Unexplored Antecedents of Agent Opportunism in Buyer-Supplier Relationships: An Interviewed-Based Exploratory Study

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ABSTRACT

Opportunism is a common issue in buyer-supplier relationships. However, while many existing studies investigate interfirm-level opportunism, a few studies investigate individual-level opportunism, and currently, there has been a call for further research on how to manage individual-level opportunism. Thus, to contribute to the current research trend, this study examines factors influencing individual supplier agent opportunism. Data was collected by an interview-based exploratory study of 24 practitioners, from December 2018 and March 2020. The results from data coding and analysis identify two groups of important factors in managing supplier agent opportunism: 1) organisational factors group includes buyer-supplier companies’ long-term relationships, buyer companies’ dependence, co-worker support for buyer agent, job demands for supplier agent; 2) individual factors group includes close relationships between buyer agent and supplier agent, buyer agents’ purchasing knowledge, communication skills, and honesty in negotiation.

Keywords: transaction cost theory; buyer-supplier relationships; individual opportunism; governance mechanism; organisational factor; individual factor

1. INTRODUCTION

Buyers and suppliers tend to engage in opportunistic behaviour in buyer-supplier relationships to protect their self-interest (Williamson, 1985; Wang et al., 2021). The concept of opportunistic behaviour or opportunism is an assumption of transaction cost theory and buyer-supplier relationships literature; it is commonly defined as ‘self-interest seeking with guile’ (Williamson, 1985, p. 47). In practice, opportunism manifestations include behaviours such as ‘lying, stealing, cheating, and calculated efforts to mislead, distort, disguise, obfuscate, or otherwise confuse’ (Williamson, 1985, p. 47). If either buyers or suppliers exhibit these behaviours, they negatively affect transaction cost and relationship quality, which are known to be positively associated with firm performance.

Over the last few decades, researchers have been trying to find an effective mechanism to control opportunism by examining level of opportunism and factors influencing opportunism. According to Hawkins et al. (2012), two levels of analysis, that are interfirm and individual level, need to be considered to examine opportunism in buyer-supplier relationships. Research on interfirm-level opportunism explains firm behaviours, and research on individual-level opportunism explains behaviours of individual agents who are representative of their firms to carry out business exchange transactions. Although many studies about interfirm-level opportunism have been conducted (e.g., Parkhe, 1993; Handley et al., 2012; Bhattacharya et al., 2015; Huo et al., 2018; Yang et al., 2021; Han et al., 2022), only a few studies about individual-level opportunism (Tangpong et al., 2010; Hawkins et al., 2012; Hawkins et al., 2013; Gelderman et al., 2020). However, it is necessary to study individual-level opportunism because business exchange transactions are mostly conducted by buyer and supplier agents (Perrone et al., 2003) and, in many situations, agents, rather than their organisations, intentionally behave opportunistically (Lyons et al., 1990).

As opportunism in buyer-supplier relationships has rarely been examined at the individual level, there are important factors affecting individual opportunism which have not yet been explored (Hawkins et al., 2012). Moreover, it is necessary to study individual supplier agent opportunism from the buyers’ perspective. This is because, generally, buyer-supplier relationships with suppliers have a significant influence on buyer companies’ performance; if supplier agents have opportunistic behaviours, buyer companies’ performance is negatively impacted (Williamson, 1985, p. 47; Hawkins et al., 2012). Therefore, this study enriches the
existing literature on individual opportunism by exploring the factors influencing individual supplier agents from the buyer agents’ perspective. Thus, our research questions are as follows. From buyer agents’ perspective, what are the important individual and organisational factors that impact supplier agent opportunism? How do the factors affect supplier agent opportunism?

The remainder of this paper is organised as follows. Section 2 reviews the existing literature on individual opportunism. Section 3 presents research methodology. Section 4 presents research findings and propositions. Next, section 5 presents conclusions of this study, and finally, limitations and future research directions will be in section 6.

2. LITERATURE REVIEW

Opportunism, as a main assumption of the transaction cost theory, states that when economic actors participate in economic transactions for profit and self-interest seeking, they tend to behave opportunistically (Williamson, 1985). Common opportunistic behaviours that have been mentioned by the transaction cost theory and examined extensively in previous empirical studies are lying and hiding information, exaggerating product value, altering facts to get a better deal, violating contractual terms and informal agreements, and not keeping promises (e.g. Bhattacharya et al., 2015; Huo et al., 2018; Han et al., 2022). Thus, opportunism is a broad concept that covers many different types of negative behaviours in business exchanges (Luo et al., 2006). Therefore, to comprehensively understand opportunism, researchers have attempted to classify it and, so far, they have undertaken two common classification approaches.

First, opportunism is classified into strong and weak forms (Luo et al., 2015). Strong form opportunism is considered in cases where opportunistic acts such as “lying, stealing, cheating, and calculated efforts to mislead, distort, disguise, obfuscate, or otherwise confuse” are performed against the terms and conditions that have been signed in the official contract of the two parties (Williamson, 1985, p. 47; Zhao et al., 2021). Usually, in a formal business cooperation, business parties often sign a contract to clearly define the duties and responsibilities of each party and describe specific terms and conditions related to the supply and exchange of goods and services. However, in many cases, during the implementation process, business parties do not comply with the provisions of the contract and violate it to fulfil their own interests. In these cases, opportunism is in the strong form (Zhao et al., 2022). In addition, apart from formal contracts, economic actors participating in business cooperation often have a number of informal agreements that are not mentioned in the formal contract, which they need to understand and follow. Opportunistic behaviours that opportunistically violate such informal agreements are considered as the weak form opportunism (Liu et al., 2014).

Second, opportunistic behaviours can be classified based on the time when such behaviours occur (Jap and Anderson, 2003). Usually, the timeline before and after a formal business contract is officially signed between business parties is considered. If opportunistic behaviours occur before business parties sign the contract, it is called ex-ante opportunism. Conversely, if opportunistic behaviours occur after business parties sign the contract, it is called ex-post opportunism (Jap and Anderson, 2003). Thus, if we classify the magnification of opportunism from both time-based and formal contract-based perspectives, it can be said that ex-post opportunism can be either the strong form or weak form of opportunism, while ex-ante opportunism can only be the weak form of opportunism because at that time when it happens, the formal contract does not exist yet (Zhao et al., 2022).

Moreover, there is a current research trend focusing on individual-level opportunism in which researchers argue that it is necessary to examine factors influencing individual agents’ opportunism. The existing research on individual opportunism in buyer-supplier relationships indicate that individual agent opportunism is affected by relevant individual and organisational factors (Tangpong et al., 2010; Hawkins et al., 2012; Hawkins et al., 2013; Gelderman et al., 2020).

Tangpong et al. (2010) show that the cooperativeness of an agent and relational norms between their company and a partner company negatively influence the agents’ opportunism. In addition, agent cooperativeness and relational norms have a significant interaction effect on the mitigation of opportunism. Relational norms between companies cannot be implemented in exchange relations in order to control opportunism without cooperativeness from their agents. The combination of relationship norms and agent cooperativeness is considered to be an effective mechanism to mitigate opportunism in buyer-supplier relationships.

Furthermore, Hawkins et al. (2012) argue that an individual’s attitude towards acting opportunistically is influenced by both individual factors (honesty and subjective expected utility) and organisational factors (leaders’ opportunistic behaviours). Empirical data in the research shows that individual buyer agents’ perceptions of their leaders’ opportunistic behaviours might increase their intentions towards acting opportunistically. Buyer agent’s honesty mitigates their attitude towards acting opportunistically, but the impact is reduced when their perception of leaders’ opportunistic behaviours increases. In addition, the buyer’s subjective expected utility increases their attitude towards acting opportunistically, and the impact is strengthened by their perceptions of the leaders’ opportunistic behaviours.

Hawkins et al. (2013) examine a comprehensive model to explain how an individual sourcing agent engages in opportunism. The degree of individual sourcing agents’ opportunistic behaviours depends on their honesty and integrity, and these characteristics depend on the differences among individuals and their work environments. Specifically, if agents work in the environments where their leaders exhibit a high degree of opportunistic behaviour, their honesty or integrity at work will decrease. Together with opportunistic leadership behaviours, the degree of managers’ ignorance in surveillance will increase agents’ likelihood of engaging in opportunistic behaviours. In contrast, if companies have an environment that promotes ethical values, their agents will be less engaged in opportunistic behaviours. In addition, the study also shows that the agents who are satisfied at work will have less intention to act opportunistically than the agents who are dissatisfied.

Gelderman et al. (2020) conducts a study on the triggers and manifestations of individual opportunism. Empirical results from in-depth interviews with experienced
agents in business exchanges show that the triggers of individual agents’ opportunistic behaviours could be associated with the inappropriate behaviours of their counterparts such as refused price reduction, and easy money opportunity. The manifestations of opportunistic behaviours could be bluff, poker, non-compliance, and bullying behaviours that would be harmful for the relationships or lead to relationship termination.

The summary of factors influencing individual opportunism in previous studies is presented in Figure 1.

![Figure 1 Summary of factors influencing individual opportunism in previous studies](image)

**3. METHODOLOGY**

An interview exploratory research methodology was conducted in this study because it exhibits a detailed reflection of the practitioners’ experience, thus providing opportunities to gain insights into our research interests (Wacker, 1998) and build new theories and concepts (Voss et al., 2002). Interviews were conducted on 24 informants who had experience in sales or purchasing. Many of them hold managerial positions in their companies, such as general managers, brand managers, store managers. The profiles of the interviewees are presented in Table 1.

<table>
<thead>
<tr>
<th>Interviewee no.</th>
<th>Position</th>
<th>Industry</th>
<th>Interview time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sales admin executives</td>
<td>Textile and apparels</td>
<td>2 hours</td>
</tr>
<tr>
<td>2</td>
<td>Sales account manager</td>
<td>Electronic appliances</td>
<td>1.5 hours</td>
</tr>
<tr>
<td>3</td>
<td>Purchasing manager</td>
<td>Groceries retail</td>
<td>1 hour and 15 minutes</td>
</tr>
<tr>
<td>4</td>
<td>Brand manager</td>
<td>Foods</td>
<td>2.5 hours</td>
</tr>
<tr>
<td>5</td>
<td>Purchasing employee</td>
<td>Groceries retail</td>
<td>1.5 hours</td>
</tr>
<tr>
<td>6</td>
<td>General sales manager</td>
<td>Machinery</td>
<td>1 hour</td>
</tr>
<tr>
<td>7</td>
<td>Sales floor manager</td>
<td>Groceries retail</td>
<td>1 hour</td>
</tr>
<tr>
<td>8</td>
<td>Store manager</td>
<td>Groceries retail</td>
<td>1 hour</td>
</tr>
<tr>
<td>9</td>
<td>Purchasing planning manager</td>
<td>Pulp and paper</td>
<td>1 hour and 45 minutes</td>
</tr>
<tr>
<td>10</td>
<td>Human resource manager</td>
<td>Foods</td>
<td>3.5 hours</td>
</tr>
<tr>
<td>11</td>
<td>Assistant general manager</td>
<td>Groceries retail</td>
<td>3.5 hours</td>
</tr>
<tr>
<td>12</td>
<td>Purchasing manager</td>
<td>Foods</td>
<td>2 hours and 10 minutes</td>
</tr>
<tr>
<td>13</td>
<td>Category manager</td>
<td>Wholesales</td>
<td>1.5 hours</td>
</tr>
</tbody>
</table>

All interview conversations were audio-recorded, and this study followed the constant comparative method in data coding and analysis process (Glasser and Strauss, 1967). As an interview completed, data in audio was transcribed afterwards, then words and sentences in the data transcription related to the influencing factors of opportunism were considered and presented as first-order indicators. To conceptually understand the emerging factors, the relevant literature was considered to compare and generalise second-order indicators and categories (Yin, 2018). In the next round, cross-interviews were compared to identify the common categories and then present the relevant propositions. After three cycles of coding, our results included important categories and propositions of the relationships among them. Then, we continue with the next interview and again conduct the process of data coding and analysis as previous interview. The information collected within-interview enabled us to describe, understand, and explain what happened in a single, bounded context while cross-interview comparisons with different respondents helped ensure the generalisability of the phenomenon and factors mentioned by a particular interviewee (Miles et al., 2018).
Table 1 Interviewee profile (con’t)

<table>
<thead>
<tr>
<th>Interviewee no.</th>
<th>Position</th>
<th>Industry</th>
<th>Interview time</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>Product development manager</td>
<td>Foods</td>
<td>1 hour</td>
</tr>
<tr>
<td>15</td>
<td>General sales manager</td>
<td>Groceries retail</td>
<td>2.5 hours</td>
</tr>
<tr>
<td>16</td>
<td>Store manager</td>
<td>Wholesales</td>
<td>1 hour</td>
</tr>
<tr>
<td>17</td>
<td>Sales planning general manager</td>
<td>Foods</td>
<td>1 hour and 50 minutes</td>
</tr>
<tr>
<td>18</td>
<td>Sales categories manager</td>
<td>Electronic appliances</td>
<td>1 hour and 15 minutes</td>
</tr>
<tr>
<td>19</td>
<td>Purchasing assistant manager</td>
<td>Rubber products</td>
<td>1 hour</td>
</tr>
<tr>
<td>20</td>
<td>Sales representative</td>
<td>Chemicals</td>
<td>1 hour and 20 minutes</td>
</tr>
<tr>
<td>21</td>
<td>Sales assistant supervisor and manager</td>
<td>Electronic appliances</td>
<td>1 hour</td>
</tr>
<tr>
<td>22</td>
<td>Purchasing representative and manager</td>
<td>Textile and apparels</td>
<td>1 hour and 15 minutes</td>
</tr>
<tr>
<td>23</td>
<td>Sales representative</td>
<td>Electronic appliances</td>
<td>1 hour</td>
</tr>
<tr>
<td>24</td>
<td>Purchasing support supervisor</td>
<td>Mom and baby products</td>
<td>2 hours</td>
</tr>
</tbody>
</table>

4. RESULTS

4.1 Individual factors influencing individual opportunism

<table>
<thead>
<tr>
<th>Category</th>
<th>First-order indicators</th>
<th>Second-order indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>First-order indicators</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Knowledge about product materials, product designs, manufacturing process. (Interviewee 10)</td>
<td></td>
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<tr>
<td></td>
<td>Knowledge about product values and price. (Interviewee 7)</td>
<td></td>
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<tr>
<td></td>
<td>Knowledge about market such as market demand, price trends, comparable product availability. (Interviewee 5)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Knowledge about supplier capabilities such as strength, weakness, competitive advantage, alternative suppliers. (Interviewee 4)</td>
<td></td>
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<tr>
<td></td>
<td>Second-order indicators</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Knowledge about product and price</td>
<td>Knowledge about product and price</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Buyer agents’ purchasing professional knowledge</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Knowledge about market and supplier</td>
</tr>
<tr>
<td></td>
<td>Buyer agents’ keep promises with supplier agents about commissions and promotions. (Interviewee 8)</td>
<td>Buyer agents’ keep promises in negotiation</td>
</tr>
<tr>
<td></td>
<td>Buyer agents keeps promised supplier agents about increasing sales and investments. (Interviewee 13)</td>
<td>Buyer agents’ honesty</td>
</tr>
<tr>
<td></td>
<td>Buyer agents frankly in discussing issues with supplier agents. (Interviewee 21)</td>
<td>Buyer agents’ frank in negotiation</td>
</tr>
<tr>
<td></td>
<td>Buyer agents frankly when talking about their dissatisfaction. (Interviewee 22)</td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>First-order indicators</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Communication about buyer companies’ long-term intention. (Interviewee 1)</td>
<td>Communication about purchasing plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Communication about buyer companies’ purchasing strategy. (Interviewee 12)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Communication about buyer companies’ innovation and technology preference. (Interviewee 6)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Communication about buyer companies’ supplying expectations and requirements. (Interviewee 24)</td>
</tr>
<tr>
<td>c</td>
<td>First-order indicators</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buyer agents keep promises with supplier agents about commissions and promotions. (Interviewee 8)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buyer agents keeps promised supplier agents about increasing sales and investments. (Interviewee 13)</td>
<td>Buyer agents’ keep promises in negotiation</td>
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<td></td>
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</tr>
<tr>
<td></td>
<td>Buyer agents frankly when talking about their dissatisfaction. (Interviewee 22)</td>
<td>Buyer agents’ frank in negotiation</td>
</tr>
</tbody>
</table>
show their good sides and hide their weak sides, so a good understanding of them is important.

4.1.2 Buyer agents’ communication skills

Interviewees pointed out that to control supplier agents’ behaviours, buyer agents need to effectively communicate and convey their company’s long-term intentions in the relationships with suppliers. Once the suppliers understand the long-term vision from the buyer’s side, they will engage more with mutual benefits rather than their self-interest. In addition, to motivate suppliers to engage more in the relationships, buyers need to understand their company’s purchasing plan and convey that information to suppliers. In addition, to motivate suppliers to engage more in the relationships, buyers need to understand their company’s purchasing plans and convey that information to suppliers. Such as the information about the product development strategy and the strategic plan to expand the product portfolio, based on which the suppliers can build up their future manufacturing plan with the buyers.

Moreover, communication is necessary to reduce potential conflict between two parties and disadvantages for buyers. Buyer agents need to communicate effectively with supplier agents about product innovation requirements or requirements for applying new technology, or requirements to adjust supply policies and contract terms. That communication helps to make detailed contracts and avoid misunderstanding. Once supplier agents understand such requirements and desires, they can have sufficient information to determine and prepare their resources to satisfy the buyers. For example, interview 24 explained the importance of communication skills in promoting mutual understanding and mutual benefits between the two parties as below:

‘Buyers need to communicate well to suppliers their expectations about contract terms, or requirements to adjust supply policies. That is important to make a good contract as well as enforce contract and reduce as much as disadvantage for buying firm and misunderstanding between two parties’.

4.1.3 Buyer agents’ honesty

The extent to which buyer agents show that they are reliable in keeping promises in working with suppliers is important to shape the behavioural intention of suppliers. When supplier agents perceive that buyer agents are reliable and honest, they will keep their commitments and promises. Perceived buyer agents’ reliability will make supplier agents feel safe, be respected, and be appreciated. Such good feelings in turn motivate them to behave positively. For example, if buyers promise some priorities with their suppliers, such as the policy of commissions and promotions, increasing sales and product portfolios, increasing human and asset investment, they need to seriously do it. For the arguments, interviewee 24 explained:

‘Buyers need to discuss frankly with suppliers about what they want, what they think, what they satisfy or dissatisfy, such as plans to change the quality of purchases, the intention to change the product line, their opinion about price policy, etc, in turn supplier also tends to be frank with us and engage in our mutual business’.
4.1.4 Close relationships between buyer agent and supplier agent

The closer the exchange partner, the more confident they are that the other company will cooperate with integrity and take care of the partnership rather than behaving opportunistically. Once business relationships are established, two parties should trust each other to maintain and develop relationships. It is important to trust each other in working relationships. Trust helps to easily share ideas, resources, and future goals that are necessary to maintain a good relationship. Trust also helps to create a real friendship instead of business relationship only. Interviewees 9 and 15 explained the circumstance as:

‘Business is one of many things in our lives, so if we have working relations, we also look for personal relations. For example, I always want to share my issues and difficulties during business exchange transactions with supplier agents, and often, they constructively give me suggestions and comments. Also, we often have meetings on weekends or even holidays; we go out and play tennis or have coffee with each other. At that time, we can talk about many things in our lives, not only business that helps us be close, and more willing to invest in our relationships’.

4.2 Organisational factors influencing individual opportunism

The interview data show that organisational factors, such as job demands for supplier agents, buyer and supplier companies’ long-term orientation, buyer-supplier asymmetric power, and co-worker support for buyer agents, are important in managing supplier agent opportunism (see Figure 3).

<table>
<thead>
<tr>
<th>e First-order indicators</th>
<th>f Second-order indicators</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier agents must handle many work tasks. (Interviewee 3)</td>
<td>Buyer's future cooperative intention with supplier. (Interviewee 14)</td>
<td>Buyer-supplier orientation</td>
</tr>
<tr>
<td>Supplier agents must handle hundreds of emails and phone call from suppliers every day. (Interviewee 11)</td>
<td>Buyer has long-term contract with supplier. (Interviewee 16)</td>
<td>Buyer-supplier company long-term relationship</td>
</tr>
<tr>
<td>Company sets a high sales target for supplier agents. (Interviewee 19)</td>
<td>Buyer has been working since many years with supplier. (Interviewee 17)</td>
<td>Buyer-supplier long-term working history</td>
</tr>
<tr>
<td>Punishment if supplier agents do not get sales target. (Interviewee 23)</td>
<td>Buyer has been working with supplier since many projects. (Interviewee 1)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>g First-order indicators</th>
<th>Second-order indicators</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier has monopoly for their products. (Interviewee 9)</td>
<td>Supplier has monopoly for their delivery and selling services. (Interviewee 20)</td>
<td>Suppliers' monopoly</td>
</tr>
<tr>
<td>Supplier has monopoly for their products. (Interviewee 20)</td>
<td>Buyer depends on supplier production line investment. (Interviewee 15)</td>
<td>Suppliers’ dependence</td>
</tr>
<tr>
<td>Buyer depends on supplier technology, machine, and human resources investment. (Interviewee 6)</td>
<td>Buyer dependent on supplier for their products. (Interviewee 3)</td>
<td>Suppliers’ importance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>h First-order indicators</th>
<th>Second-order indicators</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-workers in my department share experiences and suggestions. (Interviewee 19)</td>
<td>Co-workers in my departments share work tasks. (Interviewee 12)</td>
<td>Support from the same level workers</td>
</tr>
<tr>
<td>Co-workers in my departments share work tasks. (Interviewee 12)</td>
<td>Managers give advice and experiences. (Interviewee 8)</td>
<td>Co-workers’ support for buyer agent</td>
</tr>
<tr>
<td>Managers give advice and experiences. (Interviewee 8)</td>
<td>Managers are involved in dealing with big suppliers (Interviewee 5)</td>
<td>Support from managers</td>
</tr>
</tbody>
</table>

Figure 3 First and second order indicators of (e) job demands, (f) long-term relationship, (g) buyer companies’ dependence, and (h) co-worker support
4.2.2 Long-term relationships between buyer and supplier companies

If buyer companies show a desire to associate with supplier companies for a long time, or when the companies have been in a long-term contract, supplier agents will work more cooperatively and have less opportunistic behaviours. As supplier agents understand that they will work with their buyers for a long time, they will have less intentions to do something that is harmful for the buyers. Furthermore, the long history of cooperative relationships between buyer and supplier companies also plays an important role in shaping the working relationship between buyer and supplier agents and their behaviours when carrying out business exchange transactions. For example, interviewees 1 and 14 explained such influences in the following way:

‘When buyer company shows an intention to further develop cooperation with the supplier, their supplier agents also more cooperate with us because they know that we will work with each other for a long time, so the supplier agents will care for mutual benefits rather than their self-interests’.

‘If two companies have already cooperated in many projects before, they have a tight relationship. The tight relationship between companies shapes the relationship between buyer agents and supplier agents becoming more cooperative and friendly instead of engaging in opportunistic behaviours’.

4.2.3 Buyer companies’ dependence

Suppliers have a monopoly over their products and services and exerts strong power over business relationships with buyers. Such power will give suppliers many advantages when working with buyers, such as dealing with higher sales prices and higher quantities or asking for their own decisions about the production schedule and delivery time. Supplier agents of these powerful suppliers generally know their advantages and tend to behave opportunistically with buyer agents, as pointed out by interviewee 9:

‘If the supplier has a strong power, for example, if they have monopoly for some product lines, we have no choice and must accept almost of supplier requirements, otherwise, we could not find another supplying source to replace. It is difficult for us to find other suppliers who can design some specific product modes. Their supplier agents know their power and frequently force me to accept their unreasonable requirements’.

Additionally, buyers’ dependence on suppliers in terms of production line, technology, machine, and human resources might also cause asymmetric power and give supplier agents the conditions to act opportunistically. When buyers depend on a particular supplier in term of investment in technology, machine, and human resources, buyers and suppliers can maintain product line smoothly. However, such a condition is not always good for buyers because suppliers are in a dominant position. Interviewees 15 and 20 pointed this out:

‘For each product type, we normally depend on a particular supplier because we depend on those suppliers to invest specific production lines for us. It generally takes a lot of time and is costly if we switch to other suppliers. In such a dependent condition, the supplier forces us to follow their unfair requirements’.

4.2.4 Co-worker support for buyer agents

Co-workers can help agent representatives improve their capability to mitigate counterparts’ opportunism by solving problems, discussing ideas, sharing information about competitors, and current and potential partners, and supplier agents will have almost no chance to cheat. Support from managers is also necessary for buyer agents to detect and control supplier agents’ opportunistic behaviours. The involvement from co-workers and managers are critical for agent representatives, especially when they work with powerful suppliers. In our study, interviewees 3, 5, and 12, who are working as purchasing agents in their companies, explained this as follows:

‘When I have to deal with a big contract, generally, managers and other colleagues will be involved with me in many ways. For example, they discuss with me, giving me insightful suggestions to understand contract conditions, competitors, and supplier capabilities before signing contracts, and then together we communicate and negotiate with the suppliers. That really helps me to avoid risk situations in which suppliers were planning to deal with something that was unfair for us’.

In summary, the findings of exploratory data show that close relationship between purchasing agents and supplier agents, purchasing agents’ capability (knowledge, communication skills), and characteristics of honesty are important in reducing supplier agents’ opportunistic behaviours. Moreover, organisational factors such as co-worker support for buyer agent, long-term buyer-supplier relationships, buyer-supplier asymmetric power, and job demands for supplier agent have important influences on supplier agents’ opportunistic behaviours.

5. PROPOSITIONS DEVELOPMENT

5.1 Propositions about the impacts of individual factors on individual opportunism

In buyer-supplier relationships literature, close relationship as trust and intimacy among business partners are considered as important factors for developing and maintaining good relationships as well as reducing negative behaviours among companies (Liu et al., 2009; Brock and Zhou, 2012; Wang et al., 2016; Butt, 2018; Mikami and Bird, 2022). Relationships built on trust and intimacy will help enhance information exchange between parties, especially sharing strategic, sensitive and important information, in turn the degree of information exchange is closely related to relationship tight (Wu et al., 2016; Batwa and Normman, 2021). Besides, trust and intimacy are often built after a long time working and observing partners, so it is often associated with understanding, sympathy and respect for the partners’ capabilities, values and working culture, which are important factors to minimise misunderstandings, conflicts between parties, and thereby reduce opportunistic behaviours (Ahlqvist et al., 2020).

Moreover, because building trust and intimacy in business requires a lot of time and effort, so once a company has trust and intimacy with a certain partner, they will tend to establish a long-term relationship by investing a lot of time, effort, capital, and human resource to the partner. Such a strategic investment will motivate the two parties to work for mutual benefits instead of self-interest seeking (Wang et al., 2019). In this paper, we examine opportunism at the
individual level, and we argue that close relationships between buyer agents and supplier agents also help to reduce supplier agents’ opportunistic behaviours in a similar mechanism. Thus, the first proposition is suggested as follows:

**Proposition 1:** Close relationship between the buyer agent and supplier agent helps to reduce supplier agent opportunism.

Buyer agents’ knowledge and experience is extremely important in developing and maintaining B2B performance (Zhang et al., 2011). The previous literature examined the impacts of purchasing professional knowledge on many aspects of B2B performance. First, a solid foundation of knowledge and experience will help buyer agents have sufficient capabilities to evaluate potential suppliers in a comprehensive way, for example, whether this supplier is reliable, suitable or have enough facilities to produce and supply or not (Zhang et al., 2015). These evaluation criteria can only be considered properly and objectively when the buyer agents have sufficient experience and relevant knowledge. Choosing a suitable, reliable supplier will help reduce the risk of opportunistic behaviours from the beginning of relationship establishment (Tchokogue and Mermind, 2021).

Second, buyer agents need extensive knowledge and experience to be able to evaluate product attributes such as product value, product characteristics, input materials, and market information such as average price, material price, and competition. When buyer agents understand well these criteria, supplier agents cannot ask for unreasonable price or exaggerate product value (Schotter et al., 2020).

Third, the level of knowledge and experience is an important factor for buyer agents to increase their power, position, and influence in the business relationship with supplier agents. Similar to other social relationships, in business exchanges, the party with an outstanding capability will be respected by another party, which is important to maintain and manage a healthy business relationship (Zhang et al., 2011). Thus, proposition 2 is developed as follows:

**Proposition 2:** Buyer agent’s professional knowledge helps to reduce supplier agent opportunism.

Similar to knowledge and experience, communication skills are extremely important in business negotiations and maintaining good relationships with business partners (Zhang et al., 2015). Previous studies have shown that buyer agents who have good communication skills will be able to create good impressions with supplier agents, which are essential in all stages of relationship development as exploration stage, expansion stage, and maintenance stage (Claycomb and Frankwick, 2004; Paulraj et al., 2008). Moreover, communication is one of the main activities for buyer agents to convey important information to supplier agents such as short-term and long-term purchasing strategies, new product development plans. When such information is well conveyed to supplier agents, conflicts of interest or misunderstandings will be significantly reduced, thereby, two parties can work together more comfortably and cohesively (Zhang et al., 2015). In addition, buyer agents need good communication skills to convey other issues related to working together such as norms, working style, culture differences, which are critical in promoting mutual understanding, empathy, and value perception among business partners (Ambrose et al., 2008). Thus, proposition 3 is suggested as follow:

**Proposition 3:** Buyer-agents’ communication skills help to reduce supplier agent opportunism.

Previous literature has studied the importance of honesty in the business negotiation context where both buyers and suppliers have the purpose of doing business for profit seeking, so both parties expect frankness and honesty from their partners, and perceived partners’ honesty has significant impact on individual cognition and behaviours (Gullet et al., 2009). Studies on the relationship between employees and managers in working environments have shown that when employees perceive their managers as honest people, they tend to behave honestly with the managers (Leroy et al., 2012). In contrast, if employees perceive their managers to be dishonest, they are more likely to engage in deceptive behaviours. The perception of other people’s honesty at work will make individuals feel safe and comfortable, which will make them trust the people and want to work with them for a long time instead of doing anything harmful for them (Simons et al., 2015).

This mechanism of cognitions and behaviours is also considered to occur in business relationship context between buyers and suppliers. Perceived buyer agents’ honest and trustworthy make supplier agents expect that buyer agents will act in good faith, which interests subsequent interactions such as willing to identify common, voluntary disclosure of relevant information, and willingness to maintain a long-term relationship (Prasad and Cao, 2012; Banai et al., 2014). Thus, it is possible to relate the role of buyer agents’ honesty in reducing supplier agents’ opportunism in buyer-supplier relationships. The fourth proposition is formulated as follows:

**Proposition 4:** Buyer agent’s honesty helps to reduce supplier agent opportunism.

### 5.2 Propositions about the impacts of organizational factors on individual opportunism

The framework of job resource and individual performance has shown that the supports of co-workers are important resources to help individuals effectively facilitate their works and achieve good results (Kim and Yun, 2015). Co-workers are managers or individuals working at the same level. People working at the same level can share knowledge, experience, skills or share useful information for individual employees to handle working tasks (Chiaburu and Harrison, 2008). Managers can support by providing additional training for employees to update and improve necessary knowledge and skills or providing them with additional resources to facilitate effectively working tasks in specific cases.

Moreover, having supports at work from co-workers will help individuals feel secure, comfortable and be willing to strive to work and contribute to organisations (Neves and Eisenberger, 2012). Due to bounded rationality, it is impossible for every individual can know everything. Thus, co-worker’s support is a valuable resource for both physically and mentally to motivate employees to work effectively (Williamson, 1985). Following these arguments,
this study proposes the role of co-worker support for buyer agent in managing supplier agents’ opportunistic behaviours, as in the following proposition:

**Proposition 5:** Co-worker supports for buyer agent helps to reduce supplier agent opportunism.

The influence of dependence on opportunism at the firm level has been examined in previous studies (Cai and Yang, 2008; Cannon *et al*., 2010; Huo *et al*., 2016). Buyers’ excessive dependence on suppliers will give rise for the suppliers to have more opportunistic behaviours. When a supplier has monopoly for the products they supply, it means that it is difficult for the buyer to find alternative suppliers because it will cost a lot of time and expenses (Kakhkonen and Lintukangas, 2014). In such case, the supplier often has the dominant power in making price and supply policies, or even asking to change contract terms for their advantages. The lack of alternative supply sources may cause many uncertainties for buyers, the more alternative suppliers exist, the less power that the current suppliers have (Khan *et al*., 2019).

In contrast, if buyers have higher position in business relationships, suppliers will have a desire to keep business relationship with the buyers, because there are a variety of costs for suppliers associated with terminating business with the buyers (Williamson, 1985). There are many types of costs such as manufactured goods that cannot be sold, input materials cost that cannot be repaid, and it takes time to find a buyer for replacement (Williamson, 1985). Moreover, being a supplier for the buyer which has a strong power in the market is what most of the supplying company’s desire. Because when they have business relationships with powerful buying companies, what they get is not only profits, but also reputation and future development opportunities (Zhang *et al*., 2011). Consequently, dependent suppliers will resist to behave opportunistically. Thus, proposition 6 is formulated as follows:

**Proposition 6:** Buyer companies’ dependence gives rise to supplier agent opportunism.

Job demands-resources model suggests that when job requirements exceed an individual's ability for a long time, their psychology, emotion, and behaviours will be severely affected (Crawford *et al*., 2010). Specifically, they will tend to work to fulfil their responsibility instead of caring about the performance of and their contribution to their organisations. Moreover, if the job is directly related to this their benefits such as salary, bonus, promotion possibility, risk of being fired, in such conditions, an excessive level of job demands will cause negative emotions such as anxiety, fear, or even anger (Crawford *et al*., 2010). In addition, working under high pressure for a long time will burn out individuals’ energy and enthusiasm as well as cause a series of physical and mental health problems (Zhang *et al*., 2017).

However, exerting pressure at a reasonable extent will motivate employees to work hard, but if the pressure exceeds the employees' capacity and endurance, their motivation to work will be reduced. This process will lead to their exit intention, or if they continue, they will tend to exhibit misconduct behaviours. Also, if individuals experience a high level of job demands, they may spend more time coping with the pressure rather than spending all efforts to do their works, which results in low job performance (Zhang *et al*., 2017). In this situation, suppliers could have more intentions to behave opportunistically (Jex, 1998; Thong and Yap, 2000). Thus, the seventh proposition is formulated as follows:

**Proposition 7:** Job demands for supplier agent gives rise to supplier agent opportunism.

The role of long-term relationships in sustaining healthy buyer-supplier relationships has been indicated in the extant literature on organisational opportunism. If relationships are short-term oriented, companies will focus on exploiting relationships to maximise their benefits; in such cases, self-interest seeking is their priority (Lee *et al*., 2018). However, in long-term oriented business relationships, companies will invest for the mutual benefit of both parties in the long run. In addition, when buyers and suppliers work with each other for a long term, they become important partners who are willing to share ideas and risk and speak about their own interests (Ryu *et al*., 2007; Lee *et al*., 2018).

Moreover, in the interaction process framework developed by Håkansson (1982), relationship atmosphere such as the level of closeness, cooperation, and conflict are considered as important factors to facilitate relationships among individuals and organisations in business exchanges. Thus, in this study, we argue that long-term relationships between buyer and supplier companies will create a good relationship atmosphere where buyer agents and supplier agents can work together with the expectation of long run mutual benefits rather than behaving opportunistically. The proposition 8 therefore is suggested:

**Proposition 8:** A long-term relationship between a buyer and supplier company helps to reduce supplier agent opportunism.

The propositions are presented by the conceptual framework in Figure 4.

**Figure 4** Conceptual framework

6. CONCLUSIONS

Over the last decade, researchers have been investigating many factors influencing opportunism in buyer-supplier relationships. Many studies have been conducted on interfirm opportunism, but only a few studies
exist on individual opportunism. To enrich the knowledge of individual opportunism theoretically and provide implications for practitioners, this study explored the important individual and organisational factors that influence individual opportunism.

This study makes three main contributions to transaction cost theory and other relevant theories on buyer-supplier relationships. First, this study contributes to individual-opportunism research by supporting the argument that individual opportunism in buyer-supplier relationships can be caused by individual factors and organisational factors. Second, this study explores the important individual factors that impact supplier agent opportunism. The close relationships between buyer and supplier agents, level of professional knowledge, communication skills, and honesty of buyer agents are important factors to consider when managing supplier agent opportunism. Third, this study explores the important organisational factors that impact supplier agent opportunism. The long-term relationships between buyer and supplier companies, buyer company’s dependence, job demands for supplier agents, and co-workers’ support for buyer agents are important organisational factors that can significantly influence supplier agent opportunism.

Based on the findings, the following recommendations are made for buyer agents and managers to improve their effectiveness in mitigating supplier agent opportunism. First, buyer agents should develop close relationships with supplier agents. Second, buyer agents should improve their knowledge and communication skills and show honesty when working with supplier agents. Third, buyer companies should develop long-term relationships with supplier companies, develop alternative supply sources, and not rely on suppliers. Fourth, buyer companies should enhance the support from managers and other colleagues for buyer agents when they work with supplier agents. Fifth, buyer companies should consider a reasonable pressure on supplier agents, not putting an excessively high level of pressure that exceeds the supplier agents’ capabilities.

7. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Although this study contributes to theoretical literature and practice, it is necessary to consider its limitations. The first limitation is that only 24 interviewees have been considered in this study for the exploration of the indicators and the generation of categories, future research should expand the sample for the generalisation of the exploratory results. Second, this study does not consider the current contextual factors in buyer-supplier relationships, such as blockchain, digitalisation, and virtual connection that have been considered important for the change in organisation and individual behaviours. Future research could consider these factors as conditions that can increase or reduce the influence of other factors on individual opportunism. Third, inductive exploratory interview data have a limitation in the testing of propositions in a large population, thus, in the follow-up research, propositions should be operationalised and tested by a questionnaire survey.

DISCLOSURE STATEMENT

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APPENDIX: INTERVIEW PROTOCOL EXTRACT

i) Interviewee and company background

- What is your company name?
- What are the main products/services/market of your company?
- What is your job title?
- How long have you been in the current company and in this position?
- How long have you worked in the sales and purchasing section?
- What are your companies’ strategies in selecting and cooperating with a supplier?
- What are your duties when working with a supplier?

ii) Relationship with the biggest supplier

- How long has your company worked with the biggest supplier?
- What type of cooperation exists between your company and the biggest supplier?
- How is the biggest supplier important to your company?
- How does your company manage the relationship and business transactions with supplier the biggest supplier?

iii) Relationship with the supplier agent from the biggest supplier who you work with most frequent

- How would you describe your relationship with the supplier agent?
- Regarding your relationship with the supplier agent, are there any conflicts or disagreements?
- Has the supplier agent shown opportunistic behaviours such as lying, cheating, hiding information, and misleading when working with you? If yes,
- Why do you think they have an opportunity or what kind of conditions can enable them to engage in such behaviours?
- How would you deal with it?
- How would your company support you in preventing and dealing with supplier agents’ opportunistic behaviours?

- To prevent supplier agents’ opportunistic behaviours, what are the important factors that you think yourself and your company need to consider?
- How would you maintain and sustain the business relationship with the supplier agent after they behave opportunistically while working with you?

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