

# Power and conflict in Russian agri-food supply chains

Poster presented at Global Food Symposium 2014

25. - 26. April 2014, Göttingen

Vera Belaya<sup>1</sup> · Jon Henrich Hanf<sup>2</sup>

<sup>1</sup> Thünen Institute, Federal Research Institute for Rural Areas, Forestry and Fisheries

<sup>2</sup> Geisenheim University

## Motivation and research aim

### Motivation

- Power can be considered to be one of the strongest and the most influential tools in vertical relationships along the whole supply chain. The research topic of power relationships has been receiving increasingly more attention lately. However, only a few scientific works have studied this issue in the context of supply chain networks in Russian agri-food business.

- Examples of conflict between supply chain members may include such issues as disputes over discount merchandising, representational policies, prices, product quality, customer relations, hours of operation etc.

### Research aim

The research aim is to investigate the role of power in conflictful situations arising in supply chains and work out recommendations about how to use power for conflict resolution.

## Main results and conclusions

### Main results

- According to the results of the study coercive, reward and legitimate power turned out to have positive effects on conflict. Therefore, their use in supply chains should be avoided.
- On the other hand, expert, informational, and referent power had negative effects on conflict and are more appropriate for facilitating conflict resolution.

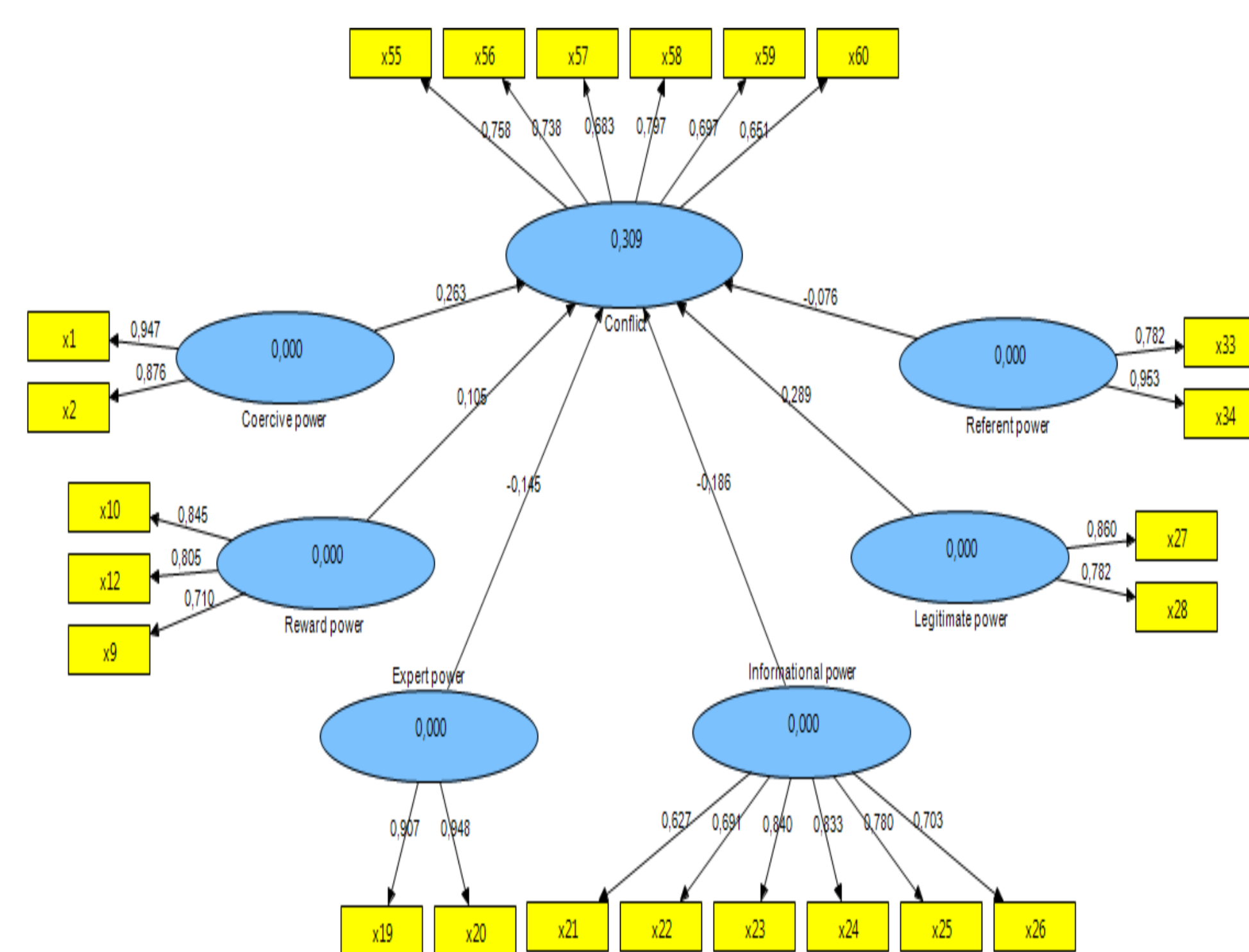


FIGURE 1: Graphical representation of the model in SmartPLS

Latent variables	Cronbach's $\alpha$	Composite Reliability	AVE
Coercive power	0,805315	0,908117	0,831907
Reward power	0,703852	0,830782	0,621930
Expert power	0,841835	0,925404	0,861223
Informational power	0,846552	0,883844	0,561808
Legitimate power	0,523012	0,805901	0,675395
Referent power	0,715612	0,862629	0,760205
Conflict	0,816870	0,866934	0,521720

TABLE 1: Results of the assessment of the measurement model

### Main conclusions

- Therefore, power can have a positive effect on conflict resolution in supply chains and can be used as an effective tool for correcting organizational problems.
- In order to successfully resolve conflicts in supply chains the knowledge of different power types is essential. Depending on the type of power, its effect on conflict may be completely different.
- Our recommendations can help managers to understand different interactions of these factors, and to design their management practices to successfully manage conflicts in supply chains.

## Research hypotheses, data, method

### Research hypotheses

We developed the theoretical model on the role of power for managing conflict in supply chains and formulated the following research hypotheses:

**H1:** Within a supply chain network, the use of coercive power will positively affect conflict.

**H2:** Within a supply chain network, the use of reward power will negatively affect conflict.

**H3:** Within a supply chain network, the use of expert power will negatively affect conflict.

**H4:** Within a supply chain network, the use of informational power will negatively affect conflict.

**H5:** Within a supply chain network, the use of legitimate power will negatively affect conflict.

**H6:** Within a supply chain network, the use of referent power will negatively affect conflict.

### Data and method

The data was collected during 89 interviews with foreign food retail and processing companies with at least 10 % of foreign direct investment capital in Russia (response rate 8.9 %). The survey was conducted from the 31st of March till the 17th of June 2010 via telephone. To test our model, we used the Partial Least Squares (PLS) technique of Structural Equation Modeling (SEM).

## Partner, project duration , funding

### Partner

Geisenheim University

### Project duration

Since April 2007

### Funding

- German Academic Exchange Service
- Personal funds of the authors