



Exploring the Impact of Apparel Suppliers' Affective and Cognitive Satisfaction on the Buyer-Supplier Relationship: A Power-Dependency Theory Perspective

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Background and Purpose. Globalization of the apparel supply chain (ASC) has shifted most apparel manufacturing activities and suppliers to developing countries, where apparel buyers tend to seek out suppliers (Singh & Hodges, 2011). Dealing with the challenges arising from globalization within the ASC requires a well-managed apparel buyer-supplier relationship (BSR). Thus, the BSR is particularly important for firms to remain competitive (Ashby, Smith & Shand, 2017). Understanding the dynamics of the BSR can help to strengthen its quality and outcomes, and therefore is vital to achieving competitive advantage for both buyers and suppliers. Cook, Cheshire and Gerbasi (2006) argued that within a relationship (e.g. BSR), the actors' satisfaction with the relationship itself is one of the most important factors in determining its quality and potential outcomes. The BSR in the ASC is unique when compared to other industries, largely due to its characteristics as "dynamic, considering continual changes in product availability, prices and competition" (Su & Gargeya, 2012, p. 146). Likewise, Caniels, Vos, Schiele and Pulles (2018) argued that supplier satisfaction is critical to the collective success of the supply chain because BSR outcomes are highly dependent on supplier initiatives. However, Molm (1991) posited that relational interactions are primarily influenced by a relationship's power-dependency structure, and that relationship satisfaction is comprised of two dimensions, affective response to and cognitive evaluation of the relationship. Although the literature indicates that satisfaction is important to the functions of the BSR, few studies have explored how supplier satisfaction may be formed within the BSR, and particularly within the ASC context. Therefore, the purpose of this study was to identify the factors that impact affective and cognitive dimensions of supplier satisfaction within the BSR, given the power-dependency structure inherent to the relationship.

Theoretical Framework. A primary goal of the study was to situate satisfaction as critical to improving BSR outcomes within the framework of Power-Dependency Theory (PDT). According to Emerson (1962), a relationship's power-dependency structure serves as its medium of relational exchange. PDT posits that the power the buyer holds over the supplier equals the supplier's dependency on the buyer, and vice versa (Emerson, 1962). Cook et al. (2006) argue that all behavior in a relationship is power-driven, therefore PDT is applicable to understanding how BSR exchanges impact relationship outcomes (e.g. satisfaction). The PDT helps to articulate how the use of buyer power impacts supplier satisfaction within the relationship (Huo, Tian, Tian & Zhang, 2019) and therefore can provide valuable insights into the ASC.

Method. Because there is limited extant research on supplier satisfaction, a qualitative approach was deemed suitable for this study (Bryman, 1999). In depth interviews using a purposive, key-

informant sampling approach was applied (Corsten, Gruen & Peyinghaus, 2011). With IRB approval, a final sample of 20 apparel industry senior executives who have daily interactions with buyers were recruited through the researchers' professional network in China (Corsten et al., 2011). A semi-structured interview instrument was developed from the extant literature on BSR satisfaction (Caniels et al., 2018; Essig & Amann, 2009; Molm, 1991). Questions asked during the interviews focused on the affective and cognitive dimensions of satisfaction. For example, *how satisfied are you with your relationship with buyer X? How would you characterize most of your interactions with buyer X? And, are you satisfied with the quality of buyer X's reaction to problems?* Interview questions were translated from English to Chinese and then back translated from Chinese to English by two of the researchers who are bilingual in both languages to ensure accuracy (Huo et al., 2019). In-depth interviews were conducted using the video call function in WeChat. All interviews were recorded, transcribed verbatim, and translated to English. A hermeneutic analysis of the data was employed to locate commonalities and differences (Kvale, 1996). Inter-coder reliability was assessed between the authors. Key themes that emerged from the process were identified, agreed upon, and then interpreted through the lens of PDT (Keegan, 2009). To protect participants' confidentiality, gender along with an assigned number are used as identifiers.

Results and Discussion. Participants' affective satisfaction with their BSRs were influenced by four relationship qualities: collaborative partnership, mutual respect, personal friendship, and effective communication. Data indicate that these four relationship qualities are linked to each other and collectively improve supplier satisfaction. If these qualities exist in a given BSR, then there is a high degree of affective satisfaction. Participants agree that the buyer's willingness to engage with them in a collaborative partnership is the foundation of affective satisfaction. For example, one participant said: "Partnership is when buyers treat our benefits as their own, always considering we need to grow together. For me, that makes us 'partners'" (M03). Partnership cultivates mutual respect, and later a personal friendship between the buyer and supplier may emerge: "My top buyer and I talk about a lot of things outside of our businesses. We are like old friends, talk a lot of personal hobbies and family matters" (M08). That is, to participants, communication is more effective when the BSR has characteristics of personal friendship. Others pointed out that collaborative partnership is what separates a relational BSR from a transactional one, and thus increases the potential for affective satisfaction among suppliers.

Based on the analysis, participants' cognitive satisfaction with BSRs can be influenced by four relationship factors: operational efficiency, conflict resolution, product development integration, and contractual, delivery and payment arrangements. Participants indicated that they expect buyers to have operational efficiency exhibited by advanced purchase planning, technical know-how, and timely responses: "Buyer X's schedule is always down-to-earth in technical matters, no unrealistic delivery dates, both are important for us to make accurate planning and achieve good results" (M07). Conflicts that arise from interactions should be solved quickly and amicably. For the participants, when the buyer involves the supplier in the product development phase, it is treated as a sign of appreciation and trust. According to one participant, "Buyer X's good quality of reaction to problems provides excellent advice and correctly solves the problem"

(F17). As suppliers, participants also considered how buyers honor contractual agreements, delivery timelines, and payment arrangements without deferrals.

When viewed through the lens of PDT, the data reveal that satisfaction is largely dependent on whether the buyer treats the supplier as an equal partner. However, as one participant stated: “Buyers are always more powerful in our relationships, because they have the most important resources we depend on – purchase orders” (M01). For participants, buyers are sometimes inclined to abuse power when they know that the supplier is highly dependent on the BSR, which obviously hinders the supplier’s satisfaction within the BSR, and that when the supplier’s dependency on the buyer is greater, the supplier tends to be more tolerant to negative BSR outcomes. These issues support the relationship between power-dependency and satisfaction proposed by Molm (1991).

Limitations and Future Research. Findings shed light on the key factors that impact both affective and cognitive supplier satisfaction dimensions within the BSR. Supplier satisfaction is critical in ASC, therefore results contribute to new knowledge regarding how to align a BSR’s power-dependency structure in ways that increase supplier satisfaction. Due to the exploratory nature of this study and the unique apparel industry context, generalization of the results to other industry supply chains or geographical settings should be made with caution. Given the strategic importance of supplier satisfaction, further study of its role in the BSR is needed.

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