

MASTER'S THESIS

An examination of determinants and performance implications of relational norms in supply chains: evidence from China

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**An Examination of Determinants and Performance Implications of
Relational Norms in Supply Chains: Evidence from China**

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ABSTRACT

The concept of relational norms is gaining its popularity among Chinese firms seeking cooperation with other firms. Chinese enterprises are facing fierce competitions from both Chinese counterparts and international rivals. In order to compete with more power and synergy, firms are now proactively involved in cooperation with alliances. Thus, relational norms as one crucial mechanism to govern inter-firm relationships are receiving attention in both academic and practical fields. The concept of relational norms has also evolved from western context to a oriental circumstance. The flexibility, solidarity and information exchange required during cooperating constitute the major components of relational norms. Rich literature evidences the impact of relational norms on buyer-supplier channel relationships, while little support is available to the impacts on supply chain partnerships. This study proposes a research model and hypotheses to extend relational norms into supply chain paradigm, explores their impacts on supply chain performance in China context - an emerging marketing economy, and examines the moderating effects of Guanxi, environmental uncertainty and relationship specific investment on the inter-organizational relationships.

Drawing on previous literatures and empirical findings, an integrated model is developed to address determinants and consequences of relational norms. This study extends the transaction cost theory and social exchange theory into a supply chain context to model the impact of relation specific factors on supply chain performance (relational performance and operational performance). Inter-firm trust, resource complementarity as determinants of relational norms in the research model. In addition, moderators including guanxi, environmental uncertainty and relationship specific investment are comprehensively reviewed and articulated, and carefully measured.

I use survey to collect data from those supply chain boundary spanners and supply chain managers in China where relation specific factors are more prominent given its cultural uniqueness. In addition, I also consider how supply chain integration will play a role in this paradigm in order to bridge the relational outcomes with operational improvement. In this study, I deploy structural equation modelling (SEM) to verify the hypotheses. AMOS software package is used for data analysis, the mediating and moderating effect are examined using multiple regression which SPSS package is deployed in the study.

Most proposed hypotheses are found to be significant except moderating effects. The results show that inter-firm trust and resource complementarity are supportive to norms development. The positive impacts of relational norms on performance are also evidenced. This study also contributes to articulate the moderating roles of Guanxi and environmental uncertainty on the relationships. Additionally, we believe that the study also provides practical implications and directions for future research. We find both managerial implications and theoretical extensions for these social factors in supply chain perspective.

Keywords: Relational norms, resource based view, guanxi, inter-firm trust, firm performance

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