Effect of Internal Misalignment on Competence Trust from the External Relationships; Influenced by Sustainability

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ABSTRACT,

Currently, companies experience an organizational shift towards more sustainable practices. This organizational shift can cause irregularities within the internal environment of the company and in the external environment. The main irregularity which the research focuses on is internal misalignment, which is caused by different sustainability perspectives across the company. The research seeks to address how this phenomenon impacts the external environment, focusing on competence trust from supply chain partners. The research focuses on a company within the connectivity solutions market, where interviews were conducted, to seek for new insights about the construct of the research. The interviews resulted in new insights such as describing two different ways of internal misalignment. Additionally, the effect of internal misalignment due to sustainability perspectives does not have much impact on the external relationships with supply chain partners in the form of competence trust. Other factors, which do impact competence trust were also found. Implications for theory and practice were found, as this construct has not yet been properly examined by the current research. Internal misalignment between departments has been identified, whereas current research only talked about persons. Another finding is the low effect on competence trust due to the high dependence on supply chain partners within the connectivity solutions market. Lower amounts of buyers and suppliers leads to more dependence on current partners, and therefore learning trajectories are often fulfilled rather than looking for new partners. Recommendations for future research is by conducting research with companies which are less dependent on their supply chain partners, together with seeking for different types of internal misalignment and different ways how competence trust is impacted at the external relationships.

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Keywords

Sustainability, Connectivity solutions industry, Competence trust, Interviewees, Perspectives, Internal misalignment, External dynamics

1. INTRODUCTION

Relationships between supply chain partners are essential to achieve competitive advantage (Li et al., 2006). How the relationship between supply chain partners work, is an already well-researched topic. However, companies are often seen as single entities within research. This study will try to go more in detail and see companies not as single entities, but as a more complex composition of different actors and influences. One of these influences is the influence of sustainability on the relationship between supply chain partners (Carter et al., 2008). This thesis will try to reveal the influence that internal misalignment of sustainability, due to different perspectives, on the relationship regarding competence trust. Competence trust is the trust in skills, abilities, and knowledge of the relationship (Smith et al., 1997). Internal misalignment can be seen as the low degree of alignment among employees, regarding topics such as strategies, perspectives and mindsets within a company. Internal misalignment can have consequences, such as decision errors (Avison et al., 2004; Corsaro et al., 2011). It is thus important to aim for alignment. However, this can be difficult, due to sustainability becoming an increasingly more important topic, within industries, day by day. This leads to a shift of focus on sustainability (Pagell et al., 2010). The organizational shift can possibly cause more misalignment, because of differences in perspectives, mindsets or strategies amongst employees regarding sustainability topics. Internal misalignment, due to different perceptions of sustainability can cause miscommunication within a company, which can negatively affect organizational performance (Van Hoek et al., 2006). Having internal misalignment can also affect external dynamics as suppliers tend to favor well-aligned buyers which have clear goals. Companies rather have good alignment which can positively affect organizational performance (Kim et al., 2020). In addition, well-aligned sustainability practices can lead to competitive advantage (Bocken et al., 2014).

This research aims to investigate further into the actors and influences where other research left off. Research is limited as only some literature have described the internal misalignment within supply chain partners, or have described the internal linkages which correlate to the external relationship (Ellegaard et al., 2012; Van Hoek et al., 2006). The research aims to combine this by testing the influence of internal misalignment across departments and the cause of this. Together with the influence this has on the external linkages within the supply chain in the form of competence trust. Research have shown that trust in competencies of supply chain partners can affect the external dynamics (Ha et al., 2011). However, this research will test how competence is influenced due to internal misalignment. The research thus follows a basis of the three articles, alongside with future recommendation gathered from another article. The specified research focuses more on the internal dynamics of a buyer which affects the external dynamics of the supplier (Brattström et al., 2019). The research stresses to explore the connection between internal dynamics and external relational dynamics in different contexts in the future. The research follows the context of politics within a certain industry. This research will aim to use this recommendation and explore internal fragmentation in a different context. The specified context is sustainability, thriving to be sustainable, makes organizations shift towards more sustainable practices, and organizational shifts causes more tension due to misalignment (Yeow et al., 2018).

Based upon the aforementioned research gap and problem statement, research will focus to answer the following question:

How does internal misalignment, due to different sustainability perspectives within a firm, influence the relationship with supply chain partners in the form of competence trust?

Research will focus to answer the research question using a qualitative approach. Data will be gathered by interviewing different applicable employees of a company which have an influence on the external dynamics of the company, which can be viewed in table 2. To answer the research question, sub-questions will help to answer the research question, which will be asked within the interviews. Sub-questions will help to enrich the data and give better insights into the results, the questions can be found in appendix A. Additionally, data of previous academic literature will be used to form a better understanding of the general topic of internal dynamics in a company which influence the external dynamics. Together with a better understanding of the variables which are in the research question.

The aim of the thesis is to gather additional insights by combining sustainability, which causes organizational shifts, and internal misalignment which could occur due to this. Together with the influence it has on competence trust. Already established academic literature regarding competence trust, sustainability, internal misalignment and external relationships will be used. By using this as a basis, with new information gathered using interviews, the thesis aims to contribute to new insights. Insights such as distinct types of internal misalignment, why this occurs, and how it can be solved. The influence that internal misalignment due to sustainability has on competence trust and how this influence can be described. Additional insights will also be gathered and discussed. An addition to this is to assess the possibility of strategic sustainable collaborations which requires trust. The emerging focus on sustainability can be a catalysator for new collaboration initiatives, this can benefit both parties, with the main purpose of achieving competitive advantage in a specific industry (Vachon et al., 2008). This thesis its contributions are made, by asking and analyzing new information. Assessing this shift in dynamics, is done using a qualitative case approach. By interviewing purchasers, managers and other functions within an organization regarding sustainability. Interviews will be held on a company-based level as every company has different ways to embrace sustainability and insights can differ from company to company.

2. LITERATURE BACKGROUND

Theory has been studied on the topics of sustainability and competence as a dimension of trust within a business

management context. Together with the internal and externa relationships within a company.

2.1 Sustainability and internal misalignment

Sustainability-oriented innovation and technology nowadays is more important than ever. Studies have received increasing attention regarding sustainability. In particular, a new field dealing with "sustainability transitions" (Markard et al., 2012). Companies try to shift towards more sustainable practices as this tends to lead to more competitive advantage and renewed ambition and enthusiasm across the company (Loorbach et al., 2013). Additionally, adhering to sustainability standards can minimize the risk of reputational damage. Supply chain partners try to invest in suppliers, which also adhere to sustainability standards, as this avoids the risk of reputational damage to the buying firm. Adjusting towards sustainability standards can also lead to bigger competitive advantage if done early, making it a pressing topic (Reuter et al., 2010). All in all, sustainability is thus vital for current companies.

Sustainability often refers to the pursuit of the performance on economic, social and environmental impact (Reuter et al., 2010; Spliliakos, 2018). Alongside with that, global consumers across all industries put pressure on sectors to reduce environmental stress, particularly when this is directly related to climate change (Bhat et al., 2022). What becomes evident is the pressure of adhering to sustainability practices within a company for the aforementioned reasons.

Currently, 98% of the companies worldwide reported some level of detail of sustainability in 2022, which are increased numbers compared to 2019 (Strickland, 2024). Varying from low sustainable practices, to achieving circularity, being environmentally and economically regenerative. This can be seen as most desirable regarding sustainability. Almost no major company has achieved circularity yet, as this takes individual company effort together with national effort (Lieder et al., 2016). However, companies do thrive to achieve this.

Every company adapts to new sustainability transitions in their own way. These sustainability transitions are most of the time established by innovations created in so called niches, where radical innovations are worked on, which deviate from existing solutions (Kump, 2023). Sustainability can be measured on a personal level, the level of how a person sees sustainability and their dedication towards more sustainable practices (Magistro et al., 2024). Sustainability is also measured on organization level, the level of how an organization tackles sustainable practices (Gaweda, 2021). However, sustainability on organizational level can be different than on personal level, as there are many persons within an organization which can have many different perspectives and commitment to sustainable practices.

What becomes evident is the fact that sustainability and transitioning to new more sustainable practices, such as circularity, are often researched (Ghisellini et al., 2016). However, what is missing is the focus of perspectives within a company on how sustainability is tackled.

Within companies and their supply chain, a low degree of alignment can be evident. In other words, internal misalignment. Internal misalignment occurs when across the internal environment, different priorities and initiatives exist. Research shows that this can occur within companies which cause misunderstandings and disagreements on opportunities and priorities (Van Hoek et al., 2006). This also concerns the organizational shift towards sustainability, because within the internal environment, different priorities can be given whereas one does not see it as a priority and the other does. There is currently not much about which types of internal misalignment can occur. Additionally, there is close to zero information about the organization shift towards more sustainability and the effect of internal misalignment. Less researched is thus the misalignment which occurs when supply chain partners narrate their view towards the employees. Companies are often seen as single entity but that is false. Companies consist of x number of employees which also represent x number of different perspectives. These perspectives can complement or can contradict each other, such as green or gray perceptions. Additionally, what will be the impact on the trust of supply chain partners, because trust can impact the relationship in forms such as less risk due to resource sharing (Jiang et al., 2015).

2.2 Competence trust and the external dynamics

The term trust cannot be seen as a single term, trust has different dimensions which together come to the composition of the term trust. The two most often used dimensions within the term of trust are competence and goodwill trust (Das et al., 2001; Jiang et al., 2013; Nooteboom, 1996). Hence why, the dimension of competence is mostly used in this thesis. To describe competence trust, competence is the degree to which partners perceive each other as having the skills, abilities, and knowledge necessary for effective task performance (Smith et al., 1997). As Smith says, competence is determined by the number of skills, abilities and knowledge desired by a company towards a supplier. Another description of competence trust is: "competence trust is a prerequisite for the viability of any repeated transaction. This can be translated into that a company needs to have competence trust in a supplier to repeat transactions (Sako, 1992). Without competence trust, companies cannot fully trust on their relationships, these relationships thus could be less tight than desired. In a case example, the effects of competence can be examined as: "increasing doubt about the intentions and competences of the partner organization, and reduced willingness to commit to the relationship. Such a negative spiral is likely to culminate in failure and premature termination of inter-organizational relationships"(Ariño et al., 1998; Brattström et al., 2019). It is thus evident that, failing to be competent for your business partner as a company has significant effects on the external dynamics of the company.

Competence trust is an important underpinning of collaborating performance. Having trust in a partner's competence can decrease the focal firm's fear of perceived performance risk. Competence trust also enables collaborating partners to perform riskier actions

which can generate better performance (Jiang et al., 2015). Trusting in each others competences, as buyer as well as supplier, makes investing in each others and combining resources beneficial and can lead to above average returns by doing so (Krause et al., 2007). As stated above, competence trust can be seen as an enabler or disabler for collaboration, such as sustainability practices. However, that is a less researched topic. Trust has an amount of different dimensions, with competence and goodwill trust being the most stated dimensions (Das et al., 2001). Competence trust is mostly seen as a dimension of trust based on organizational level. However, it can also be seen on personal level. Trusting in a employee which maintains a relationship is stronger related to commitment than trust in a relationship with a whole company (Ganesan et al., 1997). If different representatives offer different promises or agreements towards a customer, internal discrepancies occur. For the sake of the research, firm-level trust will be examined rather than individual level. Because individual level trust is not significant for a company to act upon.

Internal misalignments can also occur between different departments in a company. One study found out that internal misalignments and disagreements on opportunities and priorities, can be significant between managers and other colleagues (Van Hoek et al., 2006). Research has not described the effect of internal misalignment due to sustainability perspectives, on the level of trust in competences from supply chain partners yet. Because competence trust is seen as component for better inter-organizational performance (Jiang et al., 2015), it is interesting to know if the emerging need to shift to more sustainable practices has effect upon this.

2.3 Conceptual Framework

Following the literature discussed in the previous subsection, a conceptual framework has been designed to give an overview. What can be derived from the framework, is the use of internal misalignment as described by (Van Hoek et al., 2006). Internal misalignment within one company is used, to seek what the relation with competence trust is in the external environment of the company. The intention is to seek if the external environment can pick up the internal misalignment of the said company. Alongside with that, if the trust in competences from the company is impacted according to their external environment. Internal misalignment is influenced by the different sustainability perspectives from employees within a company. Figure 1 gives a visual representation of this.
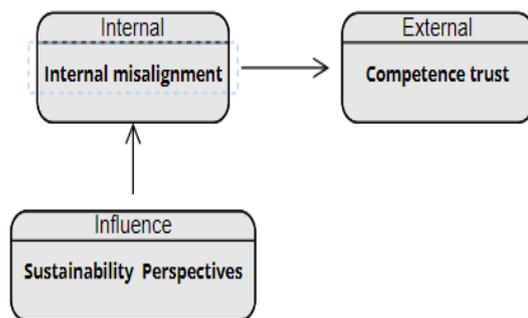

Figure 1 – Conceptual Framework

3. METHODOLOGY
3.1 Research Method
To have collected the data and identify the view of suppliers towards the competence trust of a buying company, which is influenced by sustainability tensions, a qualitative design was used. A qualitative approach allows to study the data gathered within a real-world setting. By using a qualitative approach, it lead to more in-depth insights into the research (Yin, 2015). A qualitative design was chosen due to the low amount of information available about the structure of the research question.

Additionally, a qualitative design was a more viable option when looking for details such as perceptions or experiences, which would've been captured less using a quantitative design (Jüttner et al., 2003). Data was gathered by interviewing purchasing related employees of a company within the connectivity solutions industry. Interviews were built on a semi-structured basis, with open-ended questions. The open-ended questions were asked in a conversation-like setting. Additionally, follow-up questions were asked on the spot which allowed for less rigid interviews and more in-depth answers (Saunders et al., 2019).

3.2 Interview Protocol
The interviews were approached using semi-structured interviews. The interview protocol was built using general articles, as specific interview protocols regarding the subjects in this paper were limited. The semi-structured interview approach contained a set of open-ended questions, which had the possibility of follow up questions to be asked (Saunders et al., 2019). Follow-up questions were asked in the form of examples and previous experiences as this reduced bias (Schwarz, 1999).

In order to get the most optimal data to answer the research question, background information was asked (Sociology, 2023), such as experience, personal information and information about the company. This was asked together with the dependent and independent variable, along with the relationship between the variables. To make sure that all topics were covered, which are competence trust, sustainability and the relationship between the variables, questions in all three topics were asked in a specific manner to ensure as specific answers as possible. To have made sure that the interviewee had the same understanding about topics, explanatory questions were asked first regarding the topics stated before. If the interviewees had different understandings of the topic, explanation of the desired perception of the topic was made, to ensure alignment. The more difficult questions were held afterwards, towards the end (Sociology, 2023).

Questions have been asked depending on the flow of the conversation. Questions were asked from both the interviewees perspective on the external relationships, as well as questions about the interviewees' perspectives on the internal environment. The interview protocol thus tried to answer the research question by asking the interviewees about both internal and external topics. However, it was expected to handle each variable at a time, after answering the first variable, the interview turned towards the second variable. At last, the more difficult questions were asked after the interviewee was 'warmed-up'. These questions were about revealing the relationship between the variables of sustainability and

competence trust. An overview of the link with the literature and focus of the questions can be seen in Table 1. An overview of all the interview questions is found in Appendix A.

Table 1 - Interview Protocol – Question Focus and Literature Link

Topics regarding RQ	Questions Focus	Link with literature
General understanding	Background & Personal information	General definitions
Sustainability related questions	Experiences & Perspectives	Finding out the importance & occurrence of internal misalignment
Competence trust related questions	Experiences & Perspective	Finding out the importance & occurrence of competence trust
Relationship related questions	What the effect of the phenomena in the construct are	Seeking the effect of the construct

3.3 Sample Case

For the interviews, a sample amount of six interviewees were taken. To be the most fitting for the research, some desired requirements were to be met. To answer the research question in the most fitting way, interviewing employees from a firm which partially or fully operated in a Business-to-Business environment was essential. Reason for this, was the investigation between the relation of external dynamics in this environment. A firm of sufficient size was another requirement as the number of samples or interviewees needs to form a solid base to try to find misalignments. Regarding the interviewees, interviewees needed to have sufficient experience and involvement in the company to answer the interview protocol in a sufficient way, preferably across different departments. The last requirement was that interviews were urged to be held in real life, rather than using zoom or on the telephone. Face-to face interviews were a better fit for qualitative approaches, give better insights, and more chance to ask further into detail. By using above mentioned requirements, a pre-selected sample was picked to have as specific possible answers regarding the interview protocol.

The company of the participants is a western company focused on connectivity solutions, such as optical fiber and low-, medium- and high-voltage cables. The company was established in 1930, the company reached its growth by closely collaborating with buyers and suppliers and being innovative. The company was interviewed by seeing them as the company which encounters internal misalignment due to sustainability. The company was also seen as the supply chain partner, and if they could sense internal misalignment at another company in their supply chain. In table 2 an overview is given about the participants, their roles and their experience within the company.

Table 2 – Information of Participants

Participants	Function	Experience
IP1	CSR Engineer	1,5 Year
IP2	Leader Material & Process Development	22 Years
IP3	CSR Manager	25 Years
IP4	Manager R&D & Energy	11 Years
IP5	Purchasing & Product Manager	25 Years
IP6	Manager R&D	5 Years

3.4 Data Analysis

To be sure that the answers from the interviews were captured correctly, most of the interviews were recorded and transcribed with the consent of the interviewee. Two were not recorded as these participants would not give consent to this. To still ensure good and valid data, the two interviews were transcribed live and took a bit longer to still have strong data. To extract findings from the gathered data, the data was mostly coded using a deductive approach. Certain codes like internal misalignment due to sustainability and competence trust were pre-established. Focusing on the occurrence of internal misalignment and on the effect of the phenomenon of internal misalignment due to sustainability on the phenomenon of competence trust. Other data which was gathered was done using inductive approaches as these had no pre-established codes (Delve, 2024). By using inductive methods, all relevant information gathered of the interviews formed additional findings of the interview (Thomas, 2006).

4. RESULTS

The following section discusses the results which are obtained through the interviews. The aim of conducting the interviews was to reveal new information about internal misalignment regarding sustainability and its influence on the external relationship in the form of competence trust. Table 3 summarizes the key findings and divides them amongst the corresponding paragraphs of the results section. Lastly, "IP" is used as abbreviation for interview participant, followed by which participant.

Table 3 - Findings summarized and divided.

Paragraph	Findings
4.1.1	Internal misalignment occurs due to the novelty of adoption of sustainability.
4.1.2	Internal misalignment occurs due to different perspectives among different departments.
4.2.1	Internal misalignment due to sustainability has a minimal impact on competence trust.
4.2.2	Competence trust is impacted by different ways rather than internal misalignment.

4.1 Internal misalignment

First, the results of internal misalignment are discussed. Internal misalignment has been mentioned by all

participants that it occurs in the company. The reason for the occurrence of internal misalignment is more divided amongst the interviewees. The two foremost reasons are novelty and different perspectives.

4.1.1 Misalignment due to novelty

According to participants, internal misalignment does occur between the departments of the company. The most common reason given is the novelty of adoption of sustainability in the company, alongside with the market which they operate in (IP1, IP2, IP4, IP5). For example, IP1 mentioned that the company did not have a large, dedicated sustainability department yet. Currently, the company only has three dedicated persons working at the CSR department. However, growth is expected within the small, dedicated sustainability department, in the short future. The reason IP1 gives is the increasingly more important topic of sustainable practices. This decentralized way of working, is a reason where internal misalignment occurs. Another reason where internal misalignment occurs is that not everyone has faith in the sustainability solutions, according to IP2. An example is the lack of faith in materials which are from a bio-based origin. IP2 enhances this by stating that customers also have misalignment, often at bigger companies. "Not everyone is up to date with the sustainability goals, such as CO2 reduction and circularity, there is still much to learn,". IP4 and IP5 also confirm the occurrence of internal misalignment due to novelty. "Sustainability is new for everybody in the market of connectivity solutions." (IP5). IP4 gives a more explaining answer because sustainability is indeed a new occurrence in the market: "Nowadays customers are more likely to sacrifice a bit of the profits for sustainability, which is the opposite of ten years ago." Participant 4 also states that misalignment occurs between departments as R&D often has different wishes and thoughts about sustainability than the CSR department.

4.1.2 Misalignment due to perspectives

Going further, the CSR has a vision how the company should adhere to sustainability in the upcoming years. However, IP4 acknowledges that this vision is not yet suited for the day-to-day operations. IP4 sees the R&D department as the middlemen between the CSR department and operations, where R&D takes the wishes from the CSR department and adjust it to suit the day-to-day operations. In addition to this, IP6 explains that there are different wishes at different departments of the company. The sales and CSR department want to be as sustainable as possible, whereas R&D is more hesitant in adhering to sustainability wishes. Both IP4 and IP6 recognize the effect sustainability will have on the lifespan and conductivity of the cables, which the company provides. More sustainable and recycled materials will mean a shorter lifespan and worse conductivity, a balanced variant is the most optimal solution according to both participants. However, this is not realized yet, which means that there are different perspectives on the product that the company delivers, sustainability against longevity.

In addition to IP4 and IP6, IP3 gave insights by providing a stakeholder analysis. This was conducted in September 2023, and contains what representatives find relevant or not when looking at 31 CSR themes. The themes were selected by the company and their representative groups, such as shareholders, customers, employees, and management. Themes such as circularity, emissions in scope 2 and three, child labor and raw materials were shown. What can be derived from the analysis is the difference in what representative groups deem as relevant or not. For example, circularity is 'very relevant' for suppliers, whereas it is only 'relevant' according to employees and customers in offshore and telecom markets. Different perspectives are also evident in the internal environment as there are multiple CSR themes which are not aligned between management and employees. Examples are raw materials, energy, and scope two and three emissions, management sees said topics as 'very relevant' whereas employees only see it as 'relevant.' Proper alignment would assume that management and employees have the same vision and find the same things relevant. Assessment of relevance in CSR themes is unfortunately not done by distinguishing employees and their departments, the employees is one group whereas relevancy can differ between the departments.

4.2 Competence trust

All participants said something about the trust in competences of the external relationship during the interviews. What became evident, is the low influence of internal misalignment regarding sustainability on competence trust. All the participants talked about other influences which could damage the trust in competences, rather than internal misalignment. Only participants 1 and 5 stated that competence trust could be influenced by internal misalignment regarding sustainability of a supply chain partner.

4.2.1 The influence of internal misalignment on competence trust

According to the participants, competence trust is hardly influenced by internal misalignment due to sustainability perspectives (IP1, IP2, IP3, IP4, IP5, IP6). Various reasons were given why competence trust is hardly influenced by internal misalignment. IP1 gives one of the reasons. The trust in competences is not lost due to the company embracing learning projects with their supply chain partners. IP1 says that the number of companies within the connectivity solutions market are limited, in order to stay ahead of the company, the company still needs to deliver their cables. Even though the company could be hesitant, they still need to sell the product as excluding companies is a bad way to business. This makes them dependent on their supply chain partners. In addition, IP4 also talks about learning trajectories as a way to overcome internal misalignment, and not lose trust in competences of the external relationship. Strengthened by IP6, which says that trust is only damaged after multiple incidents. IP5 gives his experience regarding the novelty of sustainability in the market, which means that competence trust is not damaged. IP5 states that that due to the novelty of sustainability, the company understands that other companies also must coop with new ways of doing business. Every company has its own issues in establishing a sustainable business, so it takes time. Companies cannot be excluded, as the company of the participant also has its issues with sustainability. However, IP5 does say that competence trust could be influenced but by deliberately telling wrong numbers towards the company. However, this does not occur often as the market is small, and every company would know in the slightest of time, which is also claimed by IP1.

As a final remark, IP2 talks about that in his experience, trust in the competences of a relationship is not dependent on the size of the company. Smaller firms and bigger firms have both their strengths and weaknesses,

which means that there is not a difference between them. IP2 states that if the reaction on sustainable practices such as circularity is faintly, then trust in competences of the partner can be damaged. According to the participant, for bigger firms it is more difficult to transition to circularity, whereas smaller firms possibly cannot adhere to the wishes of the company, which explains that size does not matter regarding competence trust.

4.2.2 Other influences on competence trust
Most participants did not see a direct influence of internal misalignment regarding sustainability on competence trust, different reasons were given (IP1, IP3, IP5, IP6). Starting with IP3, IP3 said: Trust is only influenced by promises which are not met'. This is in line with IP5, who talked about supply chain partners deliberately lying about numbers or overpromising. IP1 and IP6 enhance this by stating that intentional use of wrong numbers can impact the trust in relationships. However, according to IP1, IP3, and IP6, it is easy to spot overpromising of supply chain partners and spotting false information. The reason for this is tight collaborations and insights in each others company, because this is a vital part of the business. Due to the small number of companies in the market, wrong numbers and thus a bad reputation is easily distributed amongst other companies. This is because of the presence of most of the companies at hosted exchanges for the market. Lastly, IP5 enhances the statement of other influences, by saying that trust is not quickly damaged, only if ridiculous practices or as the participant said: 'cowboy practices' occur. What thus can be derived is the low influence of internal misalignment regarding sustainability on the trust in the competences in the relationship. Other reasons have more influence, and the influence of internal misalignment can be seen as close to zero.

5. DICUSSION
5.1 Interpretation of results
By conducting a literature background and interviews, this research its aim was to answer the following research question.

How does internal misalignment, due to different sustainability perspectives within a firm, influence the relationship with supply chain partners in the form of competence trust?

Due to the importance of sustainability in nowadays business practices, internal misalignment could occur due to this organizational shift. Therefore, through interviews the occurrence was tested and will be evaluated in the upcoming section. Additionally, the influence of internal misalignment will be tested on the phenomenon of competence trust. It was expected to be an exploratory study as there are not many studies which investigated both phenomena, especially not in this construct.

5.1.1 Internal misalignment due to sustainability perspectives
Based on the results, there are two key findings regarding internal misalignment due to sustainability perspectives. Internal misalignment was mentioned by all six participants and therefore evident that it occurs. However, the participants had two different ideas of how

internal misalignment occurs within the company. First, internal misalignment occurred due to the novelty of sustainability practices within the market that the company operates in. Participants stated that within the connectivity market, sustainability practices were rather new and not well integrated into companies which operate in the market. Additionally, due to the novelty, a more centralized way of conducting sustainability practices is not yet established, which can cause noise in the communication between departments. However, internal misalignment can be a good thing as well as a bad thing, as participant 4 said: 'without friction, no shine'. Stating that it is a learning trajectory for everyone in the market, from customers to suppliers. Secondly, participants also stated that internal misalignment occurs due to different perspectives regarding sustainability. Three participants gave the reason of novelty to being the cause of internal misalignment. Whereas the other three participants stated that this was due to different perspectives regarding sustainability, which is in line with the research question. Participants stated that the internal misalignment was due to the different perspectives between departments. The department of CSR for example wants to think ahead and is overly ambitious. Whereas the operations department is not able to coop with these ambitious plans yet. As stated by the participants, R&D functions as a middleman who adjusts the plans of CSR to be a good fit for operations.

5.1.2 The influence of internal misalignment due to sustainability perspectives on competence trust
Regarding the results on the influence of internal misalignment due to sustainability perspectives on competence trust, it quickly became evident that the number of interviewees which saw an influence between internal misalignment and competence trust was low. Almost all participants said that there was close to zero influence. However, there are still two key findings derived from the results. The first key finding is the lack of losing competence trust, due to novelty of adopting sustainability practices. As participant 5 mentioned, why would it lose the trust in competences of another company due to the internal misalignment, if the company itself struggles with internal misalignment. The company embraces learning trajectories as a way to maintain its relationships with other companies, especially in sustainability practices, which is stated by participants 1, 4,5 and 6. The reason for this is the low amount of different supply chain partners in the connectivity market. Once no signs of improvement are shown, the trust in a company's competences can be lost according to participant 1 and 4. What thus became evident, is the low influence of internal misalignment regarding sustainability on the level of trust in competences within the external dynamics of the company. The second key finding is that participants gave other influences which do affect the trust in competences of a supply chain partner more. Reasons such as, promises which are not met, or lying about numbers or in words of participant 5 and 6, overpromising. The last reason which was given was that trust in competences is only lost after 'cowboy practices,' such as deliberately lying about sustainability numbers. These were described as more direct influences

on the trust in competences, the size of the company also did not matter, as one participant said. As all companies, small or big, have their own struggles to coop with sustainability.

5.2 Theoretical implications

Looking back at the theoretical background of the research, some parts of the results can attribute to the literature mentioned in this research. The first implication is by researching internal dynamics and the effect upon external dynamics in a different context than described, following future recommendations (Brattström et al., 2019). Following a sustainability context instead of political. Second, is the shift of focus from companies, towards more sustainable practices (Pagell et al., 2010). This also became evident in the company where the interviews took place. Third, the observation of seeking for competitive advantage using sustainable practices (Loorbach et al., 2013). The interviewees all told that the company opts to use sustainability to stay ahead of the competition. Additionally, customers of the company put pressure on the company to become more sustainable (Bhat et al., 2022). A key finding is that the trend, as described in the research, is thus not only about the diary sector, also the connectivity solutions sector. Observations regarding competence trust also attribute to the literature. First, competence trust is needed for repeated transactions is no new finding (Sako, 1992). Neither is the observation that increased doubts about intentions and competences of supply chain partners can terminate relationships in the long-term (Ariño et al., 1998; Brattström et al., 2019).

Other implications on theory can be linked to the article of (Van Hoek et al., 2006). The article describes the presence of internal misalignment according to surveyed persons, across the whole company. However, this article mostly talks about managers and colleagues whereas there is no distinguishment between departments. The results from this research can add on to this as it became clear that between departments, there is a lot of internal misalignments due to perspectives. Such as, the longevity versus sustainability debate between R&D and the CSR departments. Additionally, it confirms the existence of internal misalignment within companies in current times of doing business. Due to the article being almost twenty years old, confirmation of the existence of this phenomenon can be valuable. The second implication on the theory is the article of (Kwon et al., 2004). The research describes "A partner's reputation in the market has a strong positive impact on the trust-building process, whereas a partner's perceived conflict creates a strong negative impact on trust." Most participants talked about ways or factors how reputation and trust is impacted in the market, as it is a small market and exceptional behavior is quickly picked up by other companies in the market. Factors such as overpromising or deliberately lying about numbers. These factors can be seen as an addition and confirmation of the research.

Apart from the already established literature, there are also some new insights due to the explorative nature of the research. The first implication that was not included in the theoretical background, but did emerge from the research is, that it becomes clear that there is a low influence of internal misalignment regarding sustainability due to different perspectives on the phenomenon of competence trust. This has not yet been answered in established literature and can be seen as a confirmation that trust in competences is not lost due to this construct. The second implication that is not established by literature yet is, the distinction of two different types of internal misalignment. Internal misalignment due to decentralized decision-making which is derived from novelty, and internal misalignment due to different perspectives between departments. Both types of internal misalignment have not yet been established in literature yet and can also be ground for new ways of research such as investigating more into these types of internal misalignment.

5.3 Practical implications

Apart from the contributions of this paper to research in the subjects of internal misalignment due to sustainability and competence trust, the research also contributes to the practical side regarding to the subjects. The first thing that others can learn from the research is, how the company where the research was conducted, embraced sustainability. Alongside with what measures the company used to tackle internal misalignment. Measures such as learning trajectories, whether to opt for sustainability or longevity and other implications of internal misalignment due to sustainability practices.

Internal misalignment occurred in two different ways, due to different perspectives and due to a decentralized way of working because of the novelty of embracing sustainability. Others can learn from the way on how to recognize and tackle the two types of internal misalignment. The first one is by making a more centralized way of working, done by making a dedicated sustainability department. The second one is by organizing regular meetings, dialogues and educate people the way how a person sees the future of the company regarding sustainability, or in short, heavy communication. The two internal misalignment types can vary in importance for a company as every company obviously has different policies and ways of working.

Regarding competence trust, companies can see this research as evidence that learning trajectories and not overpromising are major drivers in the trust in the external relationship, whereas internal misalignment regarding sustainability does not, as this can also be seen as healthy friction. Companies can thus observe that learning trajectories and not overpromising are good options to maintain competence trust amongst supply chain partners.

6.1 Limitations

Despite the valuable insights gathered by conducting interviews with experienced and well-established people in a connectivity solution company. The study also consists of some limitations that have influenced the outcome of the study. First, it was evident that the influence of internal misalignment due to sustainability perspectives on competence trust was not big. Most of the interviewees talked about the need of supplying the cables as the market was not that big. The company thus was dependent on the supply chain partners. However, a

different outcome could occur if the company was less dependent and had more buyers which were interested in the cables. Testing it within one company within one small market is thus a limitation, because less dependence could give different insights than with high dependence, and possibly more influence on competence trust. Additionally, the research question can be seen as narrow, by adding another influence such as dependence, which can vary from low to high, more divided answers could be given.

This adds onto the second limitation of small sample size. The sample size consists of six participants from the same company. The initial aim for a sample size was eight participants. However, only six participants were found within the company, other potential participants did not want to participate, or could not participate for other reasons. Despite this, looking at the results, saturation may be achieved without the additional participants. The third limitation, in addition to the second limitation, is that the participants were all from the same company. Due to this occurrence, the ability to generalize the results is also limited. An additional limitation is that two participants did not agree on recording their interview. As a workaround, data, quotes, and notes were gathered on the spot, which means that the interview took more time and smaller details could have been missed, because of the lack of transcription. Looking at these limitations, it is evident that a larger sample size may reduce bias, as well as only interviewing participants who are open to recording and transcribing the interview, which can cause less details to get lost.

6.2 Future research

When future research is conducted, some recommendations can be given to enhance the research. First, future research on competence trust could reveal more forces which influence the competence trust in the external relationship. The influence of internal misalignment on the trust in competences in the external relationship can be seen as low. Future research could investigate which forces do have a higher impact on competence trust, as this is also not so much covered by literature. Established literature mostly describes competence trust as a independent variable (Ha et al., 2011), whereas other literature describes factors affecting trust without distinguishing competence (Kwon et al., 2004). Further research thus could distinguish competence trust from regular trust, which could give new and better insights into competence trust and other factors which influence the competence trust in external relationships.

Secondly, future research could focus on different companies in different markets and compare. What became evident after the results, was the high influence of dependency on the decision-making of the company. According to participants, excluding partners does not occur often due to the small number of companies in the market. There is thus a high degree of dependence in the market, by researching it through a company in a low dependent market, other results can be achieved. Comparisons with this research can give more insights into the influence of internal misalignment due to sustainability perspectives on competence trust.

Currently, no different studies have examined this yet, thus filling in a knowledge gap. Third, using a bigger sample can enhance the future research, a bigger sample will make sure that complete saturation is realized. Furthermore, a bigger sample which spans across different companies in different countries will further enhance the generalizability of the research. Currently, generalizability is limited due to the focus on a single company. In addition, by using a bigger sample, new and clearer insights could be found by sampling three companies which collaborate with each other. A buyer, producer and supplier of raw materials could give new insights, due to focusing more on the external dynamics. This will also strengthen the knowledge of the influence on competence trust, as this can be measured by three different companies.

At last, further research could reveal ways on how internal misalignment regarding sustainability does impact the external relationship between supply chain partners. Internal misalignment does occur within companies but there is no obvious way on how it does influence the external relationships. Additionally, investigating which distinct types of internal misalignment exist, can further enhance this research. As this research describes two types of internal misalignment but there is no further research about all distinct types of internal misalignment.

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Appendix A; Interview Protocol

First of all, interviewees will be asked for permission to record the interview.

Background based questions.
Can you tell something about yourself?
What is your position within the company and how long have you worked here?
Do you have any previous purchasing related experience? If so, what?
Could you perhaps share one of the biggest challenges within your job?
Can you tell me something more about the company? What is the overall mentality of the company?

Competence trust-based questions.
How familiar are you with the term of competence trust? (Explain if needed).
How are the general relationships between you and buyers/suppliers? (Depends on whether buyer or supplier is interviewed.)
How much do you and the company focus on the external relationships? Is there a difference between focus?
Trust is sometimes tested in an external relationship; can you give me an example when that occurred in your experience? Was the trust in each others competence also tested?
What is the importance of competence trust in your vision?
Supplier based questions:
Can you give me an example of when you doubted about the trust in the competences of a buying firm within your external relationships?
How often do you experience a doubt in competences regarding misalignments at the buyer's side?
Buyer based questions:
How does it affect you as a buying company how suppliers perceive your competence.

Sustainability based questions.
How familiar are you with sustainability goals? And how does the company communicate you with these goals? (explain if needed)
How focused is the company on sustainability? Do you have examples?
What is your experience with the alignment of sustainability goals between you and your colleagues? Do you think sustainability is aligned properly or not?
How are sustainability goals communicated towards the external relationships?
Supplier based questions:
Do buyers have influence on your sustainability goals? If so, how big is the influence?
How often does it occur in your experience that buyers seem to have a changing view on sustainability? Do you think that there is misalignment?
Will misaligned sustainability goals from a buying company make you less cooperative in their journey to the sustainability goals?
Buyer based questions:
What measures do you take if a supplier does not or cannot adhere to the sustainability goals of your organization.
What is the influence of you as a buyer towards the sustainability of a supplier? Can you give examples?

Relationship based questions.
Do you think that trust in buyers/suppliers' competence can be influenced by misalignments regarding sustainability? (Can you give an example)
What is your experience with buyers who seemed to have a changing view on sustainability? Did you doubt their competences due to this misalignment? (Can you give an example)
Are misaligned sustainability goals a way to lose trust in the competence of a buyer? If so, why?