

# The role of trust and power in simple and strategic learning transparency initiatives

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## ABSTRACT,

*This thesis investigated the role of trust and power in simple learning and strategic learning transparency initiatives. The results indicate that there is a distinct difference in what is necessary before and during each form of cooperation. Simple learning is the exchange of more simple information, and strategic learning is the exchange of more strategic knowledge. Trust within simple learning is heavily influenced by personal relationships, and within strategic learning there is no influence of personal relationships. In these partnerships there is a bigger influence of the length of working together and reciprocity. In terms of power there is also a difference, in simple learning situations it is acceptable to sometimes use a better power position. Within strategic learning situations there is much more emphasis on equality and the length of working together, this means that using a better power position can harm the relationship harder than if this would happen in a simple learning situation. Therefore power shouldn't be used in partnerships that correspond with strategic learning.*

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## Keywords

Simple, strategic, transparency, initiatives, information, knowledge, exchange

## 1. INTRODUCTION

There is a lot of attention for supply chain transparency (SCT) due to its benefits for the performance of a supply chain (Bartlett et al., 2007) The benefits someone may want to achieve are, for example, the prevention of a bullwhip effect (Hsu et al., 2008) and an increase in buyer profitability (Dyer & Chu, 2003) The exact motives for SCT can be different for each situation (Hammervoll, 2009) Despite these benefits, there could be tension when sharing sensitive information when there is not enough trustworthiness, and the amount of sensitive information being shared depends on the trustworthiness level (Yigitbasoglu, 2010) The relationship between power and trust and the different motives for SCT have not been investigated yet, which is what this thesis will bring.

In order to identify different motives for SCT, Hammervoll (2009) created a typology with four types, and this thesis will use two types inspired by Hammervoll (2009) and insights from inter-organisational learning. These are the typologies of simple learning and strategic learning. Simple learning involves sharing non-strategic information. Strategic learning is more sensitive because the shared information is more strategic; think of innovative ideas and methods as an example. This typology is characterised by the amount of shared strategic knowledge and willingness to combine strategic resources. Dyer & Chu (2003) found a positive relationship between trust and the amount of sensitive information being shared, and it also increases overall profitability. Becerra et al. (2008) distinguished between sharing explicit and tacit knowledge. Explicit knowledge is easy to share, and therefore it is found most closely connected to a firm's willingness to take risks, while the sharing of tacit knowledge is most closely connected with a high level of trustworthiness. Trust is important in SCT relationships but power should not be forgotten as power asymmetry between the buyer and supplier can result in different relational outcomes and effects from the buyer side (Caniëls & Gelderman, 2007). This thesis will connect the current literature on trust and power and the different motives for SCT, as knowledge in this area is currently missing.

To address this issue, this thesis will investigate the following research question: *What is the role of power and trust in supply chain transparency, and how do they differ in the implementation motives of simple learning and strategic learning?* To investigate this research question, a case study approach was chosen using two typologies inspired by Hammervoll (2009) and insights from inter-organisation learning to identify suitable units of analysis. The trust levels are being analysed using insights from the well-known typology of Rousseau et al. (1998). After seven interviews, a cross-case analysis was conducted to identify similarities and differences between the two motives.

The insights this thesis aimed to create is a deeper understanding of the process of trust and power before and during the process of SCT by making a difference between the motives of simple learning and strategic learning. The expectation was that simple learning will have a lower or different level of trust required at the beginning of the partnership due to the non-sensitive nature of the shared information. Strategic learning was expected to require a higher level of trust at the beginning of the partnership. Other questions that this thesis is also looking at are how these levels of trust develop over time, will strategic learning trust develop faster over time? Furthermore, there is the question of power, does the amount of power affect the required safeguards and trust in a partnership? At the end, new ground for further extensive, possibly quantitative, research will be found.

The results of this thesis show that simple learning requires a different focus of trust than strategic learning. Within simple learning there is a large emphasis on inter-personal relationships, and within strategic learning this is irrelevant and it is focused around the length of partnerships. There is also a difference regarding power, within simple learning it can be acceptable to use a form of power. However, within strategic learning there is a big emphasis on equality and trust. This means that using a power position hurts the basis of this relationship, and the effect is that it can severely damage the partnership.

The contributions of this thesis to the literature are that there is a distinct difference in focus of trust between the two motives, this should be taken into account when designing a research and can be ground for further research. The findings around power contribute to the already existing knowledge of power by making a distinction between different motives and how this impacts the working of power. Studies such as Zhu et al (2018) already found that firms should refrain from overusing their power position, and this thesis contributes to these findings by making a distinction between two different motives and how this changes what 'overusing' means in these situations.

## 2. LITERATURE REVIEW

### 2.1 Transparency and inter-organisational learning

Supply chain transparency (SCT) is the disclosure of economic, strategic and/or working conditions information between companies in the same supply chain and/or to the outside world (Doorey, 2011). Carter & Easton (2011) describe the activities that come along with SCT as: "proactively engaging and communicating with key stakeholders and having traceability and visibility into upstream and downstream supply chain operations." (p. 49). That this visibility can bring along tensions in the implementation of SCT can be seen in a case study by Doorey (2011), where the company was afraid of the consequences it would bring when the company shared sensitive information with the outside world. In order to analyse the different motives for supply chain transparency, this thesis will also use insights from the academic field of inter-organisational learning. Knowledge is one of a company's most valuable assets, and organisational learning is a process of acquiring, disseminating, interpreting, using, and storing information within organisations, leading to new knowledge or insights that affect organisational strategies (Zhu et al., 2018).

The reason for companies in a supply chain to implement more transparency with other supply chain partners is because "alignment on the dimensions of information sharing improves the responsiveness of firms, allows them to reduce and more effectively manage uncertainty, and thereby focus more closely on sources of value." (Hsu et al., 2008, p. 305). Zhu et al (2018) added another benefit by finding that supply chain integration, by using inter-organisational learning and other transparency methods, positively influences the service performance and innovation performance for all firms involved. Hammervoll (2009) suggested four types of value-creation motives why companies would want to pursue SCT, and an overview of the four value-creation motives given by Hammervoll (2009) is depicted in table 1. This thesis is going to use the basis of unilateral learning and call it simple learning. The other value-creation motive that will be used is bilateral learning, which will be called strategic learning. Simple learning is the sharing of relatively basic and non-strategic information from one company to another, for example, learning about certain markets in which

one company is not active. Strategic learning is of a more sensitive and strategic nature. The information that is being shared is better described as valuable knowledge instead of plain information. One example could be the joint investigation of a problem and creating a solution for it. This requires a lot of strategic knowledge sharing such as research and development processes, possibly company secrets and having to share some of your employees, who will inevitably share some of their knowledge.

	Logistics integration	Unilateral learning	Unilateral development	Bilateral learning
Objectives	Effective logistics in SCR	Supply chain partner learning	Supply chain partner development	Mutual learning in SCR
Potential value-creation initiative(s)	1. Transaction specific investments 2. Adaptations 4. Logistical information exchange	Information supply	Coaching	1. Knowledge sharing 2. Willingness to combine complementary strategic resources
Example	Coordination of operations at successive stages in the supply chain to avoid bullwhip effects, that is, stock-outs or too large inventory levels due to lack of correct information about market demand	A firm receives information from a foreign distributor in order to learn about market demand, institutions, and competitors in a foreign market.	A firm strives to enhance the performance or competencies of its partner in terms of product quality (supplier or buyer development).	An exporter of farmed salmon and a foreign salmon curing yard cooperate in joint problem solving and innovation where the relationships between feeding (quality and nature of the feed) and the quality of the end product (smoked filets) are investigated.

**Table 1, different value-creation motives, taken from Hammervoll (2009).**

Recent literature into SCT and inter-organisational learning produced good knowledge into relevant knowledge areas such as sustainable supply chains (Khan et al., 2021)(Allenbacher & Berg, 2023) and the influence of industry 4.0 and transparency on supply chain performance (Fatorachian & Kazemi, 2020). Other research looked into collaboration in combination with SCT and also looked at the influence of NGO's in this process, and noted that strong relations and supply chain engagement is essential for transparency (Brun et al., 2020). Gualandris et al. (2021) looked into different supply chain structures, for example different supply chain density levels, and investigated how they relate to the transparency of these supply chains. These researches provided good contributions to the scientific topic of SCT, but are missing a link with different motives for SCT and barely touch upon the topic of trust and power in the relations.

## 2.2 Power and trust

The two main strategies for a buyer to influence a supplier are using various forms of power and creating trust (Terpend & Ashenbaum, 2012). Power is defined as one social actor's ability to influence another (Narasimhan et al., 2009). The definition of trust is one party's willingness to be vulnerable and its confidence that the other party in the exchange relationship will not exploit its vulnerabilities (Dyer & Chu, 2003)(Mayer et al., 1995). The exchange relationship is a situation in which the actions of one person provide the rewards or punishments for

the actions of another person and vice versa in repeated interactions (Muthusamy & White, 2005).

The extent to which a company may seek transparency could depend on its trust in its supply chain partners. Trust is mainly seen as a risk-minimising factor, but it can also improve the quality of the information that is being shared (Yigitbasioglu, 2010). That the quality of the information is not the only thing that improves is shown by Dyer & Chu (2003) who showed a positive relationship between trust and the amount of sensitive information being shared. They also found that buyer trustworthiness has a significant and positive correlation with buyer transaction costs, which means that the buyer improving on their trustworthiness can reduce the transaction costs necessary to obtain and maintain the relationship. Looking back at the previous topic of inter-organisational learning, it is interesting to note that trust is one of the most important factors in knowledge sharing. Trust also directly influences inter-organisational learning and supply chain performance (Hernández-Espallardo et al., 2010). As seen trust has a big influence on a lot of important factors and can bring direct results if a firm improves on how trustable they are. Research by (Pulles et al., 2014) continued by making a distinction and connection between different power and trust relationships. They, for example, found that goodwill trust only significantly impacts supplier resource allocation when the buying company accounts for a large share of the suppliers' turnover. Zhu et al (2018) found

that it is important for the 'stronger' firm to refrain from overusing their power, because this relieves pressure on the weaker firm and helps in the transfer of knowledge between the companies. They create a picture of the powerful firm having more advantage of the partnership due to their bigger capacity to translate raw information into knowledge. Therefore weaker firms need to take this into account and take measures to, for example, improve their research capabilities and use imitation prevention. It is also possible to make a distinction based on the kind of information being shared. Becerra et al. (2008) distinguished between sharing explicit and tacit knowledge. Explicit knowledge is easy to share, such as in simple learning, and therefore it is found most closely connected to a firm's willingness to take risks. The sharing of tacit knowledge, most often seen in strategic learning, is most closely connected with a high level of trustworthiness.

For trust there are four levels from Rousseau et al (1998), and this report will use three since the fourth one is irrelevant for this research topic. We will use deterrence-based trust, calculus-based trust and relational trust. Deterrence-based trust is based on the belief that the other firm will behave honestly and reliably because they fear negative consequences if they don't. People and firms will comply with rules or follow through on commitments because the potential punishment or loss of value deters them. This is the lowest level of trust, some may even say that this is no trust at all. Calculus-based trust is the type of trust that is based on a cost-benefit analysis that people and firms perform before engaging in a cooperative activity with others. Individuals weigh the potential risks and rewards of trusting others based on their past experiences, the reputation of the other and the benefits for each party involved. Relational trust is a type of trust that is built over time through repeated interactions and positive experiences with another firm or person. This type of trust is based on the belief that the other party has a genuine interest in the well-being of one's company, possibly even going outside established rules, contracts or arrangements. This is the highest level of trust.

Within the last couple of years, there has been research into sustainable supply chains in combination with relation management strategies, Rezaei Vandchali et al., (2021) investigated this using five factors, among them trust and power, and determined the impact of them on relationship management strategies, they used this to investigate them in the implementation of sustainable supply chains. Another research recently did a case study in Malawi and found that among other things trust was one of the reasons why supply chain integration between different tiers was failing (Kanyoma et al., 2020). Wang et al., (2023) investigated suppliers concealing supplier identities and did this by the reciprocal relationship between a firm's SCT and its suppliers' provision of trade credit in the context of supplier list disclosures. What they found is that firms with lower SCT can enjoy more trade credit, they furthermore observed that this negative relationship is weakened by the market share a firm has. These recent articles had interesting findings but didn't touch upon different motives for SCT or trust and power.

This thesis will analyze the role of power and trust in the implementation of SCT measures in the situations of simple learning and strategic learning. There is a clear gap in the current knowledge between the topics of SCT motivations and the role of trust and power in those relationships. Various articles touch upon either the topic of SCT motivations or power and trust within SCT, but there is no link made between those two topics.

### 3. METHODOLOGY

#### 3.1 Research design

This thesis aims to create a deeper understanding of the functioning of trust and power and how these two factors differ in the motives of simple learning and strategic learning. In order

to achieve this, a multiple-case study was chosen because this is a good fit for a cross-case analysis (Eisenhardt, 1989; Beverland & Lindgreen, 2010). Qualitative research has a flexible nature and is, therefore, suitable for finding hidden factors influencing the research question (Rahman, 2016). This thesis has a theory-elaborating emphasis due to the nature of not being able to draw an explicit hypothesis based on previous literature (Ketokivi & Choi, 2014).

#### 3.2 Case selection

The unit of analysis in this thesis is the buyer-supplier relationship. One buying firm was to be selected where multiple cases would be identified that fitted the description of either simple learning or strategic learning. Because only one buying firm was to be selected and they know best which suppliers are suitable for this research, they had to propose the most suitable cases and interviewees. However, due to availability constraints it was not possible to speak to the suppliers and there were interviews with purchasers or owners of multiple businesses in various industries. In total seven cases were selected and the interviewees were able to pick for themselves which partnership they wanted to talk about in the interviews. The cases were from companies with varying industries, sizes and job functions. There are two interviews with the same company in steel machinery, there was the opportunity to speak with two purchasers here in different roles who both had different cases of analysis to offer. Particularly the varying amount of employees is good to have because this gives insights in companies with a lot of formalization in the sales or purchasing process because it is a larger company, and companies with lower amounts of formalization in either the sales or purchasing process.

Interview number	Industry	Function	Employees of company	Duration of interview
1	Construction	Head business office	11-50	20 minutes
2	Food ingredients	Owner	1	25 minutes
3	Indoor climate	Senior group category manager	201-500	25 minutes
4	Steel machinery	Tactical purchaser	201-500	30 minutes
5	Steel machinery	Project purchaser	201-500	25 minutes
6	Sanitary furniture	Purchasing coordinator	51-200	20 minutes
7	Construction	Co-owner	11-50	30 minutes

Table 2, an overview of the interviewees

#### 3.3 Data collection

Data was collected by the usage of semi-structured interviews, the reason for this is the ability to ask open-ended questions and the room it allows for follow up questions when interesting answers are being given by the interviewees. Before the interviews an interview guide has been made that is structured in

phases and then which open question should be asked, see table 3 below for the interview guide (Adams, 2015).

Phases	Purpose	Questions
Motive identification	Identifying the motive for collaboration	<ul style="list-style-type: none"> <li>- What was the reason for starting a supply chain transparency initiative with ...?</li> <li>- What were the desired benefits of this partnership?</li> <li>- What kind of information is being shared?</li> <li>- How is the relationship going?</li> </ul>
Power	Identifying the role of power	<ul style="list-style-type: none"> <li>- How would you describe the power dynamics in this relationship?</li> <li>- What effect does this power dynamic have on the way the partnership works?</li> <li>- How does the power dynamic influence your willingness to be transparent?</li> </ul>
Trust	Identifying the role of trust	<ul style="list-style-type: none"> <li>- How would you classify the relationship in terms of trust?</li> <li>- What makes you trust or distrust the other party?</li> <li>- What impact does trust have on this partnership?</li> <li>- Do you believe that the other party has a genuine interest in the well-being of your company, or is it more transactional?</li> <li>- Did you observe any differences in the amount of trust you have in the other party over time?</li> <li>- How does trust influence your willingness to be transparent?</li> </ul>
Flexibility	Room for interesting comments	Anything that may come up during the interview

**Table 3, interview guide used during the interviews**

The questions were focussed on first confirming whether the relationship is indeed simple learning or strategic learning, and getting a better picture of the exact relationship. The next phase was focussed on the component of power where the focus was on identifying any power differences. Then trust was being assessed and the questions were formulated so that it is possible to identify the level of trust based upon the trust typology from Rousseau et

al (1998). Before the phases of power and trust were started, the interviewer defined these terms as given in the literature review to ensure that everybody had the exact definition in mind when answering the questions. The interviews are recorded by the interviewer after permission was given by the interviewees. Afterwards, the recordings have been fully transcribed. Seven interviews were conducted, divided over seven units of analysis. Each unit of analysis had one interview with a purchaser or owner. In total, there were interviews with five purchasers and three business owners. There were four interviews regarding simple learning and three about strategic learning. The interviews were conducted face-to-face whenever possible. If this was not possible, the interviews were conducted via phone, which happened in two instances.

### 3.4 Data analysis

The raw transcription data is first coded according to who said what and when. In order to analyse the data the transcribed interviews were first categorised into the specific questions each part of the transcription belongs to. The answers were then thoroughly analysed and the key parts of the answers were identified by coding them. Then these key parts were put into a new table as quotes, this provides a good overview over all units of analysis and the individual differences within units of analysis. After the selection of key quotes the quotes were sent back to the interviewees to check if they match the opinion of the interviewee in order to ensure validity. After creating this overview cross-case conclusions were drawn based on the similarities and differences being found in the previously created overview. For drawing these conclusions, the concepts of simple learning and strategic learning were used, the concepts of trust by Rousseau et al (1998) and the interviewees' own view of the power dynamic. This process aligns with the work of Miles & Huberman (1994) where they describe the process of data reduction, display and drawing conclusions. An overview of the whole process of data collection and analysis is given below in table 3.

Description of step	Explanation of step
1. Ask permission to record the interview	Permission was always given, so all interviews were recorded and deleted after they were processed.
2. Ask phase 1 questions	Phase 1 questions were geared towards identifying either simple learning or strategic learning by for example asking for the desired benefits and reason for working together
3. Give the definition of power	The following definition was given: one social actor's ability to influence another (Narasimhan et al., 2009)
4. Ask phase 2 questions	This phase was intended to identify the role of power dynamics in partnerships. Questions like the effect of the power dynamic on the relationship and if it changes anything in the willingness to be transparent were asked.
5. Give the definition of trust	The following definition was given: is one party's willingness to be vulnerable and its confidence that the other party in the exchange relationship will not exploit its vulnerabilities (Dyer & Chu, 2003)(Mayer et al., 1995).
6. Ask phase 3 questions	This phase was intended to find the strength of trust and other trust related questions. To

	measure the strength of trust by using Rousseau et al (1998) the most important question was: "Do you believe that the other party has a genuine interest in the well-being of your company, or is it more transactional?"
7. Room for interesting questions	If anything interesting came up there was room to ask into that.
8. Data reduction	The recordings were listened back and key fragments were identified. Aligns with data reduction from Miles & Huberman (1994).
9. Display data	Summaries per interview for each question were made in a table. This aligns with data display from Miles & Huberman (1994).
10. Drawing conclusions	A cross-case comparison was made an conclusions were drawn about the research topic. This aligns with the last stage of drawing conclusions from Miles & Huberman (1994).

**Table 4, a description of all the steps taken.**

## 4. RESULTS

There will be an overview of the findings divided in simple learning and strategic learning. The goal of this thesis is to find out what the role of trust and power are in the implementation of simple learning and strategic learning. How this develops over time is also a part of this thesis. The results will show what was found during the interviews and at the end a cross-case comparison is included that will show the (in)differences. For each form of working together there will be a part about trust and a part about power. The results come from the interviews and quotes directly taken from the full interviews will be used in some instances if it is illustrative of the overall findings.

### 4.1 Trust and power in simple learning

#### 4.1.1 Trust in simple learning

The interviewees with cases in simple learning mentioned in three out of the four interviews the importance of a personal connection and having a good feeling about someone when deciding to trust someone. One interviewee said, for example: "For me the most important thing is the conversation of the front end, that has to feel good and we have to match in our expectations.". This illustrates well how trust seems to work in a simple learning environment. The amount of trust that is required at the beginning of a relationship is relatively low, this can also be seen in the importance of a personal connection instead of for example a longer history of working together, but to where that level of trust grows throughout the partnership is varying. In two interviews, the interviewees mentioned current levels of trust that match relational trust, which is the highest level built upon continuous positive interactions. This means that they care for the well-being of the other company and the relationship with them. The other two interviewees gave answers that indicated a calculus-based trust, meaning that they always make a cost-benefit analysis when they work together with someone, despite how long the partnership is. One said: "Look, it can be a cosy and long relationship, but the moment that I do not have the feeling I am getting the best price and it is going to cost me money, I will have to switch and defend my position.". Overall it seems that within simple learning there is a firm reliance on inter-personal relationships and trust, and the strength of this relationship has a strong influence on the inter-organisational trust between the companies. The strength of the trust levels gives a mixed conclusion, namely that it varies how high the amount of trust is

within simple learning partnerships. The reason for this did not become clear from the interviews. However, it could be helpful to note that the two interviewees that gave calculus-based trust answers were both within the construction industry, and from the interviews could be derived that this is a competitive industry with a large number of suitable suppliers, and this could explain a response such as the last mentioned quote.

#### 4.1.2 Power in simple learning

In terms of power, the most fitting quote that summarises all four of the simple learning interviews is: "It does not have a big influence on me whether I am talking to a supplier with more or less power than me. The supplier just has to deliver me the information that I need to make a decision.". It became clear that for all of the interviewees, power was not a significant factor in trusting someone or not and did not bring any difficulties in this process. Some interviewees mentioned that they are in a stronger position but tend not to use it in standard situations. The only factor in which it helps is that a supplier could be more willing to help the other company whenever there are problems, and when the supplier tries to get a better price, it is then easier to say something along the lines of "we do not accept this, you either adjust or we start looking for someone else". Although it could be argued that these are both relevant factors that could be relevant for trust, as helping someone with problems helps in trusting someone and suddenly trying to increase a price could hurt the trust between both parties. However, the interviewees indicated that these are rare circumstances that rarely happen.

## 4.2 Trust and power in strategic learning

### 4.2.1 Trust in strategic learning

All three interviewees for strategic learning mentioned the big importance of the time that they have already been working together with a company to trust someone and work together with them. The nature of the information is so important that the length of cooperation is in most cases a prerequisite to work together, unless there is no suitable supplier within the supplier portfolio for the project, in that case a new partnership has to be found and trust has to be built since it is described as a requirement by the interviewees. Two interviewees mentioned levels of trust that correspond with relational trust, and 1 corresponded with calculus-based trust. The difference in these levels can be explained by the method and intention of the company. All interviewees mentioned that they make for themselves a sort of relevance and/or importance analysis, they don't start a strategic learning partnership with a company that either doesn't possess a relevant piece of knowledge, think of knowledge for a new innovation for example, or has some important knowledge but it is only for a small portion of the project and therefore the supplier is not of a high importance. How they decide this is described by one interviewee: "We always use the matrix from the Boston Consultancy Group with the cash cow and such, this helps us decide whether a company is important for us or not and how we should shape the partnership.". The company's intention can explain the difference in trust levels, the 2 relational trust interviewees mentioned partnerships that are already lasting 10-15+ years and with every new partnership they have the intention of doing the same. They want to have reliable suppliers they can trust, which means that they genuinely care for the well-being of the other company in the partnership, because this is the only way to maintain this partnership. The other interviewee that aligns with calculus-based trust also makes the before-mentioned analysis but also puts much value into portfolio analysis. This means that they always want to prevent one supplier from getting too powerful, and this wasn't a problem for the interviewees with relational trust partnerships.

#### 4.2.2 Power in strategic learning

Regarding power all of the interviewees mentioned that they don't like to use it and, especially within a long lasting relationship, it could even reduce the amount of trust you have in someone if they suddenly start using their better power position. The interviewees all want to have long-lasting partnerships where a feeling of power difference should have no place, even though a power difference could exist. In some cases it could be important to consider this, and that is when deciding to sign a Non-Disclosure Agreement (NDA) together or not. When the interviewees would require this differed, but they were all clear that when they work on very strategic matters such as a new product development they always sign NDAs with other companies, regardless of how much trust there is between them. The only difference is how soon they request the signing of an NDA in the process. When this document is signed all interviewees agreed that all trust-related problems are gone and any possible power differences are dealt with, which means that after the signing they are willing to exchange any information necessary for the partnership. So it can be concluded that power has no significant effect on strategic learning partnerships and that companies see equality as an important part of working together and building trust.

### 4.3 Cross-case comparison

#### 4.3.1 Focus of trust

When looking at the differences between simple learning and strategic learning it becomes apparent that there are differences. A difference found regarding trust is the focus of it, whether it is focussed on the personal connection or the length of the partnership. Within simple learning there is a big emphasis on the inter-personal aspect of partnerships. It is deemed essential to have a good relationship with the person you are doing business with; this is a significant part of how someone builds trust. This is obviously not the only thing that is important within simple learning partnerships, things like the length of the partnership, following through on commitments and exchanging favours were also mentioned as important parts of building trust. However, the difference with strategic learning is that inter-personal relationships were not once mentioned as an important part of partnerships and when asked about this one interviewee even answered that it was completely irrelevant for them. What is important within strategic learning partnerships is the length of the partnership and throughout time having worked together multiple times for trust to build. This trust is built by for example, just as with simple learning, being a reliable partner and exchanging favours. Although not entirely within the scope of this research, it may be interesting to note that all 7 of the interviewees mentioned the importance of exchanging favours for trust to grow.

#### 4.3.2 Amount of trust

There is a small relative difference in the ratio between the amounts of trust in simple learning and strategic learning situations. What does seem to happen is that relationships in some situations grow from simple learning into strategic learning as time progresses and trust starts to grow, and in these cases the ratio tends to shift towards relational trust. That this happens can be derived from multiple interviews, but how and why this happens cannot be derived from the conducted interviews. The difference between the two versions of learning is too low to draw any significant conclusions that say something in the nature of 'this type of learning always has this kind of trust'. Although, the interviews do give a general view that within simple learning the amount of trust is dependent on the intentions of the company and how they like to do business, a smaller and/or family business tends to have a stronger focus on long-lasting and

reciprocal partnerships, thus relational trust, than larger businesses who may look at it from a more strategic vantage point and therefore tend more towards calculus-based trust. Within strategic learning it seems that there has often been a long partnership before the current partnerships, and this means that trust had the opportunity to grow and therefore there is an inclination towards relational trust. Exceptions happen when for example a company puts a lot of value in portfolio management and has a focus on never being reliant on one supplier, or if a new supplier was necessary for this particular project and trust still has to grow. In these cases you often see an NDA being signed in a very early stage of the partnership.

#### 4.3.3 Power

There is a difference in power when or if one side is allowed to use a better power position. Within simple learning, using a better power position is acceptable if a side has one. One situation where this can happen is for example if someone is suddenly increasing their price without a good reason and you tell them that you are a big customer and if they do this that you will search for another supplier. This does not help the relationship and can hurt the partners' trust. One interviewee said: "It can take one such phone call to ruin a trust relationship, and it needs 80 phone calls to repair it slowly.". This illustrates that using a power position can sometimes be necessary, although it can temporarily damage the partnership. Within strategic learning the interviewees all said that within such an important partnership they want to see each other as equal and that no one should make use of a power position. Trust in the situations increases when neither side uses their power position and despite a better power position both parties help each other to the best of their abilities. One similarity between both versions of learning is that they all have the ambition to see each other as equals when working together. Only in rare situations it is useful to use a power position in simple learning.

An overview of the cross-case comparison between simple learning and strategic learning is given below in table 2.

	Simple learning	Strategic learning
Focus of trust	Focussed around a personal connection	Focussed around the length of the partnership
Amount of trust	1/2 relational trust and 1/2 calculus-based trust	2/3 relational trust and 1/3 calculus-based trust
Power	Power can be used whenever necessary, although it doesn't happen often	Power shouldn't be used as it could harm trust

Table 5, an overview of the cross-case comparison

## 5. DISCUSSION AND CONCLUSIONS

The goal of this thesis was to investigate role of power and trust in the implementation of two supply chain transparency initiatives, namely simple learning and strategic learning. What was furthermore part of the research question is how this trust develops over time. The expectation was that simple learning, due to its lower sensitive nature, would require a lower or different sort of trust than strategic learning. This is due to trust improving the quality of information being shared (Yigitbasioglu, 2010) and a positive relation between trust and the amount of sensitive information being shared (Dyer & Chu, 2003) Regarding power the expectation was that the amount of power one has could affect the amount of required safeguards and trust. The reason for this was that if one company is in a more

vulnerable position, it could require additional safeguards to protect its position (Zhu et al, 2018).

## 5.1 Discussion of results

It can be concluded that the way trust works in simple learning and strategic learning situations is different, and three key results have been found. Firstly, the most significant finding is that the focus of the trust is different in these situations. Within simple learning there is a large amount of focus around personal connections and the relationship feeling good, within strategic learning interviews there was not a single mention of personal relationships and all of the interviewees mentioned the large focus on the length of the partnership. Secondly, the findings around the amount of trust in the partnership give no definitive conclusion. A lot of it comes down to the nature of the company and how strategic they want to be with their supplier portfolio, if a company puts a lot of value into long term relationships they tend to aim for relational trust for example. There does seem to be an inclination towards having more relational trust in strategic learning partnerships in comparison to simple learning, this is due to a growth in dependence and often a long relationship which grows trust. Thirdly, there is a difference in how power works between simple learning and strategic learning. In both kinds of partnerships it is not liked when power is being used, the starting point for a partnership is to try and speak on equal terms. However, within simple learning it is acceptable to use a better power position when it is necessary. This should never be used within strategic learning partnerships, as this could hurt the partnership by hurting the trust between each other.

## 5.2 Implications for the literature

This thesis brings two clear new contributions to the current academic literature. The first one is regarding the focus of trust. It was already clear that trust brings lots of benefits, such as how well partnerships go and certain economic benefits (Dyer & Chu, 2003)(Yigitbasioglu, 2010), and this thesis focussed on how this works in two different motivations for transparency based on Hammervoll (2009). Creating trust is an important strategy to influence a supplier and create a partnership (Terpend & Ashenbaum, 2012), and this thesis adds to this by describing what the focus should be on when trying to create trust in two different situations. The findings of this study imply that within simple learning partnerships the focus is on building interpersonal relationships, but within strategic learning this is deemed completely irrelevant in the interviews and there is a more significant focus on the length of the partnership, or building this quickly through repeated reciprocity, the exchange of favours, and solving problems in a timely manner. Further studies into the area of trust and supply chain transparency can use this knowledge by taking this into account in their research design and/or perform further research into this area. The added value of taking this knowledge into account is that it is now known that trust is build in a different way in different business partnership forms, and now it is possible to account for these differences when deciding on a research into trust in a business to business setting. The second contribution is about power and when it is acceptable to use it. Recent literature already found that it is important for the stronger to refrain from overusing their power, and this thesis strengthens these findings and adds to them (Zhu et al, 2018). A distinction can be made for when it is acceptable to use power and when it's not based on the kind of relationship there is. It can be acceptable to use power in rare situations within simple learning relationships, but it should be avoided in strategic learning partnerships as it can severely harm the relationship. Zhu et al (2018) said that firms with more power should refrain from overusing that, and this thesis adds to these findings by making a distinction between two different situations and creating a deeper understanding about the workings of power

within partnerships. This distinction creates new insights into power for future studies because the use of power is not equally acceptable in different situations, and the extent of the partnership should be taken into account in a research design when researching a possible power relationship between businesses.

## 5.3 Implications for practice

Any department within a company that exchanges information with other companies as part of a partnership or cooperation can use the findings from this thesis. It is important to not only take into account the importance or relevance of a certain partner to decide which kind of partnership is preferable. With this thesis a company can identify additional requirements for specific kinds of partnerships and if it wants to create a certain kind of partnership with another company it now knows which kinds of trust to pursue. This thesis researched two motives for sharing information: simple learning and strategic learning. Explained at a basic level, simple learning is the exchange of relative simple information such as certain market information, phone numbers, how things work in another country. Strategic learning is cooperation where more strategic knowledge is being shared, think of a shared product development or new technologies. If a company would like to pursue a simple learning partnership it is important to have a strong focus on inter-personal trust, besides the trust factors such as delivering on time and the right quality. If the focus is on creating a strategic learning partnership there should be a strong focus on longer term partnerships and creating a reciprocal relationship, in other words, showing willingness to for example return favours.

Another thing that is important to keep in mind for companies is the importance of when to use power or not, there is a distinct difference in the effect of power usage in simple learning and strategic learning. Within simple learning partnerships companies can use a better power position if they deem it necessary, a situation for this to happen can be unreasonable price increases, it is accepted in this situation to say that this is the limit and otherwise the company is going to look for other suppliers. This does harm the relationship a bit, but it can recover within a reasonable time. Within strategic learning partnerships companies should refrain from using a stronger power position. There is a significant importance placed upon equality within these kinds of strategic partnerships and this shouldn't be impacted. If this happens there is a big chance that trust is impacted and that this will not restore in a relatively short time, this can hurt the results of the partnership in the end.

## 5.4 Limitations and future research

During the process of writing this thesis there was one major change. The original plan was to investigate six cases of analysis with twelve interviews, for each case of analysis I planned to speak with the responsible purchaser and with the supplier I would speak with the responsible person in sales. This would allow me to compare the answers and make sure that I wouldn't get a one-sided picture. During the process I managed to find a company where I would be able to do all of these interviews, but at a late moment they decided to not cooperate. This meant that I had to change my approach, and I now spoke with seven interviewees with different roles and industries. On the one side this solved the problem of only investigating in one industry, but it also created new problems. The current research only investigated the view of a relationship from one side, the one of the interviewee. This means that the results could be influenced by interviewees only giving their own view of the situation. What also became apparent during the analysis is that it is difficult to currently draw conclusions regarding the strength of the trust, if one interviewee had given a different answer the results can



suddenly change from a majority saying x to a minority saying that, and that changes the whole conclusion. Future researches could investigate this particular subject with a more extensive qualitative research or perhaps with a form of quantitative analysis.

There is also a possibility that interviewees adapted their views of level of trust to the situation. This means that an interviewee could have a different view about for example transactional relationships in a more simple setting versus a more strategic settings, a strong level of trust in simple learning may not be a strong level of trust in a strategic learning context. This thesis didn't go into this topic and tried to prevent this by asking additional questions like 'what does caring for the well-being of the other company mean to you?' during the interviews, but no other special measures were taken to prevent this from happening. The reason I'm mentioning this is because during the interviews I got the feeling that the calculus-based trust used in the case from strategic learning was a stronger form of trust than those mentioned in simple learning contexts, but I couldn't translate it to data with the framework I used because there was an arbitrary line between either calculus-based trust or relational trust. Future research could try and use a different kind of framework for trust and see if similar results are being found.

One other interesting topic for future research is what it takes to restore trust after it has been damaged in a partnership, this topic wasn't within the scope of this research but it is interesting to know which exact actions restore trust and how long this takes in a business setting. The strength of the relationship before the damaging could affect the time it takes to restore trust, and the stakes could also have an influence. It is imaginable that in a more strategic situation such as a shared product development it is important to quickly restore trust, but that it could also take more effort. This is also dependent on how severe the relationship is damaged. So to summarize, this could be fertile ground for future research and creates a deeper understanding of the works of trust within a partnership. There have been earlier studies into the field of restoring trust in a business setting. However, they have been either in the field of inter-personal trust within one company (Siebert & Martin, 2014) or the studies were in an inter-organizational setting. However, they didn't make a distinction between the different situations of working together. Q. Wang et al. (2014) performed a study into repairing trust after supply chain disruptions and thus is performed in a different context than supply chain transparency initiatives which is more focused on the exchange of knowledge than goods. Another study by MacDuffie (2011) is most similar to the proposed future research. It contains multiple usable insights for a possible study. However, this study is more broadly focused on trust in general and only looks at the dynamics of distrust in a literature review format. Actions that ease the repair of trust are mentioned, but there is no broader look at the influences that the kind of partnership may have.

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