How does the boundary spanner's use of power and trust influence its legitimacy by external suppliers and internal stakeholders?

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ABSTRACT,

The buyer-supplier relationship plays a critical role in today's competitive supply market, with the boundary-spanner serving as a key figure responsible for managing and ensuring supplier compliance. Internal stakeholders grant legitimacy to boundary-spanners and entrust them to make important decisions regarding the buyer-supplier relationship. This study explores the role of power and trust as strategies to influence supplier behaviour and explores the effects on the boundary-spanner's legitimacy by both internal stakeholders and external suppliers. Using a sample size of 69, data was collected through surveys in collaboration with five case companies. The study employs partial least squares structural equation modelling to analyse the relationships between power, trust, and legitimacy. The analyses revealed several interesting findings. First, coercive power had no effect on internal legitimacy but a surprisingly significant positive effect on external legitimacy. Reward power had no effect on internal legitimacy while having a substantial positive effect on external legitimacy. Goodwill trust also had no effect on internal legitimacy, but a significantly positive effect on external legitimacy. At last, competence trust had a substantial positive effect on internal legitimacy and no effect on external legitimacy. The contributions of the study for purchasing and supply chain management literature and the practical implications for organisations are discussed.

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1. INTRODUCTION:

Firms are nowadays not just competing firm against firm, but rather supply chain versus supply chain (Ketchen & Hult, 2007). Supplier's resources are essential for firms trying to gain and sustain a competitive advantage (Hitt, 2011). Suppliers are able to offer new innovative ideas, capabilities, and materials which are able to help buying firms to build a competitive advantage (Pulles, Schiele, Veldman, & Hüttinger, 2016). However, due to supplier resource scarcity, other competing firms are also trying to extract these limited resources (Schiele, 2012). This dynamic compels suppliers to be more selective in allocating their scarce strategic resources (Mitsuhashi & Greve, 2009; Pulles, Ellegaard, & Veldman, 2022). This development highlights the need for buying firms to understand how suppliers navigate in this intricate landscape of resource allocation, as these decisions influence the competitive position of competing buying firms (Dyer & Hatch, 2006; Pulles et al., 2022).

In this evolving landscape, the relationship between buying firms and their suppliers has emerged as an important determinant of success for firms that are competing in the supply market (Ellram, Tate, & Feitzinger, 2013; Gianiodis, Markman, & Panagopoulos, 2019). Central to this relationship are boundary-spanners from the buying organisation, as their personal relationships with the boundary-spanners from the supplying organisation form the buyer-supplier relationship (Ellegaard, 2012; Gligor & Autry, 2012; Haytko, 2004). Within organisations, this important boundary-spanning function is most often filled in by the purchasing department, as they interact with external suppliers and internal departments, further referred to as internal stakeholders (Monczka, Handfield, Giunipero, & Patterson, 2008). The boundary-spanner, or purchasing department, is given the legitimate power to make important decisions on how to interact with suppliers on behalf of the buying firm (Spekman, 1979). This given right makes boundary-spanners entitled to influence supplier behaviour, and suppliers are expected to accept this influence (Benton & Maloni, 2000; French & Raven, 1959).

In the buyer-supplier relationship, two relational mechanisms which are utilised to influence supplier behaviour are power and trust (Bachmann, 2001; Ireland & Webb, 2007; Pulles, Veldman, Schiele, & Sierksma, 2014). Power and trust however do not always lead to positive outcomes. For instance, Terpend and Ashenbaum (2012) concluded that the use of coercive power had a negative relationship on supplier quality and innovation. The boundary-spanner's legitimacy can be undermined when suppliers do not respond positively to their influence strategies. However, relying solely on influence strategies that yield positive responses from external suppliers overlooks the fact that the legitimacy of the boundary-spanner and their use of influence strategies are also evaluated by other internal stakeholders.

As stated above, boundary-spanners also interact with internal stakeholders. These internal stakeholders also assess the legitimacy of the boundary-spanner as they hand out the legitimate right for the boundary-spanner to act on behalf of the company (Spekman, 1979). According to Ellegaard and Koch (2012), the organisational functions which are related to purchasing and supply management should all act in a coordinated manner in their boundary-spanning behaviours in exchange with suppliers. However, the complex reality is that organisations differ internally. Literature on the buyer-supplier relationship highlights the importance of between-partner differences, but it does not extensively mention the effect on the differences within organizations (Brattström & Faems, 2020). Most research on the buyer-supplier relationship conceptualizes buying firms as monolithic actors, with members sharing similar perspectives, interests, and expectations (Lumineau & Oliveira, 2018). In practice, however, organisations consist of different coalitions, with different goals, perspectives, and expectations (March, 1962). Lumineau and Oliveira (2018)

emphasize that a firm internally consists of different actors nested in different entities at different hierarchical levels, with each potentially having a different viewpoint on the expectations and perceptions of the buyer-supplier relationship.

Therefore, as boundary-spanner's interact not only with suppliers but also with various internal stakeholders, their legitimacy and choice of influence strategy through power and trust comes under scrutiny from multiple vantage points. This complexity adds a layer of intricacy that has yet to be explored in the buyer-supplier relationship. While current literature on legitimacy and power and trust in the buyer-supplier relationship mainly focuses on its effect on external suppliers (Ireland & Webb, 2007; Pulles et al., 2014; Terpend & Ashenbaum, 2012), the potential discourse between internal stakeholders and external suppliers regarding the use of power and trust and its effect on the legitimate position of the boundary-spanner remains under-addressed. This concept creates a challenge for boundary-spanners in determining the appropriate influence strategy, whether to rely on power or trust, in managing the buyer-supplier relationship and to establish and maintain their legitimacy.

This research paper, therefore, aims to investigate the effect of power and trust on the boundary-spanner's perceived legitimacy by both external suppliers and internal stakeholders. This leads to the following research question:

How does the boundary spanner's use of power and trust influence the perceptions of its internal and external legitimacy among external suppliers and internal stakeholders?

This study contributes to the literature on legitimate power (Benton & Maloni, 2000; French & Raven, 1959; Spekman, 1979), by introducing a new perspective to the concept. This study does so by recognising that legitimate power can be enhanced or diminished by other sources of influence, like reward power or goodwill trust. Second, this study contributes to the literature on the role of internal stakeholders in organisations (Brattström & Faems, 2020; Ellegaard & Koch, 2012; Foerstl, Hartmann, Wynstra, & Moser, 2013), by recognising the role of internal stakeholders and how their views on power and trust impacts the legitimacy assessment of the boundary-spanner. And third, this study contributes towards expanding the understanding of power and trust as mechanisms which also influences the legitimate position of the user, or boundary-spanner (Bachmann, 2001; Ireland & Webb, 2007; Zhang, Viswanathan, & Henke, 2011). By directly addressing the gap in the literature, this study aims to contribute towards understanding how power and trust shape the perceived legitimacy of the boundary-spanner by internal stakeholders and external suppliers. This exploration thereby represents a departure from current literature on power and trust, which primarily focuses on its influence on external suppliers.

This research paper is structured as follows. In the second chapter, a literature review is presented, focusing on the role of the boundary spanner, the concept of legitimacy, and the use of power and trust in the buyer-supplier relationship. Building upon the insights from the literature, the third chapter formulates the hypotheses and develops a research model. The fourth chapter provides the research methodology used in this paper. Subsequently, the results of the quantitative data will be presented in chapter five. The paper concludes with chapter six which discusses the results and presents a final conclusion followed by limitations of the study and recommendations for future research.

2. LITERATURE REVIEW

2.1 The role of the boundary-spanner at an inter-organisational and interpersonal level

Strong collaborative buyer-supplier relationships are widely recognised as a major source of competitive advantage (Paulraj, Lado, & Chen, 2008). To manage and develop these relationships effectively, organizations rely on boundary-spanners, such as purchasing agents, who are responsible for managing the interface between the organisation and the external environment (Poblete & Bengtson, 2020; Zhang et al., 2011). The term boundary-spanner is based on boundary theory, which argues that managing the boundaries with other organisations that provide essential resources, or are in charge for the disposal of their outputs, is a key responsibility for organisations (Aldrich & Herker, 1977).

Successful boundary-spanners have strong internal and external links, allowing them to gather and transfer outside information to their internal sub-units (Aldrich & Herker, 1977; Perrone, Zaheer, & McEvily, 2003). However, fulfilling this role is not without challenges. Due to the unique location in which these individuals find themselves in, boundary-spanners are exposed to conflicting expectations from both their own organisation and their partner organisations (Perrone et al., 2003; Spekman, 1979). Furthermore, these conflicting expectations also extend beyond inter-firm dynamics. As previously mentioned, within organisations, different coalitions and actors exist at various hierarchical levels with diverse viewpoints on the expectations and perceptions of the buyer-supplier relationship (Lumineau & Oliveira, 2018; March, 1962). One of those conflicting viewpoints is the competing partnership logic from Brattström and Faems (2020), which differentiates between a cooperative and transactional approach. These conflicting expectations and viewpoints may limit the effectiveness of the boundary-spanner in managing the inter-organisational relationships between buyers and suppliers.

The significance of boundary-spanners for the management of inter-organisational relationships can however not be overstated (Dekker, Donada, Mothe, & Nogatchewsky, 2019). Through repeated collaborative interaction among boundary-spanners, firms increase their share of information, enhance their mutual gains, mediate inter-firm conflicts, and promote long-term orientation in the exchange relationship (Tangpong, Hung, & Ro, 2010). The personal relationships that boundary-spanners develop during their interactions play a fundamental role in the overall interaction between buyers and suppliers (Ellegaard, 2012; Gligor & Autry, 2012; Haytko, 2004). Notably, a lack of interpersonal relationships between boundary-spanners can lead to feelings of mistrust, which hampers the ability of companies to find agreements. Conversely, a strong interpersonal relationship among boundary-spanners facilitates the ability for buyers and suppliers to reactivate severed relationships (Poblete & Bengtson, 2020).

The role of boundary-spanner encompasses various different functions (Poblete & Bengtson, 2020; Zhang et al., 2011). Zhang et al. (2011) classified these functions into three main categories which are most related to the representation of the buying firm to external suppliers. At first, boundary-spanners spread out internal information to their external environment, and then gather and disseminate valuable information from outside of the organisation (Aldrich & Herker, 1977; Perrone et al., 2003; Poblete & Bengtson, 2020). Second, boundary-spanners may make use of their knowledge and expertise to influence their external environment, such as through power and trust (Aldrich & Herker, 1977; Bachmann, 2001; Doney & Cannon, 1997; Perrone et al., 2003). Third, boundary-spanners negotiate compromises between their organisation and the external environment in which they operate (Aldrich & Herker, 1977; Friedman & Podolny, 1992). These three functions relate to the focus of this study, as they relate to the role of internal stakeholders on what

information is spread out to the external environment, the use of influence strategies with power and trust, and the boundary-spanner's ability to negotiate, in which legitimacy could play a part to find compromises. By understanding the pivotal role of boundary-spanners and the listed functions, this study aims to explore and analyse its impact on buyer-supplier relationships.

2.2 Legitimacy of the boundary-spanner

The perceived legitimacy of the boundary-spanner comes from the term legitimate power. Legitimate power is defined as the believe that the power holder, in our case the boundary-spanner, has the natural right to influence the power recipient, i.e. the supplier, and the recipient is thereby obliged to accept this influence (Benton & Maloni, 2000; French & Raven, 1959). As an example, the buying firm has, as the customer, the right to make demands about its needs, and the supplier is thereby obligated to meet those needs (Terpend & Ashenbaum, 2012). It can thereby also be defined as the believe that the customer is always right (Huo, Flynn, & Zhao, 2017). This believe of legitimate power also exists within the firm level, as Spekman (1979) defined legitimate power as the legitimate right of the boundary-spanner to expect that his suggestions will be carried out by other members of its organisation. Yukl and Falbe (1991) also stated that legitimate power is one of the most important reasons for employees to carry out the tasks handed to them. This paper draws upon the literature on legitimate power to define the concept of perceived legitimacy of the boundary-spanner, further referred to as either legitimacy, perceived legitimacy, or legitimate position. This step is performed to reduce potential overlap with other sources of power, as they are used to explain the dynamic concept of legitimacy.

Legitimacy, originating from legitimate power, is a non-mediated power source. This means that the user does not directly exercise this source as a way to influence the behaviour of the other party (Benton & Maloni, 2000). The power recipients are thereby more indirectly influenced in their behaviour and some power holders might not even be aware that they hold this source of non-mediated power (Benton & Maloni, 2005; Brown, Lusch, & Nicholson, 1995). The power recipient however decides whether and how much their behaviour will be influenced by the legitimacy of the power holder (Brown et al., 1995; Nyaga, Lynch, Marshall, & Ambrose, 2013). Therefore, how the power recipients perceive the legitimacy of the boundary-spanner is a crucial factor in how they interact and associate with the organisation that the boundary-spanner represents (Zhao, Huo, Flynn, & Yeung, 2008).

Characteristics within the buyer-supplier relationship, such as the perceived legitimacy of the boundary-spanner, are dynamic and evolve over time (Shamsollahi, Chmielewski-Raimondo, Bell, & Kachouie, 2021). Changes in the buyer-supplier relationship are also referred to as inter-organisational relational dynamics. Relational dynamics are often described as reinforcing spirals that can either take a positive or a negative direction (Brattström & Faems, 2020). A positive direction is distinguished by cooperative behaviour, that is, the joint pursuit of shared interests and benefits. Facing that, a negative direction is distinguished by competitive behaviour with partners pursuing own personal interests at the expense of other's (Das & Teng, 2000). Linking this to legitimacy, a negative direction would be detrimental to the boundary-spanner. A negative spiral makes external suppliers less committed which can ultimately lead to the termination of the buyer-supplier relationship (Ariño & de la Torre, 1998). At the other side, a reduction in the internal legitimacy of the boundary-spanner is also unfavourable as colleagues are less likely to carry out the tasks assigned by the boundary-spanner (Spekman, 1979; Yukl & Falbe, 1991). Establishing and maintaining legitimacy is therefore crucial for the boundary-spanner to ensure compliance.

Most of the literature regarding legitimacy in purchasing uses the concept as an influence strategy on external suppliers (e.g. Huo et al., 2017; Terpend & Ashenbaum, 2012). This study however recognises that the concept of legitimacy is something which can also be perceived by both external suppliers and from within the organisation. It is argued that the utilisation of power and trust by boundary-spanners takes a primary role in this, as they are key mechanisms used to influence behaviour (Ireland & Webb, 2007). To address the different levels of legitimacy and power and trust, it is important to reconcile and align the concept of boundary-spanner legitimacy with the organizational-level power and trust. The next chapters describes these concepts which will aid towards the development of the hypotheses of this paper.

2.3 Power

Power in the buyer-supplier relationship can be defined as the ability of the buying firm to influence the behaviour and decision making of the supplying firm (Narasimhan, Nair, Griffith, Arlbjørn, & Bendoly, 2009; Yeung, Selen, Zhang, & Huo, 2009). Power is a multi-dimensional construct which can be divided into two sources, non-mediated power and mediated power. As described in the previous chapter, non-mediated power, such as legitimacy, is not specifically exercised to influence the behaviour of the power recipient. Contrary to this, mediated power sources are exercised to deliberately influence supplier behaviour (Benton & Maloni, 2000; Brown et al., 1995). This chapter explores how boundary-spanners utilise mediated power sources to influence supplier behaviour

Mediated power consists of multiple sources, with coercive power and reward power being the most widely recognised (Pulles et al., 2014). *Coercive power r*efers to a firm's ability to control negative events in relation to one another with the purpose to gain benefits from the supplier through imposing penalties or by threatening sanctions (Molm, 1997). An example for coercive power would be that the buying firm can punish the supplier through withholding future contracts or by reducing volume in future orders (Terpend & Ashenbaum, 2012). The utilisation of coercive power is however risky, as it raises the possibility for retaliation and it lowers the rewards associated with the buyer-supplier relationship (Molm, 1997; Monczka et al., 2008; Rokkan & Haugland, 2002). At the other side, *reward power* can be defined as the ability of the buying firm to provide or withhold rewards with the intention to promote desirable behaviour (Molm, 1997). An example for reward power would be that the buyer can reward his supplier with additional business or favourable treatment (Terpend & Ashenbaum, 2012).

By purposefully manipulating the reinforcements which direct the supplier's response, buying firms utilise mediated power to bring about desired changes in the supplier's behaviour (Benton & Maloni, 2000; Ramsay, 1996). Pulles et al. (2014) found that reward power positively influenced supplier resource allocation. However, the utilisation of power is not always effective as failed attempts can lead to no change, or even undesirable behaviour (Pulles et al., 2014). Terpend and Ashenbaum (2012) found coercive power to have a significant connection with poorer quality and innovation performance. Due to coercive tactics, suppliers potentially become more reluctant to share their latest innovations and they are also less inclined to help customers beyond basic needs. This happened to General Motors as their suppliers preferred to allocate their best resources and innovations to competitors (Terpend & Ashenbaum, 2012). Through examining the different dimensions of mediated power, the findings contribute to the understanding of how power dynamics impact buyer-supplier relationships and shed light on the potential effects on the legitimacy of the boundary-spanner from both internal stakeholders and external suppliers.

2.4 Trust

Trust can be described as the faith, reliance, belief, or confidence in a supply partner that they will act according to a common agreement (Currall & Inkpen, 2002; Spekman, Kamauff, & Myhr, 1998). Trust is an important contributor towards the strength of the buyer-supplier relationship and is typically developed over time through repeated interactions between boundary-spanners (Sahay, 2003; Sridharan & Simatupang, 2013). Several studies have highlighted the importance of trust in this context, with Fawcett and Magnan (2002) mentioning that without a sufficient amount of trust present, buyers and suppliers will less likely develop a relationship between each other. Beyond facilitating the establishment of a relationship, trust contributes towards the continuity of the buyer-supplier relationship whilst also containing multiple benefits such as reduced monitoring and transaction costs (Villena, Choi, & Revilla, 2016; S. M. Wagner, Coley, & Lindemann, 2011). However, in trust-based relationships, elevated levels of risks are always present as the other party may act opportunistically against the common agreement (Currall & Inkpen, 2002). Firms accept these risks to realise the economic and social benefits associated with trust-based buyer-supplier relationships (Ireland & Webb, 2007). Like power, trust is a multidimensional construct which boundary-spanners can utilise as means to promote desired behaviour (Ireland & Webb, 2007; Pulles et al., 2014). Residing in this multidimensional construct, two main dimensions have been distinguished: competence trust and goodwill trust (Das & Teng, 2001).

Competence trust stems from the believe that a partner contains the technical competence or expertise which are necessary to carry out the activities relevant to its role (Roy, Sivakumar, & Wilkinson, 2004; Sako, 1992). Competence trust can be increased based on the available resources and capabilities which a boundary-spanner can distribute (Das & Teng, 2001). This capacity establishes the notion that the boundary-spanner contains the resources which are deemed necessary for the exchange relationship (Ireland & Webb, 2007). *Goodwill trust* has been referred to as the degree in which parties trust each other to act above and beyond the contractual agreement (Ireland & Webb, 2007; Roy et al., 2004). When goodwill trust is present, partners are more inclined to exchange information and other resources in an accurate and timely manner (Ireland & Webb, 2007). Initiating goodwill promotes reciprocity among partners which, when reciprocated at a later stage, forms the norms and shared values which characterises the relationship (Jones, 2001). Within the buyer-supplier relationship, multiple levels of trust are present. However, before firms enter any relationship, a certain level of trust must exist such as through competence trust (Ireland & Webb, 2007). Goodwill trust however only develops through repeated interactions among partners in long-term relationships (Sako, 1992).

Contrary to power, trust is generally regarded as a positive coordination mechanism within the buyer-supplier relationship (Terpend & Ashenbaum, 2012). However, as stated before, trust, similar to power, serves as a mechanism utilized by boundary-spanners to influence supplier behaviour and to maintain their legitimacy within the buyer-supplier relationship (Ireland & Webb, 2007). This leads us towards the development of the hypotheses in the following chapter.

3. HYPOTHESIS DEVELOPMENT

The following section builds on existing research to form hypotheses that links the effects of power and trust to the perceived internal and external legitimacy of the boundary-spanner. The first two hypotheses regards the use of power, with coercive and reward power, on the boundary-spanner's perceived internal and external legitimacy. The final two hypotheses regards the use of trust, with goodwill and competence trust, on the boundary-spanner's perceived internal and external legitimacy. Even though previous literature on the effects of power and trust focuses mostly on

external suppliers (Benton & Maloni, 2005; Pulles et al., 2014), it is expected that the extent to which power and trust affects the boundary-spanner's external legitimacy is different than the effect of power and trust on the boundary-spanner's internal legitimacy. As organisations are comprised of different actors with different viewpoints regarding the expectations and perceptions of the buyer-supplier relationship, it is likely that different views exist in how power and trust should be utilised by the boundary-spanner (Lumineau & Oliveira, 2018). To ensure clarity, the hypotheses sections start by first discussing the effects on external legitimacy. This structure is chosen to enhance the logical progression of the hypotheses, as most literature on the effects of power and trust predominantly mention the effect on suppliers. However, please note that the effects on internal legitimacy are represented on the left side of the model and therefore the stated hypotheses are also mentioned first in the text. Figure 1 presents the conceptual model which synthesises the hypotheses and the literature which will be reviewed in this section.

Figure 1: Influence strategies and its effect on legitimacy
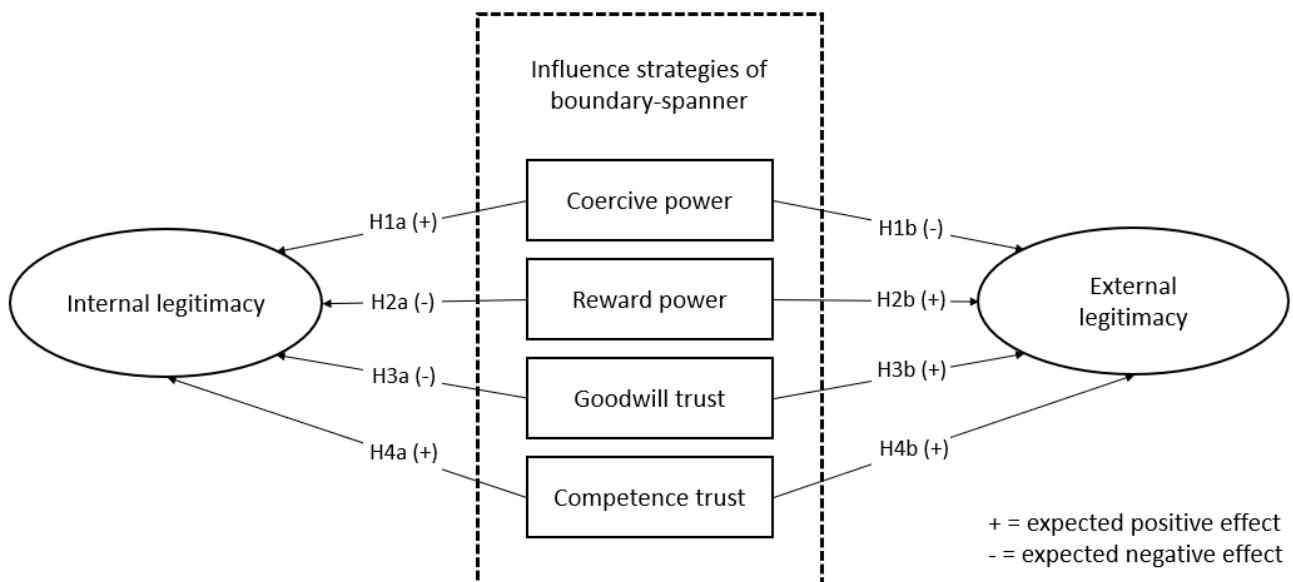
3.1 The effects of the boundary-spanner's use of coercive power on legitimacy

Buying firms employ coercive power to exert pressure on their suppliers and to ensure that they comply with their demands (Pulles et al., 2014). For instance, suppliers who repeatedly fail to meet their delivery deadlines face the risk of punishment (Terpend & Ashenbaum, 2012), which then serves as a deterrent for future delays and ensures timely deliveries. While this appears to be a strong way to exert power and to put pressure on suppliers to ensure compliance, repeated use of such tactics can have a damaging effect on the long-term relationship (Monczka et al., 2008). Additionally, a majority of the literature has frequently shown that coercive tactics are negatively perceived by suppliers (e.g., Benton & Maloni, 2005; Benton & Maloni, 2000; Brown et al., 1995; Terpend & Ashenbaum, 2012). This negative perception is mainly explained from the perspective that these tactics extract unfair concessions, creating a situation in which the victimized supplier seeks ways to resist (Kumar, 1996). This resistance can take the form of retaliation or escalation if the balance of power shifts unfavourably for the buying company in the future. For instance, when competition increases in supply markets, suppliers may retaliate through increased prices, providing subpar service to certain buyers, or even interrupt the supply of goods to the offending buyer (Monczka et al., 2008). Cognitive evaluation theory also gives a possible explanation for this negative perception.

Cognitive evaluation theory states that people require two main conditions for intrinsic motivation: autonomy and competence. Coercive power has been shown to undermine a supplier's perceived autonomy and competence, which in turn reduces the supplier's intrinsic motivation to comply with a buyer's demands (Chae, Choi, & Hur, 2017). As coercive power has most often been linked with negative emotions increasing relational conflict and reducing the buyer's status (Vos, Van der Lelij, Schiele, & Praas, 2021), it is therefore expected that suppliers are not motivated to comply with the boundary-spanner's wishes, reducing its legitimacy.

Regarding the perspective of internal stakeholders, the use of coercive power may be justified from an internal perspective as a way to achieve performance related goals. Some studies have shown positive effects on the use of coercive power, such as a reduction in delivery times and an increase in instrumental relationship commitment (Bloom & Perry, 2001; Zhao et al., 2008). Furthermore, given the growing importance of supplier resources, firms which account for a substantial share of the supplier's turnover may employ coercive tactics to obtain better physical supplier resources (Pulles et al., 2014). Internal stakeholders within such firms who constitute a large expenditure in the supplier's turnover might expect that suppliers are more likely to accept coercive tactics due to the substantial contribution these firms make to their annual revenue. Next, as March (1962) stated, organisations consist of different coalitions with different goals, perspectives and expectations. Closely related to the competing partnership logic of Brattström and Faems (2020), in which different coalitions have a different belief how to collaborate with suppliers, a possibility arises that internal stakeholders take up a more transactional approach, supporting the use of coercive power. In a transactional partnership, the focus is primarily that suppliers need to meet obligations (Brattström & Faems, 2020). Internal stakeholders might therefore support the use of coercive power as a way to hold suppliers accountable for poor performance, and to ensure that their interests are protected through ensuring a steady supply line with the desired quality. Based on this, it is postulated that the use of coercive power by the boundary spanner has a positive effect on its perceived internal legitimacy but a negative effect on its perceived external legitimacy:

H1a: *The boundary-spanner's use of coercive power has a positive effect on perceived internal legitimacy*

H1b: *The boundary-spanner's use of coercive power has a negative effect on perceived external legitimacy*

3.2 The effects of the boundary-spanner's use of reward power on legitimacy

Buying organisations attempt to exert control over suppliers through the use of reward power, which involves offering attractive benefits if the suppliers comply with their wishes (Chae et al., 2017; French & Raven, 1959; Monczka et al., 2008). Reward power is based on the notion that individuals tend to respond positively and adjust their behaviour when presented with attractive rewards (Monczka et al., 2008). The boundary-spanner, as the power holder, also utilises this type of power to influence supplier behaviour in a positive and benevolent manner, using positive feedback rather than through coercive tactics (French & Raven, 1959). Based on this, suppliers are more likely to comply with the boundary-spanner's wishes, as they feel more satisfied due to the positive feedback and the economic rewards (Vos et al., 2021). Reward power not only differs from coercive power in the way how it influences the supplier, it also evokes a different perception at the supplier side. While coercive power might be perceived as a form of opportunism of the buyer at the expense of the

supplier, reward power tends to elicit positive perceptions from the supplier (Pulles et al., 2014). Cognitive evaluation theory further provides a possible explanation why suppliers perceive reward power positively. According to cognitive evaluation theory, when a buyer utilises reward power, it is perceived as positive feedback which enhances the supplier's perceived competence. This, in turn, can improve the supplier's intrinsic motivation to comply with the buyer's wishes (Chae et al., 2017). Literature on reward power also confirms the positive nature of this power source. While Terpend and Ashenbaum (2012) found no effect of reward power on performance, a large substance of research has found that reward power positively effects various variables such as supply chain satisfaction, resource allocation, supplier commitment and supplier's willingness to invest in relationship resources (Benton & Maloni, 2005; Chae et al., 2017; Pulles et al., 2014; Zhao et al., 2008).

However, although reward power is generally perceived positively, it also contains some drawbacks which can result in internal stakeholders not supporting this. For instance, some suppliers may become susceptible to rewards and therefore only respond positively when rewards are offered (Monczka et al., 2008). A withdrawal of rewards can lead to suppliers reverting back to their previously undesirable behaviour. Additionally, the effectiveness of rewards also tend to diminish over time, resulting in the suppliers becoming decreasingly motivated to comply with the buyer's wishes when rewards are offered (Spekman, 1979). Returning to the competing partnership logic of Brattström and Faems (2020), in which different coalitions have a different belief how to collaborate with suppliers, a possibility arises that internal stakeholders take up a more transactional approach and therefore oppose the use of reward power by the boundary-spanner. While the supply chain is shifting from the transactional relationship approach towards cooperative relationships (Hansen, 2009), it does not imply that all internal stakeholders partake in this view as they do not interact with these suppliers on a daily basis. Boundary-spanners may perceive suppliers as partners and therefore want to collaborate and use a relational approach with the provision of rewards (Brattström & Faems, 2020; French & Raven, 1959; Roberts, 1986). The transactional approach however wants to minimise the dependency on the suppliers (Brattström & Faems, 2020), which may result in a view that the provision of rewards is unnecessary and additional cost or commitment on top of the purchase price. Based on these arguments, it is expected that the use of reward power by the boundary-spanner is perceived as negative for internal legitimacy but positive for external legitimacy:

H2a: *The boundary-spanner's use of reward power has a negative effect on perceived internal legitimacy*

H2b: *The boundary-spanner's use of reward power has a positive effect on perceived external legitimacy*

3.3 The effects of the boundary-spanner's use of goodwill trust on legitimacy
Goodwill trust relates to having good faith, good intentions, and integrity when dealing with another party (Das & Teng, 2001). According to Roy et al. (2004), goodwill trust exists when both buyer and supplier share mutual expectations of their relationship and refrain from taking unfair advantage of each other. Through this, goodwill trust includes a perceived openness and the belief that the buyer has a legitimate concern for the supplier (Wu, 2008). Goodwill trust in the buyer-supplier relationship involves both partners demonstrating benevolence by sharing resources and it cultivates the exchange of important information (Lambe, Wittmann, & Spekman, 2001; Ridings, Gefen, & Arinze, 2002). For instance, goodwill trust facilitates the sharing of resources necessary for innovation and it

enables reduced product cost and increased quality (Li, Humphreys, Yeung, & Edwin Cheng, 2007; Roy et al., 2004). In addition to this, strategic information sharing occurs because the sender is confident that the receiver will not act in an opportunistic manner (Dyer & Chu, 2003; Zaheer, McEvily, & Perrone, 1998). This enables both the buying and supplying firm to enhance their competitive position (Ryssel, Ritter, & Gemunden, 2004; Wu, 2008). Other literature on goodwill trust also show a positive relationship with increased cooperative supplier relationship performance, improved buyer performance, and increased innovation performance (Terpend & Ashenbaum, 2012).

Goodwill trust can therefore be positively perceived, as it reduces the negotiation costs between the buyer and supplier by instilling mutual confidence that both parties act in each other's best interests (Dyer & Chu, 2003). Additionally, goodwill trust facilitates increased flexibility in daily transactions and enables parties to adopt to problems if they arise on either end (Uzzi, 1997). This flexibility is exercised by buying firms as they act above and beyond their contractual norms (Ireland & Webb, 2007; Roy et al., 2004; Sako, 1992). An example of this would be that due to unforeseen circumstances, a change is required in the contractual agreement. In those instances, the boundary-spanner has the option to either act in goodwill towards the supplier or to adopt a more self-interested approach (Ireland & Webb, 2007). The boundary-spanner is therefore not obligated to act in goodwill. However, demonstrating goodwill can enhance its legitimacy towards external suppliers, in addition to the positive aspects of goodwill trust mentioned earlier.

Internal stakeholders may however not support the use of goodwill trust as high level of trust are not always positive. By increasing goodwill trust in the supplier and by sharing strategic information, the boundary-spanner amplifies the extent to which the supplier can act opportunistically (Ireland & Webb, 2007). This risk may uphold internal stakeholders from supporting the boundary-spanner in his utilisation of goodwill trust, thereby undermining its legitimacy. Newell, Ellegaard, and Esbjerg (2019) provide an example of this with a respondent stating that it was common sense to not disclose strategic information due to the risk that the supplier might share it with competitors. A transactional approach from the competing partnership logic of Brattström and Faems (2020) also provides an argument as to why internal stakeholders might not support the use of goodwill trust. As stated before, the goal with the transactional approach is to minimise dependency on suppliers. With high goodwill trust however, firms may become too over embedded, in which they become too dependent on each other. This results in an emotional attachment and a fear to break the relationship, even if necessary (Mayer, Davis, & Schoorman, 1995; Uzzi, 1997). Firms also tend to neglect searching for new partners that may increase effectiveness, instead opting for the high-trust pre-existing suppliers. As a result, the level of diverse knowledge required for innovation may stagnate over time (Kern, 2000; Uzzi, 1997). At last, as goodwill trust also implies that the boundary-spanner acts beyond contractual norms, this results in the boundary-spanner needing to commit more time and resources which also goes against a potential internal transactional view (Brattström & Faems, 2020; Ireland & Webb, 2007). Therefore, based on the literature, the following hypotheses have been constructed:

H3a: *The boundary-spanner's use of goodwill trust has a negative effect on perceived internal legitimacy*

H3b: *The boundary-spanner's use of goodwill trust has a positive effect on perceived external legitimacy*

3.4 The effects of the boundary-spanner's use of competence trust on legitimacy

At last, competence trust is built on the supplier's confidence that the buyer, i.e. boundary-spanner, contains the necessary resources and capabilities to successfully accomplish the tasks handed to them (Das & Teng, 2001; Wu, 2008). Lacking resources thereby reduces the perceived competence trust of the exchange partner (Ireland & Webb, 2007). Suppliers can benefit from a boundary-spanner's competence. For instance, the implementation of supplier development programs assists towards enhancing supplier performance, resulting in mutual benefits for both buyer and supplier, such as improved quality and reduced costs (Humphreys, Li, & Chan, 2004; Krause, 1997). These benefits associated with competence trust further incentivises the supplier to reciprocate this behaviour by meeting the buyer's demands and allocating resources accordingly (Pulles et al., 2014). Moreover, competence trust facilitates suppliers to engage more towards joint innovation programs because suppliers feel greater confidence that the buyer possesses the problem-solving capabilities and expertise necessary to successfully complete the tasks (Madhavan & Grover, 1998; Roy et al., 2004). Based on this greater confidence towards individuals who possess the competences necessary for competence trust, it is argued that highly competent boundary-spanner's are more positively perceived by the suppliers. As explained by Ridings et al. (2002), individuals naturally tend to share knowledge with those whom they trust to possess the necessary knowledge and skills. The main intention of this increase in information sharing is that both buyers and suppliers want to improve their overall competitive position (Wu, 2008; Yigitbasioglu, 2010). Without competence trust however, the likelihood of the supplier sharing strategic information diminishes as they do not believe that the boundary-spanner has the necessary competences to improve the supplier's competitiveness (Samaddar, Nargundkar, & Daley, 2006; Uzzi & Lancaster, 2003). While goodwill trust facilitates information sharing through the faith that the other does not act opportunistically, perceived competence of the boundary-spanner is a necessary factor which must be present in the relationship before information sharing occurs (Ireland & Webb, 2007; Newell et al., 2019). If the boundary-spanner violates the competence trust which was present in the relationship, it will often result in a complete close down of information sharing with only basic coordination information communicated (Newell et al., 2019). The boundary-spanner should therefore demonstrate his competences, which can be achieved through ways such as joint planning and collaboration, problem solving, and performance measurement (Nyaga, Whipple, & Lynch, 2010).

Unlike goodwill trust, competence trust is expected to be positively perceived by internal stakeholders. As mentioned before, competence trust is used to strengthen the competitive position of both buyer and supplier which results in various benefits (Humphreys et al., 2004; Krause, 1997; Wu, 2008; Yigitbasioglu, 2010). The negative aspects mentioned from goodwill trust are not present in competence trust, as competence trust does not require the same level of emotional attachment and over-embeddedness that may hinder flexibility and exploration of new partnerships which is present in goodwill trust (Mayer et al., 1995; Uzzi, 1997). Furthermore, competence trust is based on the belief that the boundary-spanner's ability to solve problems and complete tasks in their area of expertise, rather than relying on benevolence and goodwill (Das & Teng, 2001; Wu, 2008). The boundary-spanner's expertise therefore allows for informed decision making which can enhance the firms overall competitive position. This could then instil confidence among internal stakeholders that the boundary-spanner acts in the best interests of the firm. While competence trust provides a foundation for collaboration and information sharing, it does not inherently require the boundary-spanner to exceed contractual norms, allowing it to align closer to a potential transactional view (Brattström & Faems, 2020). Based on these arguments, the following hypotheses have been postulated:

H4a: *The boundary-spanner's use of competence trust has a positive effect on perceived internal legitimacy*

H4b: *The boundary-spanner's use of competence trust has a positive effect on perceived external legitimacy*

4.   RESEARCH METHODOLOGY

4.1   Research design

To test the hypotheses of this research, a quantitative research design has been selected. Quantitative research offers several advantages to this study. First, due to the larger sample size typically involved, quantitative research enables a generalisation of the findings to the broader population, which contrasts to qualitative data (Carr, 1994). This allows for a broader examination on the perceived legitimacy of the boundary-spanner by suppliers and internal stakeholders when power and trust is used. Second, quantitative methods provide a structured framework for testing hypotheses which are derived from previous research findings (Carr, 1994). This allows for a more systematic exploration of the potential relationship between power and trust and its impact on legitimacy. Furthermore, quantitative research aims to answer questions starting with 'how', fitting the research question of this study (Rasinger, 2013). In other words, this method lays heavy stress on the measurement of variables and phenomena existent in the social world (Rahman, 2016). Employing surveys therefore fit this notion as they are widely used in causal research to examine and explain relationships between variables such as power and trust on legitimacy (Saunders, Lewis, & Thornhill, 2019).

To assess the conceptual model of this study, a partial least squares (PLS) analysis was used. PLS is a well-established technique within structural equation modelling (SEM) and is well suited for testing models involving latent variables (Henseler, 2021; Pulles, Veldman, & Schiele, 2016). This method offers various advantages for examining cause-effect relationship models aimed at explaining or predicting constructs (Ringle, Sarstedt, Mitchell, & Gudergan, 2018). These advantages include the ability to handle complex models with various indicators and constructs, estimate formatively specified constructs, accommodate sample sizes, and derive determinate latent variable scores (Richter, Cepeda, Roldán, & Ringle, 2016). PLS modelling offers enhanced flexibility in managing model complexity by estimating a subset of parameters at any given moment, thus accommodating the complexities of the hypothesised model (Wetzels, Odekerken-Schröder, & van Oppen, 2009). Recognizing that these characteristics align with the scope of this study, which is constrained by a limited sample size, leads to the conclusion that PLS is the appropriate technique for analysing the study's data. For obtaining the PLS estimates, SmartPLS 4.0 was utilised (Ringle, Wende, & Becker, 2015).

4.2   Sample and Data Collection

The quantitative data for this study was collected by means of online surveys in collaboration with five case companies. The case companies operate in various industries and are of various sizes as shown in table 1. This study was responsible for collecting data at the Healthcare company, while data from the other case companies was gathered by colleagues in their respective studies.

Table 1. Profile of the case companies

	Industry sector	Employee count	Turnover
Firm 1	Healthcare	3800	€450 Mil.
Firm 2	Cable manufacturing	925	€450 Mil.
Firm 3	Heating	200	€66 Mil.
Firm 4	Bread production line	650	€180 Mil.
Firm 5	Water management	8000	€1890 Mil.

Note: employee count and turnover data period 2022

Three different surveys were prepared in advance to collect data from (1) suppliers, (2) purchasers, and (3) internal stakeholders from the case companies. Based on this, the use of influence strategies and its effect on perceived external and internal legitimacy could then be measured. The process of data collection first involved suppliers filling in surveys, followed by purchasers who were primarily responsible for those suppliers. It concluded with surveys from other internal stakeholders who had a significant interest in the products supplied by participating suppliers.

In June-July 2023, a total of 50 suppliers of the healthcare company were initially contacted to participate in the survey. Out of the contacted suppliers, only 14 ultimately responded, resulting in a response rate of 28%. The inclusion of data from the other case companies contributed to a total sample size of 69. In the invitation sent to the suppliers, it was explicitly communicated that all collected data would be treated anonymously and handled with strict confidentiality to uphold privacy and to reduce social desirability bias (Nederhof, 1985). Additionally, respondents were informed that there were no "good" or "bad" answers, and were asked to provide answers that accurately represented their buyer-supplier relationship.

Table 2 shows the profile of the suppliers. The suppliers are located across Europe with the Netherlands and Germany being the primary locations. On average, respondents had 26.8 years of work experience and an average organisational tenure of 13.2 years. To investigate any potential nonresponse bias, the participating case companies were asked to provide their annual spending data with each supplier. Four out of five firms complied, with the fifth firm considering the data as too sensitive to share. Using a two-tailed t-test, the analysis revealed that firm 1 had an average spend of €925,354 among respondents and €710,206 among non-respondents, indicating no statistically significant difference ($t = 0.572$, $p = 0.570$). Among the respondents of Firm 2, the average annual spend was €7,552,998 compared to €2,236,244 among non-respondents, again revealing no significant difference ($t = 0.963$, $p = 0.344$). It is worth noting that an outlier among the respondents from firm 2 had an annual spend three times larger than the next highest, impacting the average. Firm 3 had an average spend of €506,339 among respondents and €547,081 for non-respondents, showing no significant difference ($t = 0.572$, $p = 0.570$). At last, for firm 4, the average annual spend was €933,168 among respondents and €604,562 among non-respondents. Similar to the other firms, no statistically significant difference was observed for firm 4 ($t = 1.333$, $p = 0.194$). In essence, the data indicates that the average annual expenditure of the case companies with the suppliers did not significantly influence whether a supplier would respond to the survey.

Table 2. Profile of suppliers (n = 69)

	Frequency			Frequency
Industry sector			*Country*	
Automotive	3%		Austria	3%
Chemicals/Pharmaceuticals	3%		Finland	1%
Consumer goods	3%		Germany	32%
Industrial machinery	20%		Italy	9%
Services	7%		Norway	1%
Others	64%		Poland	1%
			Spain	3%
Employee count			The Netherlands	46%
< 50	22%		United Kingdom	3%
50 - 250	36%			
> 250	42%			
Respondent function				
Executive	27.5%			
Strategic	10.1%			
Tactical	18.8%			
Operational	43.5%			

Once the supplier surveys were completed, the same process was repeated with the purchasers and other internal stakeholders. In total, 16 purchasers and 36 internal stakeholders participated in the survey, resulting in some participants filling in multiple surveys per supplier. Table 3 shows the profile of the purchasers, in which most performed a tactical role with an average work experience of 20.9 years and an average organisational tenure of 12.5 years.

Table 3. Profile of purchasers (n = 16)

	Frequency			Frequency
Function			*Organisational tenure*	
Strategic	31%		0 - 5 year(s)	38%
Tactical	6%		6 - 10 years	13%
Operational	31%		11 - 20 years	19%
Managerial	13%		> 20 years	31%
Generic role	19%			
Experience				
0 - 5 year(s)	0%			

	Frequency		
6 - 10 years	25%		
11 - 20 years	19%		
> 20 years	56%		

At last, table 4 shows the profile of internal stakeholders, with engineering and logistics being the primary functions representing the internal stakeholders. With companies producing more complex products and an increasing need to compete in the scarce supply market, logistics and engineers continuously need to interact with the purchasing department, or boundary-spanners, and the suppliers to ensure that the products arrive on time and meet the technical requirements. On average, the internal stakeholders had a work experience of 15.7 years and an average organisational tenure of 13.6 years, indicating a high level of stability and continuity within their roles and companies.

Table 4. Profile of internal stakeholders (n = 36)

	Frequency		Frequency
Department		*Organisational tenure**	
Engineering	28%	0 - 5 year(s)	18%
Logistics	19%	6 - 10 years	15%
Management	14%	11 - 20 years	38%
Procurement	17%	> 20 years	29%
Others	17%		
Not answered	6%		
*Experience**			
0 - 5 year(s)	12%		
6 - 10 years	9%		
11 - 20 years	29%		
> 20 years	50%		

Note: * = 2 missing cases are excluded

4.3 Measures

The measures and corresponding factor loadings used in this study can be found in table 5. The constructs were assessed using a seven-point Likert scale, ranging from 1 ('strongly disagree') to 7 ('strongly agree'). Legitimacy is measured with items based on *Legitimate power* from Benton and Maloni (2000) and are included in both the supplier survey and internal survey. For example, the following item measured legitimacy in the supplier survey: ''<this customer> has the right to tell us what to do''. Regarding the internal survey, an example of measuring legitimacy was: ''<this purchaser> has the authority to ask this supplier for their compliance on behalf of our firm''.

The constructs of power and trust were measured using items adapted from Pulles et al. (2014) and will be tested in the supplier survey to capture the tactics employed by the boundary-spanner. An

example for measuring *Coercive power* included: ''<this customer> makes it clear that failing to comply with their requests will result in penalties against us''. *Reward power* was measured for example with: ''<This customer> offers rewards so that we will go along with their wishes''. *Goodwill trust* was assessed through items like: ''We can rely on <this customer> to help us in ways not required by our agreement with them''. At last, *Competence trust* is measured for example by the following item: ''We trust that <this customer> has the managerial and technical capabilities to do what it says it will do''.

Table 5. Measurement items

Constructs and measurement items	Factor loadings
Legitimate power (internal survey)	
<this purchaser> has the legitimate right, considering his/her position, to make the important decisions.	0.86
<this purchaser> has the right to tell them what to do.	0.69
<this purchaser> has the authority to ask this supplier for their compliance on behalf of our firm.	0.89
Legitimate power (supplier survey)	
<this customer> has the right to tell us what to do.	0.98
Since <this customer> is our customer, we should accept their request and recommendations.	0.68
Customers have a right to expect suppliers to follow their instructions.	0.76
Coercive power (supplier survey)	
<this customer> makes it clear that failing to comply with their requests will result in penalties against us.	0.83
If we do not agree with <this customer>'s suggestions, they could make things difficult for us.	0.50
If we do not do as asked, we will not receive very good treatment from <this customer>.	Removed
Reward power (supplier survey)	
<This customer> offers rewards so that we will go along with their wishes.	0.90
We feel that by going along with <this customer>, we will be favored on other occasions.	1.08
If we do not do as asked, we will not receive the rewards offered by <this customer>.	0.60
Goodwill trust (supplier survey)	
We can rely on <this customer> to help us in ways not required by our agreement with them.	0.80
We can depend on <this customer> to always treat us fairly.	

\<This customer\> takes initiatives for mutual benefits that exceed the contractual agreements.	0.64
	0.63

Competence trust (supplier survey)

We feel that \<this customer\> is a highly capable partner.	
\<This customer\> is very capable of providing value to our firm.	0.98
We trust that \<this customer\> has the managerial and technical capabilities to do what it says it will do.	0.81
	0.63

4.4 Data validity and common method bias

Before conclusions can be drawn from this study, several tests needed to be conducted to assess the reliability and validity of the hypothesised model. At first, the indicator reliability was examined, with the corresponding factor loadings noted in table 5. The recommended threshold for indicator loadings of 0.708 (Hair et al., 2021) was not met for multiple indicators. Especially coercive power recorded relatively low factor loadings. This resulted in one item for coercive power with a factor loading of 0.38 to be removed. Given that the other indicators all had factor loadings ranging from 0.40 to 0.708 and removing one did not result in an increase in the convergent validity and internal consistency reliability, it was determined that none of the other indicators should be removed (Hair et al., 2021). Secondly, the internal consistency reliability was measured using Jöreskog (1971) composite reliability (Rho$_c$) and Cronbach's alpha (α), with values shown in table 6. Except for coercive power with a Rho$_c$ of 0.62, the composite reliability for the other constructs ranges between 0.73 and 0.91, thereby meeting the established threshold of 0.70 (Nunnally, 1978). Similarly for Cronbach's alpha, except for coercive power with an α of 0.59, the values for the other constructs range between 0.73 and 0.91, meeting the threshold of 0.70 (Nunnally, 1978). Despite the low indicator loadings and resulting insufficient composite reliability and Cronbach's alpha for the construct of coercive power, it was decided to retain this construct in order to test the hypotheses of this study.

Once the internal consistency reliability was evaluated, the next step is to assess the convergent validity of each construct using the average variance extracted (AVE). Similar to the composite reliability and Cronbach's alpha, the AVE for coercive power, measuring at 0.47, falls below the recommended threshold of 0.50 (Hair et al., 2021). Similarly, goodwill trust, with an AVE measuring at 0.48, also falls below the recommended threshold (Hair et al., 2021). The remaining constructs exhibit AVE values ranging between 0.67 to 0.78, see table 6. This indicates that the other constructs explain 50 percent or more of the variance in the indicators that makes up the construct (Hair, Hult, Ringle, & Sarstedt, 2022). To assess the discriminant validity, the heterotrait-monotrait ratio (HTMT) of correlations is used as proposed by Henseler, Ringle, and Sarstedt (2015). Recent research has indicated that the HTMT criterion outperforms the traditional Fornell-Larcker criterion and has therefore been selected (Henseler et al., 2015; Voorhees, Brady, Calantone, & Ramirez, 2016). All HTMT values, shown in table 7, are below the suggested threshold of 0.85 which suggests that discriminant validity is established (Hair et al., 2021; Henseler et al., 2015).

Table 6. Descriptives and data validity statistics.

Construct	M	SD	Cronb. α	AVE	CR
1. Legitimate power (internal)	4.76	1.19	0.86	0.67	0.86
2. Legitimate power (external)	4.73	1.22	0.86	0.67	0.86
3. Coercive power	3.81	0.90	0.59	0.47	0.62
4. Reward power	3.82	1.24	0.91	0.78	0.91
5. Goodwill trust	5.11	0.93	0.73	0.48	0.73
6. Competence trust	5.94	0.88	0.85	0.67	0.86

Notes: M = mean, SD = standard deviation, Cronb. A = Cronbach's alpha, AVE = Average variance extracted, CR = Composite reliability Rho$_c$

Table 7. Heterotrait-monotrait ratio (HTMT).

Construct	1	2	3	4	5	6
1. Legitimate power (internal)						
2. Legitimate power (external)	0.14					
3. Coercive power	0.25	0.60				
4. Reward power	0.21	0.35	0.54			
5. Goodwill trust	0.14	0.61	0.32	0.23		
6. Competence trust	0.18	0.31	0.21	0.16	0.78	

At last, to final step is to check for common method bias. Two primary ways to control for common method bias is through the design of the study's procedures and through statistical controls. Regarding the study's procedures, techniques which were used includes a partial separation of the measurement of the variables, assurances of anonymity, and assuring that there are no right or wrong answers in order to reduce social desirability bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). The statistical method for common method bias is done through a collinearity test as proposed by Kock (2015). As all Variance Inflation Factor (VIF) values were below the threshold of 5.0, collinearity is likely to not be problematic (Hair et al., 2021).

4.5 Control variables

In order to account for the multifaceted nature of the real-life world, this study incorporates the boundary-spanner's work experience and the relationship length as control variables. First, decision making is one of the most important skills that a boundary-spanner should possess (Kolchin & Giunipero, 1993). Strong and efficient decision making is amplified by tacit knowledge which comes from experience (R. K. Wagner & Sternberg, 1985). It is therefore argued that work experience has an effect on the perceived legitimacy of the boundary-spanner and its use of power and trust. Second, as stated before, longer relationships may have different dynamics and levels of trust compared to newer relationships (Sahay, 2003; Sako, 1992). This could thereby influence the perception of power and the legitimacy of the boundary-spanner. During data collection, the boundary-spanner's work experience was measured in the purchaser survey whilst an average was used for the relationship length as different relationship lengths were measured in the purchaser and supplier survey.

5. RESULTS

To determine the statistical significance and results of this study, a bootstrapping procedure was employed using 5000 samples. Additionally, to further ensure the stability of the results, bootstrapping procedures with 2500 and 1000 samples were performed, revealing no differences in the estimates. Given the small sample size of this study, it was decided to not only focus on the significance level (alpha = 0.05), but also on the path coefficients. In cases where a hypothesis is not supported due to a significance level exceeding alpha, but demonstrates a path coefficient surpassing a beta cut-off value of 0.15 or falling below -0.15, results in this study deeming the hypothesis as substantially supported. Figure 2 represents the hypothesised model with the corresponding beta coefficients, whilst table 8 represents a summary of the results.

Figure 2: Partial Least Squares-SEM Results
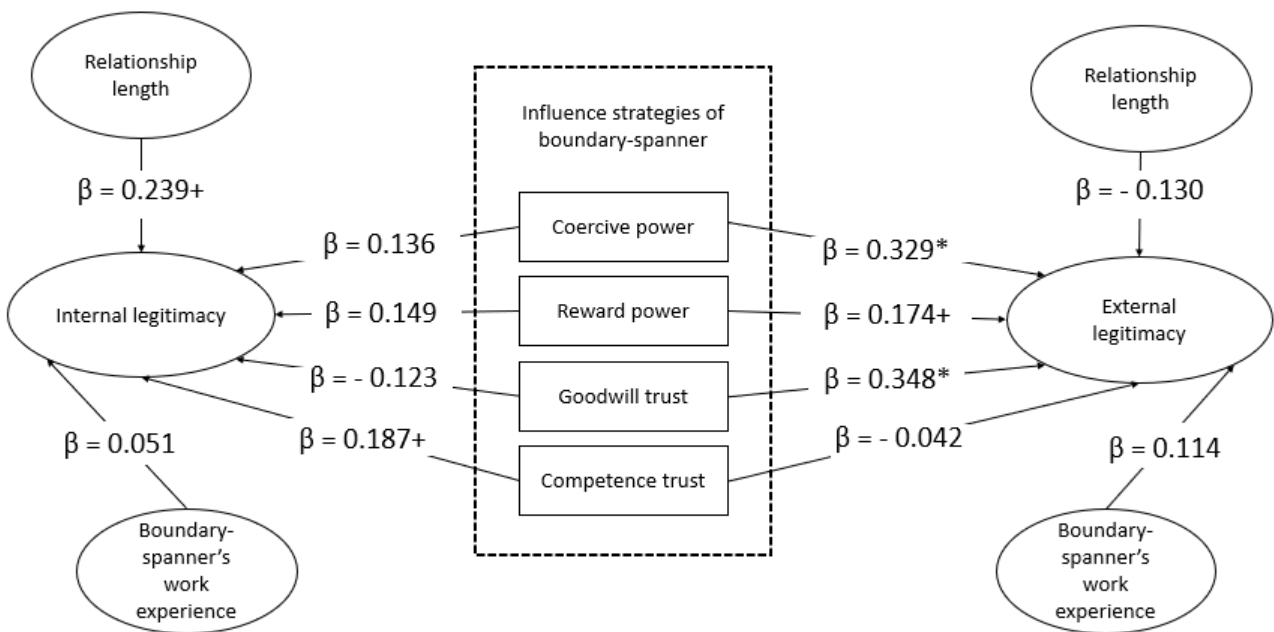
Notes: * = significant effect, + = substantial effect

As depicted in figure 2, coercive power exhibits a positive yet non-significant effect on internal legitimacy ($\beta = 0.136$, t = 0.960, p = 0.337). Given that the beta coefficient is smaller than the cut-off value of 0.15 leads to the rejection of H1a. Conversely, the effect of coercive power on external legitimacy is positively significant ($\beta = 0.329$, t = 2.864, p = 0.004). Nonetheless, as the hypothesis posited a negative relationship, results in H1b also being rejected. Contrary to the hypothesised negative relationship, reward power exhibits a positive yet non-significant effect on internal legitimacy ($\beta = 0.149$, t = 1.021, p = 0.308), resulting in the rejection of H2a. The effect on external legitimacy is positive, with a beta value exceeding 0.15, thus providing substantial support for H2b ($\beta = 0.174$, t = 1.849, p = 0.064). Goodwill trust exhibits a negative relationship with internal legitimacy ($\beta = -0.123$, t = 0.658, p = 0.510). Although in line with the hypothesis, the effect is deemed non-substantial as the beta coefficients exceeds -0.15, leading to the rejection of H3a. In contrast, the effect on external legitimacy is statistically significant and is in line with the hypothesis, supporting H3b ($\beta = 0.334$, t = 3.236, p = 0.001). At last, competence trust exhibits a positive and substantial effect on internal legitimacy, as indicated by beta which exceeds 0.15 ($\beta = 0.187$, t = 1.068, p = 0.285), providing substantial support for H4a. However, the effect on external legitimacy contradicts the

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hypothesised positive effect, displaying a negative relationship (β = -0.042, t = 0.415, p = 0.678), leading to the rejection of H4b.

For the control variables, relationship length had a non-significant but substantial positive effect on internal legitimacy (β = 0.239, t = 1.798, p = 0.072). Regarding external legitimacy, relationship length indicated a negative but no significant effect (β = -0.130, t = 1.284, p = 0.199). At last, the boundary-spanner's work experience had a positive but non-significant effect for both internal legitimacy (β = 0.051, t = 0.358, p = 0.720) and external legitimacy (β = 0.114, t = 1.078, p = 0.281).

Table 8. Results of tested hypotheses

Hypothesis	β	Significant/Subst.	Outcome
H1a: Coercive power → Internal legitimacy	0.136	Not substantial	Not supported
H1b: Coercive power → External legitimacy	0.329	Significant	Not supported
H2a: Reward power → Internal legitimacy	0.149	Not substantial	Not supported
H2b: Reward power → External legitimacy	0.174	Substantial	Supported
H3a: Goodwill trust → Internal legitimacy	-0.123	Not substantial	Not supported
H3b: Goodwill trust → External legitimacy	0.348	Significant	Supported
H4a: Competence trust → Internal legitimacy	0.187	Substantial	Supported
H4b: Competence trust → External legitimacy	-0.042	Not substantial	Not supported

Note: Subst. = Substantial

6. CONCLUSIONS AND DISCUSSION

The objective of this study was to explore what strategies boundary-spanner's could employ to enhance their legitimacy among suppliers and internal stakeholders, thereby ensuring compliance with their demands. By doing so, this study identified power and trust as key strategies in the buyer-supplier relationship which boundary-spanner's can use to strengthen their legitimate position (Bachmann, 2001; Benton & Maloni, 2000).

As indicated by figure 2, the results of this study show that coercive power has no substantial effect on internal legitimacy, but a significant positive effect on external legitimacy. It was found that reward power does not have an effect on internal legitimacy, but a substantial positive effect on external legitimacy. While the results on goodwill trust exhibited a negative but non substantial effect on internal legitimacy, it also had a significant positive effect on goodwill trust. At last, the results on competence trust indicated a substantial positive effect on internal legitimacy, with a negative but non substantial effect on external legitimacy. Regarding the control variables, only the relationship length had a substantial positive effect on internal legitimacy, with the effect on external legitimacy and the effects of the boundary-spanner's work experience being non substantial.

6.1 Theoretical contribution

By combining the different dimensions of power and trust and connecting this to legitimate power, while taking into account the role of internal stakeholders, has led for this study to yield several interesting findings, of which three are highlighted. First, the findings of this study contribute to the literature on legitimate power (Benton & Maloni, 2000; French & Raven, 1959; Spekman, 1979) by introducing a new perspective to the concept. While prior research predominately examined

legitimate power as an influence strategy directed at external suppliers (Huo et al., 2017; Terpend & Ashenbaum, 2012), the results of this study unveil that other sources of influence also affects the legitimacy of the user itself, particularly among external suppliers. Specifically, the findings highlight that the legitimacy of the user is not solely shaped by legitimate power, but also by other influencing factors like power and trust. For example, it was found that goodwill trust exhibits a significant positive effect on external legitimacy. While aligning with expectations, as previous research indicated the positive perception of goodwill trust in the buyer-supplier relationship (Li et al., 2007; Roy et al., 2004; Terpend & Ashenbaum, 2012), these results provide new insights by revealing that this positive perception translates into an enhanced legitimate position of the boundary-spanner in the buyer-supplier relationship. This evidence also further reinforces the notion that suppliers value boundary-spanner's who act beyond contractual obligations, reflecting their goodwill, even though this is not required (Ireland & Webb, 2007). Furthermore, the significant positive effect of coercive power on external legitimacy also provides evidence that the sources of power can have a positive effect on the legitimate position of the boundary-spanner in the buyer-supplier relationship.

Second, this study makes a contribution to the literature concerning the role of internal actors in organisations (Brattström & Faems, 2020; Foerstl et al., 2013; Lumineau & Oliveira, 2018; March, 1962) by shedding light on the complexity of how internal stakeholders evaluate the legitimacy of the boundary-spanner based on the power and trust strategies employed in the buyer-supplier relationship. While competence trust revealed to be substantial on internal legitimacy, it is noteworthy that coercive power, reward power, and goodwill trust did not demonstrate any statistically significant effects. Nonetheless, it is important to highlight that the three non-significant strategies were found to be close to demonstrating substantial effects, suggesting a potential relationship which needs further investigation. For example, while non-substantial, goodwill trust exhibited a negative relationship, aligning with expectations, as acting in goodwill might pose a strategic risk (Ireland & Webb, 2007; Newell et al., 2019). The results emphasize that internal stakeholders place greater significance on the boundary-spanner demonstrating their competences when evaluating the boundary-spanner's legitimacy. By demonstrating their competences, the boundary-spanner showcases their capability to make informed decisions which can enhance their firm's competitive position (Wu, 2008; Yigitbasioglu, 2010). This demonstration of competence could foster confidence among internal stakeholders and reinforce their perception that the boundary-spanner acts in the best interests of the firm. Giving a possible explanation as to why internal stakeholders attribute higher value in competence trust when evaluating the boundary-spanner's legitimacy.

Third, this study contributes towards expanding the literature on power and trust in the buyer-supplier relationship (Bachmann, 2001; Benton & Maloni, 2005; Benton & Maloni, 2000; Terpend & Ashenbaum, 2012) by demonstrating that the various sources of power and trust can also influence the perception of the actor and their legitimate position within the buyer-supplier relationship. While previous literature has highlighted the positive effects of competence trust (Humphreys et al., 2004; Krause, 1997) and questioned the use of coercive tactics (Benton & Maloni, 2000; Terpend & Ashenbaum, 2012), the results of study offer nuanced insights. Notably, while competence trust indicated no significant effects on external legitimacy, the unexpected significantly positive effect of coercive power on external legitimacy challenges existing literature. The negative perception regarding coercive power is that it extracts unfair concessions with victims seeking ways to resist (Kumar, 1996). However, the results of this study would suggest that coercive power is a viable tactic for boundary-spanner's aiming to enhance their legitimate position in the buyer-supplier relationship. While unexpected, supplier dependence may offer an explanation of this finding. When suppliers are dependent on high-volume buyers, an environment is created of uncertainty about the buyer's future

actions, which poses a challenge to the supplier's continued success (Hillman, Withers, & Collins, 2009; Sutton, Devine, Lamont, & Holmes, 2021). To mitigate this uncertainty and ensure relationship stability, suppliers allocate resources to the buyer (Elking, Paraskevas, Grimm, Corsi, & Steven, 2017). Relating this to coercive power, dependent suppliers may be more willing to comply to these tactics and grant legitimacy to reduce uncertainty and to protect the relationship. A study by Pulles et al. (2014) also indicate this, as they found coercive power to be an effective tactic to obtain better physical supplier resources when the buying firm has a large share in the supplier's turnover.

6.2 Practical contributions

The findings of this study showed multiple substantial and significant effects, providing new insights on the multifaceted nature of power and trust and its role on legitimacy, making it interesting for managers. Specifically, the findings highlight the surprising positive effect of coercive power on external legitimacy. Even though existing research predominantly points towards the negative aspects of coercion (Benton & Maloni, 2000; Terpend & Ashenbaum, 2012), the results of this study indicate that boundary-spanners can strategically utilise coercive power to establish and maintain their legitimacy with suppliers. Boundary-spanners can leverage coercive power as a tool to assert their authority and to ensure compliance from suppliers (Pulles et al., 2014). It is important to note, however, that there may be other untested factors that could explain the observed positive effect on external legitimacy, such as supplier dependence (Hillman et al., 2009; Sutton et al., 2021). Furthermore, based on the findings regarding reward power, it implies that boundary-spanners may consider pursuing reward power as a strategy, as it does not negatively impact their internal legitimacy while positively influencing their external legitimacy. Boundary-spanners can thereby leverage the use of rewards through additional business, favourable treatment, and economic incentives to increase their legitimacy, enhancing their ability to influence and receive their demands (Terpend & Ashenbaum, 2012; Vos et al., 2021). Next, while goodwill trust had a negative but no substantial effect on internal legitimacy, the significant positive effect on external legitimacy suggests that boundary-spanners should prioritize and employ goodwill trust as a key strategy to enhance their legitimacy. Boundary-spanners should thereby cultivate goodwill and go beyond contractual obligations, which then builds a stronger relationship, enhancing their legitimacy (Ireland & Webb, 2007; Jones, 2001; Roy et al., 2004). At last, the substantial positive effect of competence trust on internal legitimacy indicates that boundary-spanners could demonstrate their competences and collaborate with other internal stakeholders to enhance their internal legitimacy. As by sharing their knowledge and insights about the buyer-supplier relationship, boundary-spanners can enhance their organisation's competitive position (Das & Teng, 2001; Wu, 2008; Yigitbasioglu, 2010), increasing their perceived value to internal stakeholders and strengthening their legitimate position. However, it is important to note, in line with the results of this study, that demonstrating competences does not yield a substantial effect on external legitimacy. Therefore, it may not be advisable to prioritize this strategy for enhancing legitimacy.

6.3 Limitations and future research

While the results are quite interesting, there are some limitations to this study which should be taken into account. These limitations thereby also open up the opportunity for future research. First, the sample size of 69 for this research is quite small. Even though PLS-SEM is able to provide results with small sample sizes (Reinartz, Haenlein, & Henseler, 2009), Hair, Black, Babin, and Anderson (2010) argued that a minimum of 100 samples is required when testing hypotheses with five or less latent constructs, while the model of this study consists of six latent constructs. Insufficient sample size in

an analysis may lead to a type II error, where an existing effect in the underlying population may go undetected (Hair et al., 2022). Due to this insufficient sample size, the theoretical and practical contributions in this study are not only based on significance level, but also on beta cut-off values. This may have further implications for the generalisability of the findings to a larger population.

A further limitation regarding the data is primarily the issues with the construct coercive power. Most factor loadings for coercive power did not meet the recommended threshold, which affected the internal consistency reliability and convergent validity measures (Hair et al., 2021; Nunnally, 1978). Furthermore, the construct for goodwill trust also did not meet the recommended threshold regarding the convergent validity measure (Hair et al., 2021; Nunnally, 1978). These limitations indicate that there are specific issues within the data itself, impacting the reliability of the results. Due to this, future research should explore alternative methods to enhance the measurement of coercive power and address the issues related to construct validity and address the issues regarding convergent validity for goodwill trust. Additionally, future studies should aim for larger sample sizes to ensure greater generalisability of the findings. By increasing the sample size, it would be possible to obtain more robust results and reduce the risk of type II errors.

In relation to the results on internal legitimacy, since coercive power, reward power, and goodwill trust exhibits effects close to being substantial, future research should consider investigating these potential relationships with a larger sample size. Furthermore, in relation to external legitimacy, the unexpected findings regarding coercive power raises the need for additional research into this effect. Future research could delve deeper into this relationship and explore alternative mechanisms that might account for these results. As previously discussed, future studies could incorporate supplier dependence in the relationship between coercive power and external legitimacy and find out whether this explains the results of this study. While not taken into account in this paper as it is out of the scope of this research, the potential importance of cultural factors in understanding the relationship between power, trust, and legitimacy (Zhao et al., 2008) could also play an important role and should be researched more in the future. At last, while this study mostly looked at the multi-dimensional constructs of power and trust as separate strategies, it does not imply that these strategies cannot be pursued simultaneously, as seen in the study from Ireland and Webb (2007). Future research could explore the synergistic effects of combining different strategies of power and trust and investigate how they interact and complement each other in influencing legitimacy.

7. BIBLIOGRAPHY

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