

Bachelor thesis

The influence of power on supply chain integration



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Abstract

To be able to integrate in the supply chain a company has to deal with different factors which can influence the integration. Many studies directed to these influencing factors have been published with the remark that that less attention is paid to the factor “power in the supply chain”. In the present literature study the influence of power on supply chain integration is examined. Companies who understand the role of power in the supply chain can translate their knowledge into a competitive advantage and use their insight for preventing problems.

The present literature study is based on articles directed to power and supply chain integration. Power and supply chain integration will be explained first. The effect of power on supply chain integration is discussed next.

There are different types of power which may be relevant to a company to influence the other parties in a supply chain. Supply chain integration can be separated in three types and power has a different influence on these types. Also two other variables being trust and culture influence the supply chain integration. This study concludes that if all parties in the supply chain accept the power differences and the dominating company uses the parts of supply chain integration to give companies fast and efficiently access to the supply chain, power is valuable.

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Chapter 1 Introduction

1.1 Problem Indication

In today's business there is a huge competition between companies. One important reason is that customers require more quality from the obtained products. A company must collaborate to be competitive in the market. According to Narayanan and Raman (2004) cooperating parties in the supply chain must combine their resources and perspectives into a company value proposition. All the parties in the supply chain have to maintain a high level performance. *"Supply chain management (SCM) is a set of approaches to be used to effectively integrate suppliers, manufacturers, warehouses, and stores, so that merchandise is produced and distributed at the right quantities, to the right locations, and at the right time, in order to minimize system wide cost and at the same time satisfying service level requirements"* (Simchi- Levi et al.,2000).

Cousins (2002) supposes that if a company integrates in a supply network this integration consequently will result in long-term relationships with the other supply chain members by reducing transaction costs, sharing of knowledge and increase in learning and sharing resources.

According to Yeung et al. (2009) it is important to understand how to manage the relationship between trust and power in the process of supply chain integration.

Moorman, Deshpande and Zaltman (1993) define "trust" as: "a willingness to rely on an exchange partner in whom one has confidence". The definition of "power" is: *"one channel member's ability to influence the behavior and decision of other members"* (Cox, 2001). Companies in a supply chain must integrate with each other to be able to operate as efficiently as possible.

The present literature study is directed to the influence of power on supply chain integration. There are not many publications in the literature related to this topic.

1.2 Problem statement

Which is the influence of power on supply chain integration?

1.3 Research Questions

1. What is the powerbase?
2. Which variables play a role in supply chain integration?
3. What is the influence of power on the relevant variables?

1.4 Relevance

Academic perspective

Much literature directed to “power and trust in relationships” is already disclosed. There are also many publications discussing trust and supply chain. It is more difficult to find publications about “power” in relation with “supply chain integration”. Consequently it is of interest to perform a literature search directed to the combination “power” and “supply chain integration”. The published literature with respect to these subjects can be analyzed and this analysis may result in a conclusion. After this literature review there will be probably a more clear insight regarding the influence of “power” on “supply chain integration”.

Managerial perspective

For a supply chain manager the answer with respect to “the influence of power on supply chain integration” is very useful. In the case that “power” influences the supply chain integration of organizations, this conclusion will have consequences for the competitive advantage of the total supply chain. With help of the obtained knowledge the manager can understand the origin of a specific “power” problem and next be able to find a solution for that problem.

1.5 Research design and data collection

This study is a descriptive research study being a literature review of “the influence of power on supply chain integration”.

An important source for the present literature study is the website of the library of the University of Tilburg containing several bibliographic databases comprising titles of

journal articles. The source: “web of knowledge” is a website with many relevant results, (<http://wok.mimas.ac.uk>). Another useful website may be: scholar.google.com. A disadvantage of this site is the citation of some unreliable journals.

1.6 Overview of the chapters

In the first chapter the study will focus on “power” with help of different “power” sources. Next “supply chain integration” will be discussed with its different variables. In chapter 4 the chapters 2 and 3 will be analyzed in more detail and discussed together. In the last chapter a summary, discussion and recommendations will be presented.

Chapter 1 Introduction

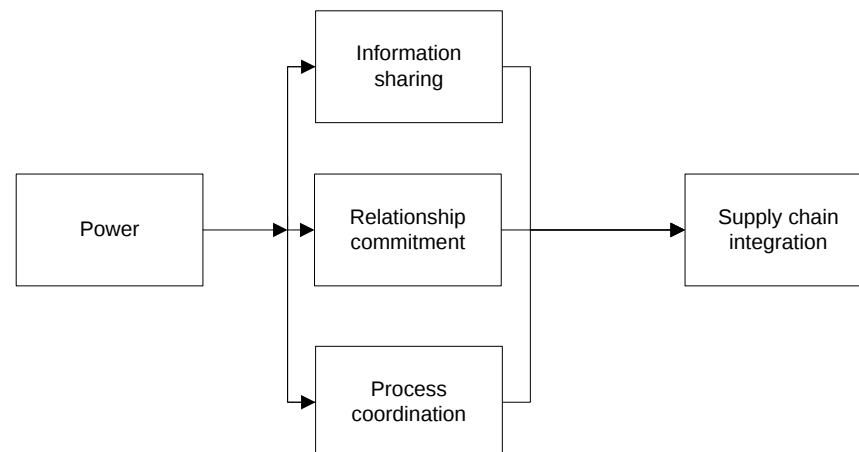
Chapter 2 The power types and their categorization

Chapter 3 Supply chain integration

Chapter 4 The influence of power on different variables

Chapter 5 Summary, discussion and recommendations

Figure 1. Research model



The variables “information sharing” and “process coordination” were discussed by Yeung et al. (2009). Relationship commitment has been discussed by Zhao et al. (2008).

Chapter 2 The power types and their categorization

Different authors define “power” and the role of power through different formulations. Parties have a different level of power during negotiations. The difference of power may have a major influence how negotiations will develop and will conclude (Van Kleef et al., 2006). Cox (2001) states that power is very important for trans-organizational relationships.

Weber (1947) states that power is “*the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance*”. The formulation of power by Hart and Saunders (1997) as the possibility of a company to influence the change process in another company. This formulation is in fact the same as Weber’s formulation.

All different definitions indicate that power plays an important role in negotiations and the relationship between firms. The study with respect to the role of social power started when French and Raven (1959) investigated the sources or bases of power. According to French and Raven social power is: “*the ability to induce change in one’s environment*”. The interest in power and the role of power in different situations was growing which results in studying the attributions of power (Johnson et al, 1993).

2.1. The role of power

Researchers conclude in different studies that “power” can play several roles in different situations. French and Raven (1959) identified five different types of power:

1. Reward power
2. Coercive power
3. Expert power
4. Referent power
5. Legitimate power

- Reward power is the ability of the source, for example the customer, to go in the future more often in business with the target being the manufacturer (Maloni and Benton ,2000).

- Coercive power exists when the customer has the ability to provide punishments. This means that the customer is able to stop the business activities with the manufacturer (Flynn et al., 2008).
- Expert power takes place when the customer has the knowledge, the expertise or the skills which are needed or desired by the manufacturer (Zhao et al., 2008).
- Referent power is the desire of one company to identify with another company (manufacturer and customer) for recognition by association (Maloni and Benton, 2000).
- The legitimate power means the natural power that a company possesses (Flynn et al, 2008), whereby the target is of the opinion that the source has the right to obtain influence (Maloni and Benton, 2000).

A sixth power type being “information power” is discovered by Brown and Lusch (1983). They suggest that information power is defined as the “*dominant firm's ability to provide information not previously made available to the target firm, and to interpret available information which is not yet known by the target firm in meaningful ways*”.

Maloni and Benton (2000) divides legitimate power in legitimate power and legal legitimate power. In the case of legitimate power the source is of the opinion that the target has the natural right to influence. Legal legitimate power arises when the source has legal right to influence the target. The legitimate power source is often used in studies and pay no attention to legal legitimate power. Because of the small amount of information about this expansion of legal legitimate power this paper only refers to legitimate power. The power type “information power” is not substantiated enough in the literature, for that it is no part of this thesis. The five types of power being analyzed are the non-mediated power sources (expert power and referent power) and the mediated power sources (legitimate power, reward power and coercive power).

2.2. Categorizing the power roles

There are three different methods to categorize these five “power types”. being the coercive/non-coercive categorization, the mediated/non-mediated categorization and the economic / non-economic categorization (Ke et al., 2009).

1. Coercive/ non coercive power

Coercive : *Coercive*

Non-coercive : *Expert, Legitimate, Referent, Reward*

Coercive power is based on capability of a company to exert information on their trading partners. This ability is often combined with the use of force (French and Raven, 1959). The following subscription is added by Molm (1997): controlling relative negative outcomes by the use of punishment or by the use of threat.

2. Mediated/ non- mediated power

Mediated : *Coercive, Legitimate, Reward*

Non-mediated: *Expert, Referent, Information*

The mediated power sources are external to the target firm and these source are provided only when the target firm acts in accordance with the wishes of the dominant company. “*Non-mediated power refers to the power sources whose enforcements guiding the target firm's decision making and behaviors are not mediated by the dominant firm*” (Brown, Lusch, & Nicholson, 1995). In the literature the power source: “information power” is only known as non-mediated power.

3. Economic/ non-economic power

Economic : *Coercive, Reward*

Non-economic: *Expert, Legitimate, Referent*

The Economic/ non-economic categorization is known but this category is not explained clearly in the literature. According to Etgar (1978): “*the focus of aggressive power is the use of economic resources of the channel leader and on transforming them into direct (positive and/or negative) economic incentives directed towards the channel members*”. The intention of nonaggressive power is to coordinate the channel activities so effective as possible and may have long-term economic results. The

coercive, economic, and mediated power sources are indicated as aggressive power. The nonaggressive power sources are: non-coercive, non-economic and non-mediated power (Johnson et al., 1993).

Chapter 3 Supply chain integration

“Supply chain integration” is a very broad topic in the literature publications. According to Tan (2001) and Croom et al. (2000) there are many definitions for supply chain integration and management. One of the most recent and most complete definitions of supply chain integration is defined as: *“the merging of parts into a whole, and supply chain integration, at its normative ideal, refers to the adoption and use of collaborative and coordinating structures, processes, technologies and practices among supply chain partners for building and maintaining a seamless conduit for the precise and timely flow of information, materials and finished goods”* (Vijayasarathy 2010). Ragatz et al. (1997) noted that it is necessary for manufacturers that suppliers integrate effectively in the supply chain because of the need to innovate and consequently to be competitive.

3.1 Supply chain integration types

Three types of supply chain integration are described in the literature (Yeung et al. ,2009)

1. Internal integration
2. Supplier integration
3. Customer integration

3.1.1 Internal integration

Internal integration is *“the degree to which firms are able to integrate and collaborate across traditional functional boundaries to provide better customer service”* (Chen and Paulraj, 2004). A high level of internal integration means that different functions in a company use information systems which are linked together. Different functions must have access to up-to-date information from the other functions and the company have to communicate in an effective way (Sabath, 1995).

3.1.2. Supplier integration

Supplier integration refers to “*the degree to which a firm is able to cooperate with its key supply chain members (suppliers) to structure their inter-organizational strategies, practices, procedures and behaviors into collaborative, synchronized and manageable processes in order to fulfill customer requirements*” (Zhao et al., 2008). There is a high level of supplier integration when the information systems of the organization are linked with the suppliers. Thereby the parties have to communicate effectively and the parties need entry to accurate and up-to-date information (Ragatz et al., 2002).

3.1.3 Customer integration

Customer integration refers to “*the process of interaction and collaboration between an organization with its customers to ensure an effective flow of supplies*” (Wong & Boon-itt, 2008). Daugherty (1999) states that an organization has a high level of customer integration in the case that there is an effective communication with the customer, the information systems are linked with the customer and both parties have access to accurate and real-time information.

3.2 Aspects of Supply chain integration

Supply chain integration is a very broad topic and many aspects of supply chain integration can be studied and described. There are many variables which are related to supply chain integration. Because of the many definitions of supply chain integration, this literature study will discuss the most important variables. These variables are chosen as a part of the research model and are as follows:

1. Information sharing
2. Process coordination
3. Relationship commitment

Yeung et al. (2009) found two key supply chain integration themes: information sharing and process coordination. Zao et al. (2008) studied the influence of the different power sources on the relationship and their effect on customer integration. Flynn et al. (2008) studied how customer power effects supply chain relationships.

Benton and Maloni (2005) studied the influence of power on supply chain satisfaction. All of these authors have used relationship commitment in their research.

3.2.1. Information sharing

According to Jhingran et al. (2002) and Roth et al. (2002): “*information sharing is the degree to which a firm can coordinate the activities of information sharing, and combine core elements from heterogeneous data management systems, content management systems, data warehouses, and other enterprise applications into a common platform, in order to substantiate integrative supply chain strategies*”. Consequently information sharing is both a managerial issue and a technology issue in the supply chain. Only when information sharing is coordinated, a company is able to develop a tool link the several systems. There are two categories in information sharing being vertical and horizontal information sharing. Vertical information sharing takes place between a manufacturer and retailer. Each retailer has some confidential information about market demand and may decide to make this information available to the manufacturer. The sharing of information between oligopolists in the same level of the supply chain is called: horizontal information sharing (Li & Zhang, 2008).

Information sharing and supply chain integration

Information sharing in the case of *internal integration* is the internal sharing of information through real-time connection among internal functions and interdepartmental meetings. In the *supplier integration* production information has to be shared between suppliers and manufacturers. This information may contain production plans, inventory levels and demand forecasts (Yeung et al., 2009). Critical activities in *Customer integration* are the synchronization of the processes, information sharing and the coordination between parties (Bowersox et al., 1999). Lee et al. (1997) state that the sharing of information between the different chains is essential to the customer service to work efficiently.

3.2.2. Process coordination

Arshinder et al. (2008) states “*that process coordination integrates the processes of different functions within a company and different companies within a supply chain*”. The literature uses different terms such as: integration, collaboration, cooperation and coordination may have the same meaning. Thereby they can easily be seen as a part of process coordination when used in the context of supply chain.

Process coordination and supply chain integration

The process coordination in *internal processes* can be introduced by cross-functional teams who promote process improvement and product design. In case of the process coordination of *supplier integration*, it is important to incorporate supplier activities into the internal purchasing and design processes of manufacturers, (Yeung et al., 2009). The *customer integration is determined* by “the degree of process coordination between the manufacturer and the critical supply chain customers” (Bowersox et al., 1999).

3.2.3. Relationship commitment

In a Supply chain, relationship commitment can be described as: “*an attitude held by supply chain partners about the development and maintenance of a stable, long-lasting, and mutually beneficial relationship*”(Anderson and Weitz, 1992; Moore, 1998). Two types of relationship commitment are normative and instrumental relationship commitment. According to Ellram (1991) normative relationship commitment is: “an ongoing relationship, over an extended period of time, which is based on mutual commitment and sharing”. The other type of relationship commitment is instrumental relationship commitment. Here “one party accepts the influence of the other party in order to receive favorable reactions” (Brown et al, 1995).

Relationship commitment and Supply chain integration

Relationship commitment is important for companies to integrate effective and efficient in the supply chain (Wisner and Tan, 2000).

There is also another variable which is related to supply chain integration. In a supply chain there can be different cultures where companies must pay attention to. The literature states that culture has influence on power (Hofstede, 1994). In this thesis the aspect of power distances in culture will be used to explain relationship commitment. In each culture there is a specific power distance. Power in the supply chain can be distributed unequal. The power distance of a culture is determined by acceptance and expectations of the less powerful companies about the unequal distribution of power (Ibit). The acceptance of power inequalities is higher in a culture with a high power distance (Hofstede, 1991). To understand the relation between power, relationship commitment and supply chain integration, it is necessary to pay attention to the role of culture (power distance).

Chapter 4 The influence of power on the relevant variables

The influence of power on the different variables of supply chain integration will be elucidated on in the following. According to Maloni and Benton (2000) most companies do not know the different power types and consequently these companies do not manage these power types. It is important for a company to be aware of the different power types and to realize their influence on the supply chain. The influence of power on information sharing and process coordination will be described. Next the effect of the different types of power on relationship commitment will be described. The effects of the different types of power on information sharing and process coordination are not specific published in the literature.

4.1. The influence of power on information sharing

Van der Vaart and Van Donk (2008) state that suppliers and buyers must cooperate to integrate in the supply chain. Both parties in the supply chain need information of the other parties in different situations. Buyers need information of the suppliers to manage the production, inventory scheduling and for synchronizing their own production of the supplier. These scarce information resources are very important to buyers. Information resources are needed for an effective and efficient supplier integration. Resource contribution of suppliers is important for integration behavior. Resources as for example human resources and time resources of the suppliers should also be incorporated by the supplier in the design process or the procurement process. The suppliers have the power in the supplier–buyer relationship because they have the control over these resources (Pfeffer and Salancik, 1978).

The consequence of power in information sharing is described by Maloni and Benton (2005). They state that the use of coercive power results in a negative cooperative relationship. Suppliers may influence buyers by using coercive power whereas the buyers may by calculations or opportunistically actions react to avoid punishments. As a result this reaction will hinder a buyer in investing or sharing information in the relationship with a supplier and it will delay and negatively influence the supply chain integration. Their research shows that non-coercive power (expert, referent and

reward) can be used to integrate effectively. This specific research is done in the automobile industry in the USA, a country with a low power distance.

Yeung et al. (2009) conclude that coercive power influences the supplier integration positively. This conclusion is taken in a high power distance culture.

Their explanation is that the more powerful suppliers are supposed to use coercive power to influence the less powerful buyers. The buyers accept this dominance of the other party. Li & Zhang (2008) discovered that trust is related to power. *“Without good inter-organizational relationships based on essential intangibles such as trust, commitment, and shared vision, organizations will be reluctant to share information with their supply chain partners because of the fear of information disclosure and the loss of power to the competitor”*. Organizations intend to be the most powerful in the supply chain.

According to Berry, Towill & Wadsley (1994) an organization does not provide more information since this information disclosure is considered to be a loss of power. Furthermore it is important to realize that companies are afraid that important knowledge becomes available to their competitors. This applies for horizontal and vertical information sharing (Li & Lin, 2006).

4.2. The influence of power on process coordination

“There are many factors involved in achieving process coordination. Examples of these factors are: human, technology, strategies, relationship, rewards, sharing of knowledge, sharing benefits, aligning goals, scheduling of frequent meetings of stakeholders for conflict resolution, understanding of nature of intermediates and knowledge of supply chain concepts, status or power difference and resistance in following the instructions of other organizations” (Lu, 1995; Gittell and Weiss, 2004). This definition confirms that power influences process coordination.

The resources of the suppliers are essential with respect to the effectiveness and efficiency of supplier integration because these resources are the basis of the supplier power. According to Maloni and Benton (2000) synergistic coordinated supply chain companies have a better performance and have a better resistance against competitive pressures. *Process coordination* involves the supplier activities into the *internal* processes of the manufacturers, such as the purchasing process and the design

process. The process coordination in *supplier integration* goes in a different way. The literature (Yeung et al., 2009) states that the process coordination in the supplier integration comprises both operational *information sharing* with suppliers and *process coordination*. Process coordination may be for example the involvement of suppliers in production and design stages. For these investments the relation is very important because it is not allowed to share this information with others. Trust is an important factor for buyers to decide to start this cooperation. Supplier integration needs the incorporation of the capability and the knowledge of the supplier to be successful. This explains the importance of the use of power by a customer for supplier integration.

Often there is a dominating company in effective supply chains . This company uses the advantages of supply chain coordination and takes care while the rest of the supply chain agrees. This can be, for example, a global leader in retailing. If one organization has the power in the supply chain, it is easier to coordinate the chain. Many supply chains, however, do not comprise a dominant organization. In this case the coordination of the supply chains is difficult. In general it is concluded that the problems with supply chain coordination are the result of the conflicting objectives. The result are short time relationships between companies in the supply chain. Consequently the environment and expectations change frequently because of the presence of new members in the chain (Arshinder et al., 2008).

Process coordination can affect the sharing of power. Maloni and Benton (2005) state that an intense coordination is necessary for an effective supply chain integration. For that it is necessary to reduce the supplier base. In the last century manufacturers used thousands of suppliers. At this moment successful firms only use a few suppliers. To be contracted by the manufacturers, the suppliers must perform better than their competitors. After signing a contract the preferred supplier must be able to maintain their performance or they will the manufacturer will contract another supplier. This replacement intensifies the imbalance of the power between the companies.

According to these examples there are organization in the chain with more power than the other organizations. The dominating organization can coordinate the chain effectively. The organization which coordinates the chain has power over the

suppliers. This organization has the possibility to reduce the supplier base. Power influences process coordination and supply chain integration in an effective way.

4.3. The influence of power on relationship commitment

As discussed in Chapter 2 there are 5 types of power. Which is the influence of these different power types on relationship commitment? The role of the different power types in relationship commitment will be described in the following on normative relationship commitment and also on instrumental relationship commitment. Several researchers studied the impact of power on relationship commitment in China, which is a country with a high power distance culture (Zhao et al., 2008; Flynn et al., 2008). It is interesting to study this topic in a high power distance environment because of the big differences. This thesis explains the role of power in relationship commitment from the view of a high power distance culture.

According to Zhao et al. (2008) the expert power type has a positive impact on normative relationship commitment. This makes clear that managers in high power distance cultures want to improve their knowledge in combination with belief in authority and knowledge of other parties. Also referent power has a positive impact on normative relationship commitment. The non-mediated resources (expert power and referent power) and legitimate power have no influence on instrumental relationship commitment (Flynn et al., 2008).

Reward and coercive power are categorized as mediated power sources. Zhao et al. (2008) state that there is a difference in influencing the relationship commitment types. Reward power influences normative relationship commitment and instrumental relationship positive. In case that the manufacturer does not receive any rewarding from the customer for their good performance, the normative relationship commitment will decrease. If the customer does reward the manufacturer the normative relationship commitment will be improved. This example shows that reward power can play a very different role in high distance cultures. Reward power brings the relationship commitment to the partners in the high power distance cultures. According to Flynn et al. (2008) coercive power has a negative influence on normative relationship commitment and a positive influence with instrumental relationship commitment. A customer can put pressure on a supplier by using

coercive power. The suppliers instrumental relationship commitment will then increase. Because mediated resources are manipulative by nature they are not consistent with normative relationship commitment. Legitimate power is not involved in instrumental relationships.

4.4 The interaction between trust and power

In the literature are found no results of empirical research directed to the interaction between trust and power. The comparison with supplier integration and internal integration is made but customer integration and the interaction of trust and power are not mentioned in the literature.

Yeung et al. (2009) researched the interaction between trust and power and their behavior in internal integration and supplier integration. To achieve a high level of internal integration, first there have to be a high supplier integration level. The use of power in relation with a high level of trust makes the internal integration easier. There has to be a bases of trust before using coercive power by the supplier to improve internal integration. Without this base of trust use of power can damage internal integration. Prominent is that coercive power without a base of trust can be used in the supplier integration. It is not necessary for buyers to have a relation based on trust with the suppliers.

Chapter 5 Summary, discussion and recommendations

Summary

The main topic of this literature study is to analyze the influence of power on supply chain integration. The conclusion is that power plays a role in supply chain integration. The five types of power used are: reward power, coercive power, expert power, referent power and legitimate power. Supply chain integration consists of three variables: information sharing, process coordination and relationship commitment.

Each variable of supply chain integration is related to power:

- Power influences information sharing. Because of the presence of power sharing information is a main issue for companies. Companies do not provide more information as needed to prevent loss of power. The longer it takes before information is shared, the more difficult it is for parties to integrate in the supply chain.
- Power influences process coordination. Often, the most effective supply chains have a dominating organization that sees the benefits of supply chain coordination and forces the rest of the supply chain to comply. In this case the power holding company can coordinate the supply chain. It depends on the acceptance of loss of power from the other party.
- Relationship commitment is negatively related to coercive power whereas reward power, expert power, referent power and legitimate power influence relationship commitment not or positively.

Trust is an important factor related to power. Parties accept the power of other parties when their relation is based on trust. Consequently the cooperation will be better performed and information sharing will go easier.

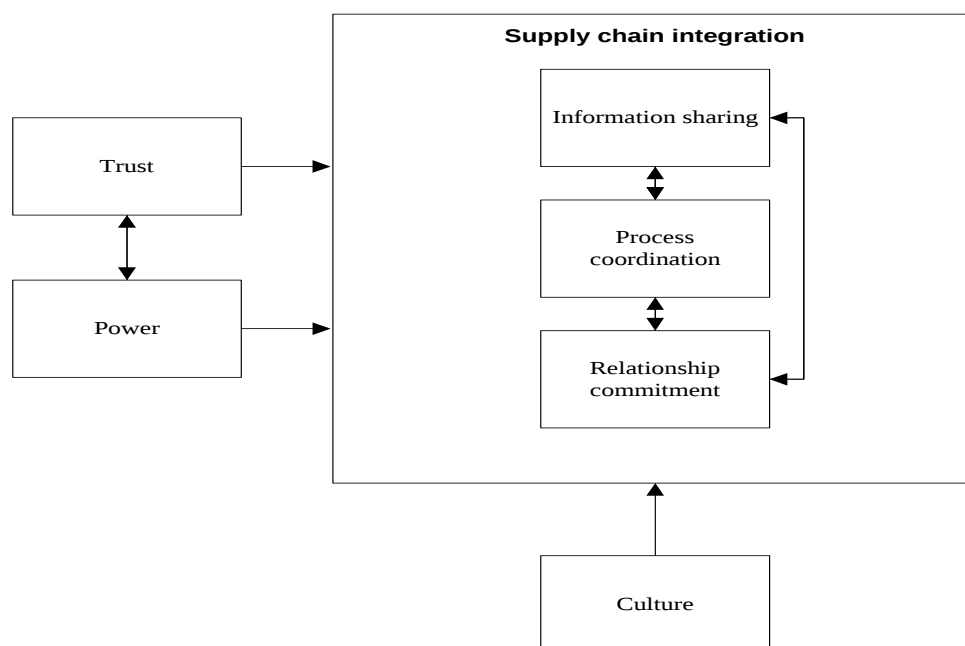
Another factor that influences supply chain integration is culture. In some cultures there is fewer acceptances of power inequalities. High power distance cultures accept those inequalities and for that it will be easier to integrate in the supply chain.

If power is used for a efficient supply chain integration and all parties in the supply chain accept the power inequalities, it can be a useful tool to integrate companies fast and efficiently. To realize a good relationship, first a base of trust is needed and next power can be introduced. The three variables of supply chain integration will be influenced in a positive way. A relationship based on only power will fail.

Based on this literature study the research model as illustrated in figure 1 is changed into the following model according to figure 2 by the introduction of the factors “trust” and “culture”.

Trust and power are related to each other and there is influence in both ways. Those two variables influence supply chain integration. The degree and difficulty of supply chain integration depends amongst others on the culture of the different parties.

Figure 2. Conclusion



The factors in the figure are all part of the different types of supply chain integration: internal-, supplier- an customer integration and the influence of power counts for every type of integration.

The interaction between trust and power differs from integration type. There has to be trust in the relationship with the supplier before using coercive power to improve internal integration. Coercive power without a base of trust can be used in the supplier integration.

Discussion

According to the different studies there are many variables which are part of supply chain integration. This paper has chosen three variables which are essential and are mentioned in the literature in combination with power. Power is also mentioned in different studies. It is strange is that there are not many publications with respect to the relation of power and supply chain integration. Otherwise the relation between trust and supply chain integration has been studied often. The originally different power types are extended with other types of power through the years. Because of that researchers start to categorize these power types (mediated/non-mediated, coercive/non-coercive and economic/non-economic). In this study the mediated/non-mediated categorizing has been used. Reason for this was that most studies also use this categorization. This study recognized the relation between power and trust. The exact function of trust and its relation with power is not determined exactly, because this research was focused on power.

The authors of the papers being used in this literature study did their research (to power and relationship commitment) in a high power distance culture (China), exceptions are mentioned. Not all kinds of power have the same importance in these studies. The research focus is often on high power distance cultures and on the combination of power and supply chain integration in low power distance cultures. The theory of Hofstede about cultures was created in the end of the last century. It is not sure how up to date this theory is.

Recommendations

There should be more focus on the importance of power in the supply chain in future research. Power is related to trust and they are both part of the supply chain. In further research this paper can be used as a base for the power/ trust interaction and their influence on supply chain integration. The interaction between trust and power can be examined empirically to explain their roles in the supply chain. The influence of power to the different integration types is not studied yet. Also specific study to coercive power is of interest because of its negative influence on the supply chain integration. Furthermore there should be more attention for power and supply chain integration in low power distance cultures to be able to make a comparison between high and low distance cultures.

Figures

Figure 1. Research model

Figure 2. Conclusion

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