



The Journal of Business Logistics (JBL), published by the Council of Supply Chain Management Professionals (CSCMP), is recognized as one of the world's leading academic supply chain journals. But sometimes it may be hard for practitioners to see how the research presented in its pages applies to what they do on a day-to-day basis. To help bridge that gap, CSCMP's Supply Chain Quarterly challenges the authors of selected JBL articles to explain the real-world implications of their academic work.

When suppliers and their customers don't see eye-to-eye

THE ARTICLE

"Supplier Role Conflict: An Investigation of Its Relational Implications and Impact on Supplier Accommodation," by Monique L. Ueltschy Murfield of Miami University, Terry L. Esper at the University of Arkansas, Wendy L. Tate of the University of Tennessee, and Kenneth J. Petersen of Boise State University. This article received CSCMP's Bernard J. La Londe Best Paper Award for the most valuable paper published in the *Journal of Business Logistics (JBL)* in 2017.

THE UPSHOT

Theoretically, it makes sense for an entire supply chain to work together to achieve mutually beneficial goals. But in reality, customers' and suppliers' goals often don't match up, and the two parties can have different views on the suppliers' roles and responsibilities. This lack of alignment can lead to conflict and tension that can threaten the relationship, particularly when a customer asks a supplier to fulfill special requirements that are not part of the contractual agreement.

When a customer requests extra accommodations from a supplier that the supplier views as falling outside of its normal roles and responsibilities, it is known as "supplier role conflict." A team of researchers from four universities, led by Monique Murfield of Miami University in Oxford, Ohio, wanted to learn how supplier role conflict would affect both the supplier's and customer's perception of their relationship with one another. Specifically, they were interested in how supplier role conflict would affect the customer's decision to ask for further accommodations and the supplier's willingness to make those accommodations.

To do this, they presented a group of managers from

both suppliers as well as buying organizations with a series of scenarios involving supplier role conflict and asked the managers how they thought the customer or supplier would respond in each situation. In particular, the research looked at how supplier flexibility (the supplier's ability to accept and respond to a customer's changing needs) and supplier adaptation (the degree to which the supplier responds to a specific customer's needs with changes and investments in equipment, processes, technology, products, and/or other assets) affected how accommodating the supplier would be.

Murfield explained to *Supply Chain Quarterly* Senior Editor Susan K. Lacefield what they discovered and how these findings could be applied in the real world.

What was the impetus for this research?

The motivation for this research really came from observations in practice, both from my own professional experience as a buyer and from engaging with managers about buyer-supplier relationship issues. Managing relationships in the supply chain can be quite challenging, particularly when things change or become uncertain. Something that I noticed was that many supply chain relationship problems stemmed from buyers requesting lots of extra things from suppliers—things that were not outlined in formal contracts. While this may seem like something that suppliers should embrace as "par for the course" when servicing customers, managers expressed that this is a serious issue. Interestingly, it was not just suppliers but also buyers who recognized that suppliers are often pushed too far.

Can you provide some examples of supplier role conflict that our readers may be familiar with?

Interestingly, our research suggests that supplier role

conflict could stem from almost any buyer request. It could be something as small as asking a supplier for an extra report or something much more significant, like requests for unexpected production changes or investments in technology or special equipment. Supplier role conflict is anything the supplier sees as outside of its role and responsibilities as a supplier, and when buyers keep pushing and asking for more, it can create issues for the relationship.

Your research methodology involved presenting people with scenarios about supplier role conflict and asking them how they thought the supplier or customer would respond. Why did you choose this methodology?

Studies have shown that providing managers with a business scenario, and then asking them, "What do you think will happen next?" is a great way to conduct business research. This approach allows managers to respond in a "what if" fashion, and it doesn't require that they disclose sensitive information about how their company is currently conducting business. Moreover, this allows researchers to change different aspects of the scenario to see how those changes would impact how managers respond. We chose this method because we could tease out role-conflict issues much more directly, realizing that managers might not be as willing to self-report relationship-conflict dynamics.

We did extensive "pre-work" to ensure that the scenarios we used were rooted in reality. We interviewed managers, read prior studies, and did several pre-tests to ensure that the scenarios were representative of what managers actually face in practice. We also presented the same scenarios to two samples: a buyer sample and a supplier sample. We were interested not only in how the various scenarios would be viewed, but also in how they would be viewed by both parties in supply chain relationships.

What were some of the main findings of your research?

By conducting two studies, from both the buyer and supplier perspectives, we were able to explore the impacts of how these two supply chain entities view

things differently. Research has shown that buyers and suppliers have differing viewpoints on relationship issues, but we were able to investigate the nuances and potential relationship tensions of this issue more explicitly and in a bit more depth. We found that supplier role conflict can be quite pervasive because it is something that often exists without immediate signs or changes. One of the key findings had to do with the future impacts of role conflict. Our results show that when suppliers perceive the existence of role conflict, they are less favorable toward those relationships and expressed less willingness to make future changes in response to buyer requests. In other words, the impacts of supplier role conflict were not immediate but could have detrimental effects on future relationship exchanges.

Interestingly, the buyer sample did not show the same findings. Even though buyers were made aware that suppliers were experiencing role conflict, it didn't curtail their expectations that suppliers would continue to accommodate their change requests in the future. When considered in sum, the findings suggest that when buyer requests trigger supplier role conflict, suppliers are less willing to make subsequent changes, but buyers are still inclined to expect them. If not managed and effectively discussed, this could trigger relationship disengagement over the long term.

A big part of your research looks at what effect prior investments in supplier flexibility or adaptation can have on supplier role conflict. What did you find?

Supplier flexibility and supplier adaptation are essentially two sides of a coin. Flexibility is the ability of suppliers to handle change well and deal with unexpected problems when servicing customers. Adaptation, on the other hand, is about the actual investments or changes that suppliers make in response to customer requests. So, flexibility is when suppliers build up their ability to change; adaptation is when they actually change. For example, flexibility could be when a supplier operates with slack production capacity or invests in safety stock. Examples of adaptation would include changing product design to meet the specific needs of a customer or adopting



a new technology because of a customer request or mandate. As you suggest, we were interested in these concepts because we wondered if prior investments in flexibility or prior adaptation would cause suppliers to be more or less susceptible to experiencing role conflict when buyers make requests.

We found that the impact of role conflict on suppliers' relational perceptions and their willingness to make accommodations in the future changes as the levels of prior investment in supplier adaptation and supplier flexibility change. Prior supplier adaptation actually heightens the negative effects of supplier role conflict for suppliers. But prior development in flexibility can help curb the negative impacts of supplier role conflict—even in relationships with a high level of conflict. This shows that accommodation requests are additive in nature, and that the frequency and the magnitude of the requests plays a big part in their impact on the relationship when supplier role conflict is at play.

Were any of your findings surprising? If so, why?

The findings in the buyer sample were quite surprising, actually. We developed research hypotheses based on the notion of relationship “empathy” and “oneness.” In other words, when we started the project, we thought that when buyers were made aware of the fact that suppliers were experiencing role conflict, their expectations for future supplier changes would be curbed. That was not the case. Even when they were exposed to the supplier role conflict levels, they still were inclined to expect future changes as they requested them.

We conducted another study where we were able to peel back the layers of this finding through talking to managers quite extensively. What we found is that buyers found it difficult to connect to the idea of supplier role conflict because they typically view “stretching suppliers” as part of their role. This was very surprising, and it points to an underlying relational tension that could be quite prevalent in many

supply chain relationships. Research shows that the cyclical effect of this could be detrimental to supply chain relationships, as expectations for accommodation will continue to rise, and eventually suppliers will reach their “tipping point.”

How can practitioners apply your findings to their own customers-supplier relationships?

Our findings show the importance of establishing a clear understanding of roles and responsibilities up front. It may seem like overkill, but clearly outlining “who is expected to do what” could negate the likelihood of negative relationship perceptions and curb decreases in willingness to change in the future. Additionally, customers should recognize that pushing a supplier past the “tipping point” with their accommodation requests could be detrimental, and that this point is different in each relationship. In today’s business environment, where good suppliers can “fire” bad customers, buyers must proceed with caution, especially in risky supply markets.

What may seem like a routine and casual additional request could actually trigger supplier role conflict and all of its associated negative impacts.

Buying firms might also consider the strategic use of supplier development strategies to carry some of the burden of flexibility and adaptation requirements, which can mitigate supplier role conflict and prevent amplification of any existing conflict. This is an issue that buyers and suppliers should consider discussing in their annual or quarterly performance reviews. While the emphasis of these reviews is primarily focused on supplier performance, assessing “customer performance” might also be wise, especially if it allows suppliers to sound off about role-conflict concerns before they fester.

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