) or submissive (Cell 6) behavior in response. For instance, Lego, a toy manufacturer, prioritizes egalitarian relationships including creative and proactive collaboration with partners (Antorini, Muñiz Jr, & Askildsen, 2012). Thus, Lego may be dissatisfied with both dominance-minded partners that seek to dictate exchange terms or pliant ones that constantly expect directions rather than engaging in proactive and symmetrical collaboration. Such power-based behavior misfits between partners would tend to create cognitive dissonance and discomfort in exchange activities that may lead to weakening relational satisfaction because a partner initiating with egalitarian behavior expects egalitarian behavior from the corresponding partner.

3.3.3. Submissive behaviors used by initiator and power-based responses (Cells 7,8,9)

Though not as common as some of the conditions already discussed, there can be situations where submissive behavior is performed as an initiating behavior. For example, a component supplier with small market share or relatively unknown to the market may seek out well-

known “trophy/reference” original equipment manufacturer (OEM) customers as coaches for its development and leverage them as a springboard to grow its market share. In such cases, a supplier may initiate the relationship with submissive behavior inviting amicable dominance behavior by the prospective partner (Cell 7). Performers of such willing submissive behavior will be prepared to invest heavily in their relationships to please their dominant partners. For example, Sun Ray, a technology firm with its technology lacking significant differentiation from its major competitors, may seek reference customers to boost its market credibility and tout its magnificence (Välakangas, Hoegl, & Gibbert, 2009). Firms such as Sun Ray are likely to apply submissive behavior to win over such reference customers as their existence gives potential other customers confidence that the product or service is cutting-edge, dependable, and well-supported. The prospective partners’ response to submissive behavior might be either aggressive or amicable dominance behavior. If the responding partner chooses aggressive dominance behavior, the submissive partner might be “put off,” feeling that the partner has not reciprocated in a respectful manner (Grover et al., 2014), leading them to rethink whether entering into the relationship is a good idea. However, if the responding partner gets away with their aggressive dominance behavior response, i.e., compelling the partner to submit to their demands, it could easily lead to resentment and lower relational satisfaction.

It is also possible that the initiator of submissive behaviors does so resentfully. This may occur in situations where an initiator, already in a relationship with characteristics of higher dependence and a lack of countervailing power, has been intimidated by the partner’s reputation or past encounters with it. The initiator, possibly bearing resentments from past encounters but dependent on the relationship, may use anticipatory submissive behaviors so as to pre-emptively appease the stronger partner, feeling that doing so will soften tendencies for aggressive behaviors from it (Cell 7).

Additional responses to an initiator's use of submissive behavior are egalitarian (Cell 8) or submissive (Cell 9) behaviors. For instance, a weaker partner may feel obligated to work with stronger partners, expressing itself to the partner with expressions such as "tell us whatever we need to do" or "we are prepared to take whatever steps are necessary to grow with you." A stronger partner such as Lego, preferring cooperative engaged relationships, may reply with egalitarian behavior (Cell 8). If its partner uses this as a positive opportunity and shifts to egalitarian response behaviors, then high relational satisfaction could result. However, if it never quite feels comfortable working as equals (reflected in Cell 5), relational satisfaction could be somewhat lower. Finally, though seemingly far less likely, initiated submissive behavior could be followed with a response of submissive response behavior (Cell 9). In this situation, each partner may believe that they are more dependent on the other. If this happens, the initiator's submissive behavior would be awkward and confusing for the responding partner. In turn, the partner's response might be to respond with their own willingness to bend to the wishes of the partner. An awkward and unsatisfying relationship would result. Generally, it seems that submissive-submissive (Cell 9) is unlikely, although if occurring, it would be dysfunctional and associated with low relational satisfaction.

4. Discussion and conclusions

Despite an extensive and lengthy history of research on power and dependence, there have been several recent calls for greater understanding of these pervasive concepts affecting partner' behaviors and relationships (Bastl et al., 2013; Nyaga et al., 2013). We respond to these calls by providing a framework to describe power-based behaviors as they evolve in supply chain relationships. We introduce new terms of dominance, egalitarian, and submissive behaviors and describe the potential effects of these behaviors on relational satisfaction between supply chain partners. We endeavor to offer a vocabulary that is relevant to both buyers and suppliers anywhere along supply chains, from raw material and

component suppliers to final assemblers and from warehouses or distribution centers to retailers. Their decisions and responses to the decisions of partners signal the state of cooperation and therefore warrant a means of expressing the resulting balance of power in the relationship. Our conceptualization, with insights across the nine cells of initiating and response behaviors, makes several multidisciplinary contributions to theory, along with managerial implications.

4.1. Contributions and opportunities for further research

There are numerous behavioral issues relevant to power that the extensive power literature has not fully addressed (Sturm & Antonakis, 2015), not least of which are the complex interactions occurring between business partners and the effects of these interactions on outcomes. We use existing power concepts including power sources, along with dependence to introduce and discuss various combinations of power-based initiating and response behaviors by partners (dominance, egalitarian, and submissive behaviors) within supply chains. Our discussion elaborates the likely effects of combinations of these conditions and behaviors on a crucial supply chain relationship outcome, relational satisfaction. By doing so, we advance theory on power by developing concepts for interorganizational behaviors that are based on power enactment as an underlying force. By interactively accounting for power-based behaviors of both partner firms, we draw a realistic picture of the dynamics associated with these behaviors and their likely effects on the relationship between supply chain partners.

The description of the various potential combinations of these behaviors (Table 2) provides a tool for better research on supply chain relationships. For example in the design and analysis of multiple case studies in both survey and qualitative research into supply chain transformation, a before-and-after snap shot of power-based behaviors between partners would be one way to gauge causes of changes in relational outcomes. In research on

improvement within relationships, we would expect to be able to describe the supporting changes in the relationship using the descriptions of power-based behaviors. Dyads found in particular cells tend to become norms for enduring supply chain partner relationships, while other cells tend toward terminated relationships. The use of relational satisfaction as a construct to summarize many of the metrics of supply chain improvement would be important. In research questions focused on the evolution of an industry, our power relationships may describe more accurately the evolving relationships between firms as there is consolidation amongst suppliers, often as a result of increased market concentration at any level in a supply chain. For example, how much of the impact of the market leadership of firms such as Walmart and Amazon can be described in terms of changes in their power relationship with their suppliers up the supply chain.

Change over the time in supply relationships underscores the need for a dynamic versus static view of power. The belief that managers can change supply chain relationships by their actions is an assumption that needs to be challenged with solid longitudinal research. If so, what factors enable or disable a manager's ability to move their firms from one set of power-based behaviors to another. For instance, partners might have egalitarian behavior norms disrupted by events such as product failure or late shipments, leading to new behaviors (aggressive dominance by the aggrieved and submissiveness by the partner responsible for the event). It would be intriguing to learn whether disruptive events lead to new norms or simply anomalies in behaviors. As this suggests, a full understanding of how partners engage in power-based behaviors in relative power/dependence contexts will only be possible as researchers account for temporal dynamics and feedback loops during the lifetime of relationships (Nyaga et al., 2013), including disruptive events on norms in partner behaviors. Thus, longitudinal studies are encouraged to enrich our understanding.

There can be differences between intent and received perceptions when power-based behaviors are used by an initiating partner. Divergence in perceptions, behaviors, and relational outcomes is often inevitable in the evolution of supply chain relationships (Autry & Golobic, 2010; Mullins et al., 2014). Thus, developing models that explicate how supply chain partners engage behaviors while exploring how the intent is perceived is an exciting area for researchers. It is also important to conduct research focused on the range of responses represented by submissive behavior and the effects of these responses on relational satisfaction. Here, we introduce willing and resentful submissiveness. Each of these is quite a different reaction by a partner, with expectations of different effects on outcomes.

In a similar vein, it is possible that the responding partner, besides complying with the expectations of the initiating partner, could use avoidance behavior. In such circumstances, feigning dominance, egalitarian, or submissive behavior could be an alternative. For example, a partner can appease the dominating partner by making assertions such as “no problem,” “sure,” or “things will be taken care of.” However, if feigning, these assertions are not followed with action. This is particularly germane when working with suppliers from cultures that tend to avoid saying “no,” preferring deflection over directness when uncomfortable responses are the alternative. Likewise, a partner may feign egalitarian behavior to fit in the partnership norms, though they may not act in a genuinely equitable way. Meanwhile, avoidance could be a response by any partner from any culture. This occurs when a demand is received but with no response returned to the partner. In this regard, the nonresponding firm can seek to avoid behavior change while hoping that their partner will not repeat particular expectations. These possibilities are in line with the recent scholarly attention to feigning and/or misleading behaviors in dyads (e.g., Börjeson, 2015; Grover et al., 2014).

Although several relationship outcome variables are mentioned, we primarily focused on relational satisfaction as a critically important outcome of the supply chain power-based

behaviors and responses of partners. However, this is just one among numerous outcome variables that should be included in the future research, including multiple forms of social capital (Villena, Revilla, & Choi, 2011).

Researchers have the additional opportunity to explicate antecedents and the moderating/mediating mechanisms entwined with power-based behaviors. In particular, how firms' overall cultural values may lead to (in)appropriate exercise of power resulting in low(high) relational satisfaction is not clear. Drawing on Cameron and Quinn (2011), we know that firms are subject to competing values that must be reconciled in behaviors. For example, the desire for control versus openness within a firm may create a predilection for dominant, egalitarian, or submissive power-based behaviors with their partners. Similarly, if a firm has a climate for cooperation as supported by its cultural values (Johnston & Kristal, 2008), then the power-based behaviors by employees of the firm are expected to be aligned with these values. Thus, the influence of cultural values on power-based behaviors entails further research.

There are limits to our framework due to our conscious choice to constrain our focus to dyadic supply chain relationships. First, we do not discuss the ways that actions taken in dyads send signals to other members of supply chains outside a focal dyad, thereby affecting decisions and behaviors of other parties across extended networks. Pathak, Wu, and Johnston (2014) pointed out the importance of brokerage by third parties that can change the dynamics among two partner firms. Triadic relationships (Bastl et al., 2013) imply that power in dyads is influenced by interactions with a partner's competitors who also may have in turn a relationship with the firm. Applying our framework across other interorganizational forms such as alliances, joint ventures, supply agreements, licensing, co-branding, franchising, cross-sector partnerships, networks, trade associations, and consortia (Parmigiani & Rivera-Santos, 2011) may also be useful. Second, the signaling effects of behaviors within a dyad

may be observed by competitors, particularly those sharing common suppliers and customers (Pathak et al., 2014), affecting the power-based behaviors chosen by these actors as well. Finally, we recognize that power-based behaviors are ultimately manifested by individuals representing their firms (Sturm & Antonakis, 2015). The implication being that individuals' behavior may be at variance with a firm's policies and relationship norms with partners.

4.2. Managerial implications

Our study informs several management practices. First, it illustrates key characteristics of power-based behavioral archetypes that firms exercise and incorporate in their policies while developing relationships with their partners. Policy makers and managers are normally interested in actual behavior that could be linked to power (Sturm & Antonakis, 2015). In other words, managers appreciate a language that speaks to them in terms that are reflective of how power is a means to their ends, the end being satisfying relationships with partner firms that support the design and execution of effective business interactions. We offer a matrix of initiating power-based behaviors, likely power-based partner responses, and the resultant effects on relational satisfaction (Table 2). Some combinations of initiating and responding power-based behaviors can lead to high relational satisfaction, with others resulting in low satisfaction. However, choosing behaviors that lead to a preferred relational outcome can be difficult to achieve, given that each partner may see their relative dependence differently and feel that the other will adjust their perceptions and resultant power-based behaviors when faced with particular power-based behaviors by their partner. As such, there is no one best power-based behavior for all situations. Relational satisfaction is contingent upon the interplay between power-based behaviors and perceptions of the relative dependence positions of both partners.

Given their behavioral dynamics, power-based behaviors are intricate and contingent on the setting in which they occur. Thus, managing power successfully in a business

relationship is partly a function of reading the context correctly. If firms read the context right and adopt the proper power strategy, then they should be able to expect satisfying relationships. Given the current interest in developing emotional intelligence (Goleman, 2006) and its derivatives such as cultural intelligence among managers, nurturing cognition about relationships and how they are affected by various dominance, egalitarian, and submissive behaviors between partners may be critical for successful boundary-spanning managers.

The dynamics of power-based behaviors have many of the attributes of a complex adaptive system (Pathak et al., 2007). Whether using dominance, egalitarian, or submissive behavior, actions taken by one partner signals to the other, eliciting a response. The signaling back and forth results in an adaptive learning loop. While managers strive for stability in their supply chain relationships, any of a number of factors can destabilize their situation for better or worse, triggering the need to adapt and learn. Competitors entering or exiting a market or technological change, or even a disruptor such as missed delivery dates or failed quality tests of shipped goods, may dramatically shake the equilibrium, thereby causing a rapid and significant change in power-based behaviors adopted by supply chain partners. For example, if a partner in a symmetrically balanced power/dependence dyad that has traditionally been using reciprocating egalitarian power-based behaviors receives a shipment of parts that fails inspection, the firm may opt to use dominance behavior to force a rapid submission response by its partner (e.g., immediate parts replacement; financial recovery). More broadly, in times where a business partner faces “force majeure”-like incident(s), the responding partner may be compelled to tolerate sudden changes in the partner’s behavior until s/he knows as to whether the relationship is experiencing the noise of singular events versus a systemic change in the power-based behaviors used by the partner.

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Table 1

Power-based behavioral archetypes: facilitating factors and nature of interactions.

Aspect	Dominance behavior	Egalitarian behavior	Submissive behavior	Relevant reference(s)
<i>Facilitating factor</i>				
Power position of the firm	Advantage	Equal	Disadvantage	(Bastl et al., 2013; Cox, 2001)
Dependence position of the firm	Low	High or low	High	(Emerson, 1962; Heide & John, 1988; Kumar et al., 1995a)
Enabling capability	Orchestration	Equitability	Adaptive capability	(Leonidou et al., 2008; Lu et al., 2009; Möller & Svahn, 1999)
Prevailing concern	Self	Dyad	Partner	(Rhoades & Carnevale, 1999)
Priority	Control	Synergy	Concord	(Meehan & Wright, 2013)
Performance focus	Efficiency and stability	Effectiveness and innovation	Efficiency and adaptability	(Cameron & Quinn, 2011; Harryson et al., 2008)
<i>Nature of interaction</i>				
Type of power enactment	Power <i>enforcing</i> (amicable or aggressive)	Collaboration (problem solving)	Power <i>enforced</i> (willing or resentful)	(Sturm & Antonakis, 2015)
Behavior mode in interaction/negotiation	Orchestrating /contending	Problem Solving /integrating	Obliging/yielding (concessions)	(Ganesan, 1993; Pruitt & Carnevale, 1993)
Power system	Unilateral		Unilateral	(Bonoma, 1976)

Table 2

Power-based behaviors and relational outcomes.

Supply chain partner responding behavior

		Dominance Amicable/Aggressive	Egalitarian	Submissive Willing/Resentful
Supply Chain partner initiating behavior	Dominance Amicable/Aggressive	<p>Amicable Matching can result in tensions due to tendencies toward contentiousness. Relational satisfaction likely to be low.</p> <p>Aggressive Particularly damaging and tension filled, especially if initiator was aggressive. Damaging matching cycle can result. Relational satisfaction likely to be quite low and short lived unless one of the partners changes to submissive.</p>	<p>Relative cognitive and behavioral mismatch between the initiating and responding partner likely to arise. Relational satisfaction likely to be low, especially if dominance is exercised aggressively.</p>	<p>Willing Both parties pleased with outcome, with behaviors seen as appropriate. Relational satisfaction likely to be higher when initiator uses amicable approach.</p> <p>Resentful Responding partner troubled with relationship. Low relational satisfaction, especially following aggressive dominance by partner.</p>
	Egalitarian	<p>Amicable Initiator somewhat discouraged by response while tending to accept partner's nonthreatening approach. Relational satisfaction moderate.</p> <p>Aggressive Initiator "surprised" by response. Tensions result, with initiator forced to submit or respond with dominance. Relational satisfaction is relatively low.</p>	<p>Considered positive for each partner. Creates synergistic and equitable relationship. Relational satisfaction likely to be high.</p>	<p>Willing Responding partner may find it comfortable to have initiator state expectations. Awkward for each partner, with mediocre relational satisfaction.</p> <p>Resentful Unlikely submissive response as initiator exercises egalitarian behavior.</p>
	Submissive Willing/Resentful	<p>Amicable As initiator presents itself as willingly submissive, amicable and constructive dominance response is healthy. Relational satisfaction likely to be moderate to high.</p> <p>Aggressive Initiator may be puzzled with response of dominance, likely to become resentful. Relational satisfaction likely to be low.</p>	<p>May cause the initiator to be puzzled because egalitarian behavior could be contrary to the expectation of amicable dominance behavior as response. Relational satisfaction likely to be middling.</p>	<p>Willing Awkward as neither partner takes the lead in the dyad. Partners may each be disappointed in the other's actions as each wants the other to take charge. Low relational satisfactions likely.</p> <p>Resentful Not generally an issue</p>