

ALIGNMENT OF ENVIRONMENTAL POLICIES BETWEEN BUYERS AND SUPPLIERS OF INTERNATIONAL SUPPLY CHAINS: A RESOURCE DEPENDENCE PERSPECTIVE

SUMMARY

Firms' specialization and international competence has raised a growing interest on the relationships between the firms in a supply chain (Malviya & Kant, 2015). Previous literature has analysed the positive implications of strategic coordination between suppliers and buyers in the supply chain (e.g., Handfield et al., 2015; Lee, 2004; Skipworth et al., 2015), however the factors influencing the coordination and the effect of power in that relationship has received limited attention (Fugate, Sahin & Mentzer, 2006; Zhao et al., 2008; Reimann, David & Ketchen, 2017; Huo, Flynn & Zhao, 2017). This manuscript analyses how dependence and interorganizational governance mechanisms influence the strategic alignment between suppliers and their buyers and the influence of the firms' international locations on these coordinated efforts.

Alignment is adjustment of one component in relation to another component so that the arrangement can lead to the optimal consequence of the relationship between the components (Nadler & Tushman, 1980). Specifically, strategic alignment is the consistency of the activities that implement the differentiating attributes of strategy (Kaplan & Norton, 2006). Several studies have analysed the positive effects generated by the alignment of various strategies between suppliers and buyers on the financial performance of the company (e.g., Handfield et al., 2015; Skipworth et al., 2015). The alignment allows sharing more information and knowledge (Vachon & Klassen, 2006), and reduce misunderstandings or deviations from the supply chain strategy that can reduce performance (Blome, Paulraj & Schuetz, 2014). However, the literature has not established clearly the reasons because of the buyer and suppliers align their policies (Wong et al., 2012) and specifically the environmental policies (Tachizawa & Wong, 2015).

We focus our interest on this paper in the environmental alignment of policies. Our selection is appropriate because both the importance and the difficulties of strategic environmental alignment in supply chains (Sarkis, Zhu & Lai, 2011). On one hand, environmental management and sustainability issues are growing in importance for the companies due to the stakeholder's pressure (Pullman, Maloni & Carter, 2009) and now these issues are not only required to an individual company, they are required to the whole members of a supply chain (Huang & Li, 2018). On the other hand, the buyers are often asked to take care of their suppliers' sustainability approaches because of a higher level of sustainability requirements for the goods bought (Schnittfeld & Busch, 2016) and some corporate social responsibility aspects (Amaeshi, Osuji, & Nnodim, 2008). In this paper, we study the relationship between buyers and suppliers and how they response in situation of dependence to the environmental concerns.

We draw on the Resource Dependence Theory (RDT) (Pfeffer & Salancik, 1978) for our propositions in this paper. This perspective argues that in order to survive, firms depend on resource exchanges with multiple actors such as suppliers, buyers, or competitors who control critical resources. In this view, the objective of the company is to reduce dependence, and in a buyer-supplier relationship, it implies reducing dependence in that relationship. In this sense, there is some previous papers that have studied environmental issues among the relationship between the suppliers and buyers from the dependence

resource view (e.g., Touboulic, Chicksand & Walker, 2014; Schnittfeld & Busch, 2016) but they have not analysed the concept of alignment. We consider that alignment of environmental policies is the response from the companies to the pressure of the stakeholders regarding sustainability in the supply chain. So, seeing the importance of the sustainability management of the supply chain, we try to explain the factors that carry the alignment of environmental policies.

Using the RDT we propose that the dependence that a buyer has from its main supplier and the interorganizational mechanism that can exist improve the alignment of environmental policies between these organizations in a supply chain. We also consider the importance of the environmental formal distance between the country of the buyer and the supplier in our model. To test these ideas, we use a sample that includes 117 pairs of international firms, including a buyer in the energy industry and the main supplier of each one. We use a moderated regression analysis to test the hypothesis.

Our paper makes four contributions to the previous literature.

First, we extend the literature about RDT and buyer-supplier relationship with the study of the alignment that have been established by previous research as determinant for a better effectiveness and efficiency in the supply chain (Lee, 2004) in a context of dependence and environmental policies. Second, while previous research has focused on the consequences of alignment, we contribute by clarifying the reasons that brings alignment to companies on environmental policies in a context of buyer-supplier relationship. Third, we analyse the effects of the environmental formal distance between countries of the companies over the dependence and alignment of environmental policies. Fourth, and finally, we also provide a reinforced empirical evidence to the literature on alignment in supply chains by using robust secondary data for our analysis; while most previous empirical studies are based on descriptive case studies or rely on the opinions of directives (Ashby, Leat & Hudson-Smith, 2012) that may generate subjective bias.

In this paper, we begin with a brief review of the relevant literature needed for the development of specific research hypotheses. Then, we make a description of the data and the empirical analysis followed by a discussion of results. Finally, the conclusions with implications, limitations and future research questions are presented.

REFERENCES AVAILABLE FROM AUTHORS