



The Effects of Opportunism and Trust on Buyer-Supplier Relationship: Do Commitment Types Matter?

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ABSTRACT

Based on the notion that relational motives have some complicated and multi-directional interactions, this study aims to investigate direct and indirect influences among the main drivers of buyer-supplier relationship strength (RS). Data were collected from 104 buyer firms via e-mail survey. Results show that, in addition to direct effect of opportunism on trust and RS; honesty and benevolence dimensions of trust mediate the opportunism-RS relation. With the notion that different commitment types may have different buffering effects against opportunistic behavior, the study also proposes the moderating roles of affective and calculative commitment. Results reveal that while affective commitment has a moderating effect between opportunism and trust relationship; calculative commitment does not have a significant affect. The business-to-business relationship literature is advanced by a joint investigation of moderated role of two types of commitment and the mediation effects of honesty and benevolence for RS context.

Key Words: Affective Commitment, Calculative Commitment, Opportunism, Relationship Strength, Trust

JEL Classification: L8, M30, M31

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1.0 Introduction

In a globally competitive environment, it is strategically important for suppliers to distinguish themselves by creating value along with strong relationships. Since relational dimensions are not easy to develop, maintain, and duplicate (Barry, Dion, and Johnson, 2008), they are accepted as strategic tools in business relationships as a source of competitive advantage. Especially under unstable, risky, and highly competitive environment, relational strength has particular importance for customer retention due to its long-term nature. Although there are several precedents of a buyer-supplier relationship, trust is accepted as one of the most important element of a strong relationship. The more the customer trusts the supplier, the higher the relationship's value for the customer will be (Walter, Hölzle and Ritter, 2002). This critical role of trust has been the focus of previous research (i.e. Leonidou et al., 2008; Morgan and Hunt, 1994; Doney, Barey, and Abratt, 2007; Geyskens, Steenkamp, Scheer, and Kumar, 1996) that have consistently examined antecedents and relational consequences of the concept. Even so, scholars still call for

investigation of more complex interaction patterns on trust (Doney et al., 2007; Jain, Khalil, Johnston, and Cheng, 2014). This kind of a comprehensive examination of trust will provide a better understanding of direct and indirect patterns among the antecedents of strong relations.

Among other several drivers of trust (i.e. communication, dependence, conflict), opportunism is one of its most critical antecedents (Moschandreas, 1997; Morgan and Hunt, 1994; Skarmas, Katsikeas, and Schlegelmilch, 2002; Kwon and Suh, 2005). Especially under intense competition, firms usually focus on improving or at least maintaining their performance level. Each party tries to maximize its time, resources and investment, and these efforts force them to behave opportunistic in their business exchanges (Hawkins, Wittmann, and Bayerlein, 2008) which can strain the relationship. The examination of opportunistic behavior is especially crucial in long-term business relationships, not in individual transactions, since through its interactions with other relational constructs such as trust and commitment; it may seriously affect the strength of the relationship. Because of these negative effects on some basic exchange outcomes, and given how common it is in B2B exchanges; during last two decades opportunism has increasingly been the focus of B2B studies (Joshi and Stump, 1999; Achrol and Gundlach, 1999; Hawkins et al., 2008; Crosno and Dahlstrom, 2008; Chung, 2012). Yet, up to now, no study examined the role of supplier opportunism on trust considering different types of buyer commitment.

Along with opportunism and trust, commitment is another important component of a strong relationship representing “a firm’s intention to continue the relationship” (Dwyer et al., 1987). Firms however, maintain their business relationships with different motivations, for different reasons and to varying degrees (Geykens et al., 1996; Gilliland and Bello, 2002). For instance, affective commitment represents a more emotional and social component while calculative commitment stands for a more rational and economic component (Geykens et al., 1996; Gilliland and Bello, 2002). Previous research (Liu, Li, and Liu, 2010) states that the existence of calculative commitment without affective commitment can be harmful for exchange relationships by arousing opportunistic behaviors and may reduce the positive impact of affective commitment (Bansal, Irving, and Taylor, 2004). Scholars called for researchers to examine the interactive effects of commitment types on behavior (Meyer and Herscovitch, 2001); and to investigate possible moderating influences on the relationships between opportunism and its relational outcomes (Chung, 2012). Examining commitment by underlying its different psychological states might provide a more comprehensive understanding of buyer-supplier relationships.

In conclusion, the objective of this research to extend the understanding of the complex pattern among important indicators of a strong buyer-supplier relationship, namely opportunistic behavior, inter-firm trust, and commitment. More specifically, this research examines how the two forms of commitment (i.e. calculative and affective) moderate the relationship between opportunistic behavior and trust. In addition, the mediating role of trust on the relationship between opportunistic behavior and relational strength is also investigated. The rest of the paper is organized as follows: First, conceptual background and research model are presented. Then, research hypotheses are developed based on previous literature. Next, necessary analyses for hypotheses testing are conducted followed by the discussion of the findings.

2.0 Conceptual framework

The proposed model jointly examines inter-firm trust, with the two dimensions of honesty and benevolence, as the mediating mechanism between opportunism and relational strength. The model also proposes that two types of commitment (i.e. affective and calculative) play moderator role on the relationship between opportunism and trust. The research model is presented in Figure 1, and the research hypotheses are developed in the following

section:

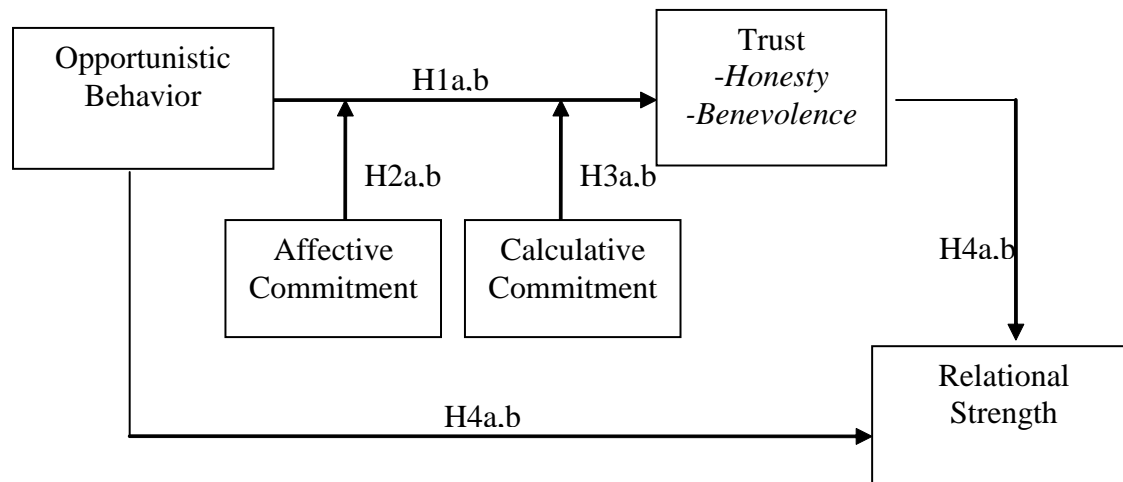


Figure 1: Research Model

2.1 Opportunistic Behavior and Trust

Opportunism (self-interest) is conceptualized as “a partner’s passive or active behaviors that may exploit the relationship to its own advantage” (Wathne and Heide, 2000). Opportunism includes attempting not being entirely truthful; avoiding fulfilling requirements, misleading, and withholding efforts (Mysen, Svensson, and Payan, 2011). Opportunistic behavior may erode value creation (Morgan and Hunt 1994); restrict trust-based relationships; or may affect other exchange outcomes negatively (Hawkins et al., 2008).

Theoretical patterns of opportunism follow two streams: One of them conceptualizes opportunism in relation with relational norms (i.e. mutuality, flexibility, conflict... etc.). This research stream includes transaction cost analysis theory (TCA) oriented studies (i.e. Achrol and Gundlach, 1999; Joshi and Arnold 1997; Rokkan, Heide, and Wathne, 2003) suggesting that business partners behave opportunistic when doing so will reduce their costs or sacrifices. The second stream examines the concept within the framework of Social Exchange Theory (SET) (Morgan and Hunt, 1994; Dwyer and Oh, 1987). This research pattern considers opportunism by focusing on relational dimensions (i.e. relationship quality, relationship strength, trust, commitment). (Mysen et al., 2011) is one of the recent studies focusing on the role of opportunism considering both TCA and SET variables. They examine the environmental uncertainty and bonding structure as causes of opportunistic behavior; and trust and commitment as the outcomes of it.

Despite the negative role of opportunism, trust has a positive, key role in business relationships. Because once inter-firm trust is established, partners will have willingness to denote more resources, energy, and time to maintain the relationship (Anderson & Narus, 1984). This cooperation developed by trust will result in positive outcomes and prevent negative actions (Leonidou, Talias and Leonidou, 2008). Trust is defined as “one party’s confidence in an exchange partner’s reliability and integrity” (Morgan and Hunt, 1994:23). As can be seen from the definition and also is supported by social psychology, trust has two main components: Benevolence (reliability) and honesty (credibility) (Geykens et al., 1996; Doney et al., 2007). Trust in the partner’s benevolence refers to the belief that one party is reliable and will not take an action that will be harmful to the firm (Anderson and Narus, 1990). Trust in the partner’s honesty means believing one’s partner fulfills promises and stands by its word (Morgan and Hunt, 1994). Since opportunistic behavior is believed to decrease reliability and integrity; it may in turn reduce trust. Several studies (Morgan and Hunt, 1994; Mysen et al., 2011; Skarmeas et al., 2002; Kwon and Suh, 2005; Moschandreas, 1997) have empirically shown that the higher levels of opportunistic behavior decrease inter-firm trust. More specifically, (Chung, 2012) found that supplier

opportunism decreases both the credibility trust and benevolence trust of retailers. Consistent with previous research, the first hypothesis of the study is:

H1: Supplier's opportunistic behavior will have negative effects on buyer firm's (a) benevolence trust and (b) honesty trust.

2.2 The Moderator Effects of Affective and Calculative Commitments

Commitment is defined as a multidimensional construct representing “a channel member’s intention to maintain the relationship” (Geykens et al., 1996). In the channel literature, there are different views about sub-dimensions of commitment. Scholars widely view that commitment can be attitudinal and behavioral; and attitudinal is the one that is associated with long-term relationships (Liu et al., 2010). Attitudinal commitment can be divided into two sub-components of affective and calculative commitment (Gilliland and Bello, 2002). Since affective (loyalty) and calculative (continuance) commitments represent different psychological states and different motivations to stay in a relationship (Geykens et al., 1996); it is believed that they might better explain the complex and interactional effect of opportunistic behavior on trust.

Affective commitment represents the willingness to remain and involving in the business relationship (Gounaris, 2005; Bansal et al., 2004). Affectively committed firms are more concerned with emotional content, and tied to their partners for reasons beyond only economic gain (Gilliland and Bello, 2002). Calculative commitment, on the other hand, represents a need to remain in the relationship because of high costs of leaving (Geykens et al., 1996; Bansal et al., 2004). This need primarily depends on pragmatist factors and bonds to the supplier¹ (Bansal et al., 2004). While affective commitment indicates consistency in the business values and philosophies; calculative commitment is associated with opportunistic behavior and pragmatism (Gilliland and Bello, 2002).

In the B2B relationship literature, (Jain et al., 2014) examined the interaction between commitment and supplier’s use of power on retailer’s trust building. They state that since it might reduce the negative feelings about supplier’s use of coercive power, affective commitment moderates the power-trust relationship. Affective commitment is based on positive feelings such as affiliation, identification, and loyalty (Gilliland and Bello, 2002); and with higher levels of affective commitment, buyer firms may build up a special attachment to the supplier (Jain et al., 2014). Therefore, affective commitment may reduce the negative affect of supplier’s opportunistic behaviors. In other words, affective commitment may play a buffering affect towards incumbent supplier’s misbehaviors such as opportunism (Ganesan et al., 2010). Moreover, (Ganesan et al. 2010) examined the interaction effect of opportunism and affective commitment on switching intentions and they found that affective commitment reduced the negative effect of supplier’s flagrant opportunism. Based on this reasoning, in this study the moderating role of affective commitment is proposed. That is, the negative relationship between supplier’s opportunistic behavior and buyer’s trust building will become less negative as buyer has higher levels of affective commitment. Hence, it is hypothesized that:

H2: Affective Commitment will positively moderate the effect of supplier's opportunistic behavior on (a) benevolence trust and (b) honesty trust.

When buyer firms have calculative commitment, they give more importance to “calculate” costs and benefits and their commitment to a supplier became a form of dependence (Geykens et al., 1996). Such buyers want to stay in the relationship to keep some benefits or to avoid possible switching costs. For them, under certain conditions, tolerating opportunism, in order to maintain

¹ Calculative commitment, representing an attitudinal aspect, differs from firm’s dependence to its suppliers. Dependence shows the structure of the relationship that tie the firm to its partner, whereas calculative commitment measures the degree of firm’s motivation to continue the relationship based on these structural ties (Geykens et al., 1996).

the relationship, may be less costly than sacrificing some benefits. Calculatively motivated committed buyers do not consider positive feelings toward supplier as in affective commitment. Therefore they are more pessimistic (Jones et al., 2007) and intolerant towards the opportunistic behaviors of the supplier; and they are not focused on developing relationship's itself (Fullerton, 2003, Fullerton, 2005). This negative attitude may restrain building trust by increasing the damaging effect of opportunistic behavior. (Ganesan et al., 2010) examined the interactive effect of opportunism and calculative commitment on switching intentions of buyer firms; and found that calculative commitment did not protect suppliers from relational threats. Thus, it is hypothesized that:

H3: Calculative Commitment will negatively moderate the effect of supplier's opportunistic behavior on (a) benevolence trust and (b) honesty trust.

2.3 Mediator effect of trust

To support the mediation effect theoretically, a series of conditions among the predictor (opportunism), the mediator (trust) and the criterion (relational strength) variables is needed (Baron and Kenny, 1986): First condition, the direct effect of opportunism on trust dimensions of honesty and benevolence was suggested in H1. Second condition requires a direct effect of trust on relational strength; and the third condition requires the effect of opportunism on relational strength together with trust.

Relational Strength is a construct to specify the power of a buyer-supplier relationship. (Donaldson and O'Toole, 2000) define the concept based on two components of beliefs and actions. Beliefs measure behavioral processes, while actions measure economic components of the relationship. Accordingly, if a relationship is strong (bilateral relationships) both belief and action components will be high. In bilateral relationships, partners co-operate for mutual benefit; they share information, interaction and cooperation are high; and the relationship is not easily copied (Donaldson and O'Toole, 2000). Conversely, if a relationship has weaker ties (discrete relationships), belief and action components will be low, and opportunism dominates this kind of discrete relationships. Referring to (Donaldson and O'Toole's, 2000) definition, (Barry et al., 2008) conceptualize and measure relationship strength by using actual behavioral state resulting from affective motivations. They combine three subcomponents of relationship strength as a buyer's reluctance for alternative searching; a willingness to invest in a supplier; and an increasing amount of suppliers' shares of their buyer's business.

A consensus seems to have emerged in B2B marketing that trust is one of the core elements of building and maintaining a successful business relationship (Dwyer and Oh, 1987; Morgan and Hunt, 1994; Ganesan 1994; Wulf et al., 2001; Lages, Lages, and Lages, 2005; Doney et al., 2007). It is generally accepted that the quality, performance and the strength of the exchange relationship increase as trust between partners grows. Trust provides some benefits in the long run relationships such as understanding of each other, considering other party's welfare, or some other financial and social benefits (Laaksonen, Jarimo, and Kulmala, 2009).

In the B2B literature, opportunism is conceptualized as a negative influencer of relational constructs such as relationship quality and long-term orientation (Ganesan, 1994; Hawkins et al., 2008; Mysen et al., 2011). These studies state that opportunistic behaviors of suppliers reduce the buyer firm's confidence in obtaining anticipated benefits in the long run (Chung, 2012) by damaging the components of relational strength. If for example, buyer firms perceive an opportunistic behavior, they may feel the need for looking for alternatives, they may not be willing to make investment, and they may want to decrease shared purchases. Therefore, opportunism may reduce the strength of buyer-supplier relationship. Yet, it is believed that opportunistic behavior alone is not enough to decrease relational strength, since in inter-organizational relationships trust plays a role of an obstacle to opportunistic behavior (Lin et al.,

2006). According to (Laaksonen et al., 2009), in buyer-supplier relationships, there is always a fear of opportunistic behavior creating a risky situation. They state that, in this risky situation, inter-firm trust is essential for controlling the relationship. That is, supplier's opportunistic behaviors result in loss of confidence in obtaining anticipated mutual benefits in the future (Chung, 2012); this, in turn, results in decreased relational strength because partners believe they can no longer trust their partners. Thus, since the three conditions of a mediation relationship seem to be supported, this study assumes that both honesty and benevolence dimensions of trust mediate the relationship between opportunist behavior and relationship strength.

H4: *Supplier's opportunistic behavior will have negative effect on relational strength via (a) benevolence trust and (b) honesty trust.*

3.0 Methodology

3.1 Participants

To test the research hypotheses, the necessary data were collected from industrial buyers of restaurant equipment, supply, and furniture industry. This choice of single industry provides a relative homogeneity and control over product variety on inter-firm relationships. The questionnaire was e-mailed to 1012 firms operating in the United States of America. After three rounds of reminding e-mails during a period of two months, 124 buyers replied, of which 104 questionnaires were complete and acceptable. Response rate was 10.2% which is acceptable for e-mail surveys and also for industrial markets.

More than half of the respondent firms (62%) were medium-sized; 20% of the firms were small-sized, and 18% of the respondent firms were big-sized firms. The average length of the relationship with the supplier was 4.12 years. Respondents were one of the following: the purchasing manager (19%), purchasing director (25%), managers responsible from the relationship (12%), or staff member who deal with the supplier (44%). Further, to ensure if respondents were knowledgeable enough, it is inquired about the extent of the respondents' knowledge about the relationship that they evaluated, using a five-point Likert-type scale (Liu et al., 2010). The mean was 3.89 (S.D. = 0.89) indicating that the respondents were qualified enough to answer the questions.

3.2 Measures

All constructs were measured with multiple-item scales. Measurement scales were adopted from relevant literature and 7 point Likert-type scale was used anchored on "strongly agree" and "strongly disagree". In the introduction part of the questionnaire, respondents were asked to answer the questions by thinking of "the most important supplier" to ensure the homogeneity in inter-firm relationships. Relationship strength was measured with five items adopted from (Barry et al., 2008), indicating reluctance to search, willingness to invest to the relationship, and share of purchase dimensions. Calculative Commitment was measured with three items borrowed from (Gilliland and Bello, 2002), represents the buyer firm's attachment to the supplier focusing on benefit-sacrifice evaluations, if the relationship ends. Affective Commitment was adopted from (Gilliland and Bello, 2002) and measured with four items, representing buyer firm's attachment to the supplier focusing on feelings. Similar to previous studies (Rokkan et al. 2003; Liu et al., 2010) for opportunism scale, five items were used indicating the self-seeking behaviors of suppliers. Finally, inter-firm trust was adapted from Similar to (Doney et al., 2007) measuring honesty and benevolence of supplier firm with six and five items respectively. Sample scale items for variables are presented at Appendix.

3.3 Preliminary Analyses

Before hypotheses testing, data were checked for validity, reliability and model fit. Table 1 presents correlation coefficients, mean, standard deviation, and Cronbach's Alpha values for research model's variables. An inspection of the correlations reveals that opportunistic behavior

significantly and negatively correlates with both honesty ($r = -.42, p < .01$) and benevolence ($r = -.12, p < .01$) dimensions of trust. Results also showed a high positive association between two dimensions of trust and relational strength (Honesty, $r = .48, p < .01$; benevolence, $r = .57, p < .01$). Scale reliability was assessed by using alpha coefficient. As shown in Table 1, all the alpha coefficients were above the cut-off point of 0.7 (Hair, Anderson, Tatham and Black, 1995:353). For convergent validity, correlation coefficients of inter-variable items for both dependent and independent variables were checked. Results showed that all correlation coefficients among individual items of each variable were between 0.56 and 0.87 indicating support for convergent validity. Since the measurement items were adopted from different studies, confirmatory factor analysis was conducted to test the data fit. The results provided evidence of a good fit ($\chi^2 (df210) = GFI=0.91, CFI=0.97, TLI=0.92$ and $RMSEA=0.05$) (Schreiber, Amaury, Stage, Barlow, and King, 2006).

Table 1: Cronbach's Alpha Value, Descriptive Statistics and Correlation Coefficients

Variables	M (α)	SD	1	2	3	4	5	6
1-Relational Strength	2.46	1.26	-					
2-Honesty	2.43(.78)	1.01	.48*	-				
3- Benevolence	2.89(.82)	0.57	.57*		-			
4-Opportunism	4.53(.88)	0.67	-.24**	-.42*	-.12*	-		
5-Affective Commitment	2.71(.79)	1.07	.37*	.32*	.11**	-.19*	-	
6-Calculative	4.59(.74)	0.77	.10**	.21*	.09**	-.24*	-.22*	-

* $p < .01$, ** $p < .05$, 2-tailed, M = Mean, SD= Standard Deviation, α = Cronbach's Alpha

3.4 Analysis and Results

The research model was tested in two steps. First, series of linear regression analyses were conducted to test the direct and the moderator effects. Second, to assess mediation, the procedure suggested by (Baron and Kenny, 1986) was used. Table 2 provides the regression coefficients of direct and moderator effects in the research model. These results provide support for the first hypothesis of the study proposing a significant, negative effect of opportunism on honesty ($\beta = -.36, p < .05$) and benevolence ($\beta = -.21, p < .05$) dimensions of buyer firm's trust on supplier firm.

Testing the Moderating Effect of Commitment: After direct effects, the moderator effects of affective and calculative commitment were examined to test the H2a,b and H3a,b. The analysis was conducted by adding the interaction terms to the main effect model. The results showed that the negative, significant effect of opportunism on honesty and benevolence are moderated by affective commitment, providing support for the H2a,b. That is, the interaction term of opportunism and affective commitment has a significant effect on both honesty ($\beta = -.25, p < .05$) and benevolence ($\beta = -.23, p < .05$). To fully support Hypothesis 2a and 2b; and provide the effect size of the moderation, simple slopes at one standard deviation above and below the mean of affective commitment were plotted (Figure 2). As expected, the negative effect of opportunism on trust dimensions is weaker for high levels of affective commitment. Further, plots showed that for both honesty and benevolence, the buffering effect of affective commitment is bigger when supplier opportunism level is severe.

Results did not provide support for the moderator role of calculative commitment since the interaction terms of opportunism and calculative commitment has not significant effects on either honesty or benevolence dimensions of trust. Thus, the third hypothesis of the study did not receive support.

Table 2: Regression Results for Testing Moderation

Predictor	β	SE	t	β	SE	t
	Honesty			Benevolence		
<i>Moderator: Affective Commitment</i>						
<i>Model 1</i>						
Constant	4.09*	2.77*	0.38	2.77*	0.38	7.18
Opportunity	-0.36*	0.14	-2.54	-0.21**	0.08	1.30
<i>Model 2</i>						
Constant	3.36*	2.49*	0.71	2.62*	0.38	6.82
Opportunity	-0.34*			-0.18**	0.08	-
Opportunity x Affective	-0.25*			-0.23**	0.01	2.33
<i>Moderator: Calculative Commitment</i>						
<i>Model 1</i>						
Constant	4.06*	0.66	6.20	2.77*	0.38	7.18
Opportunity	-0.36*	0.14	-2.54	-0.21**	0.08	1.30
<i>Model 2</i>						
Constant	4.31*	1.21	3.54	2.44*	0.71	3.44
Opportunity	-0.48	0.59	-0.82	0.21	0.34	0.61
Opportunity x Calculative	0.01	0.07	0.21	-0.22	0.04	0.55

Note: * $p < .05$; ** $p < .10$

Testing the Mediating Effect of Trust: According to (Baron and Kenny's, 1986), mediation process, we examined four conditions to establish mediation: (a) Significant effect of opportunism on two trust dimensions of honesty ($\beta = -.36$, $p < .05$); and benevolence ($\beta = -.21$, $p < .05$); (b) Significant effect of opportunism on relational strength ($\beta = -.37$, $p < .05$); (c) Significant effects of two trust dimensions on relational strength (Honesty: $\beta = .49$, $p < .05$ and Benevolence: $\beta = .55$, $p < .05$); and (d) An insignificant or weaker effect of opportunism on relational strength when trust dimensions are added. Results stated that the negative direct effect of opportunism on relational strength became weaker via benevolence dimension of trust, but not via honesty dimension of trust. That is, benevolence partially mediates the negative relationship between opportunistic behavior and relationship strength whereas honesty does not play a significant role between these two variables. The regression results for testing mediation are reported in Table 3. Further (Sobel's test, 1982) was applied for indirect effects to provide support for the significance of the mediation. Results indicate that the effect of opportunism on relational strength via honesty (-2.22, S.E.=.07, $p < .05$) was significant, but via benevolence (0.32, S.E.=.07, $p > .05$) was insignificant. Taken together, the H4 of the study is supported only for honesty dimension of trust.

Table 3: Regression Results for Testing Mediation

Predictors	β	SE	t
Step 1			
Opportunism → Honesty	-0.36*	0.14	-
Opportunism → Benevolence	-0.21*	0.08	1.30
Step 2			
Opportunism → RelationalStrength	-0.37*	0.18	-
Step 3			

Honesty → RelationalStrength	0.49*	0.11	4.42
Benevolence → RelationalStrength	0.55*	0.19	2.81
Step 4			
Opportunism→Honesty→RelationalStrength	-0.21	0.17	3.67
Opportunism→Benevolence→RelationalStrength	-0.28*	0.11	2.16

* $p < .05$

4.0 Discussion

This research provides some contributions to the B2B relational exchange literature by focusing on the call (Jain et al. 2014) for more complex interaction studies on trust and its antecedents. In this context, direct and indirect influences of opportunism, trust, and commitment on buyer-supplier relationship strength are examined. Particularly, results show that opportunist behavior of the suppliers have negative influences on both buyer trust and buyer-supplier relationship strength. These results also provide additional evidence for previous research (Morgan and Hunt, 1994; Mysen et al., 2011; Skarmeas et al., 2002; Kwon and Suh, 2005; Moschandreas, 1997) by examining direct negative effects of suppliers' opportunism on the relationship with its partners in restaurant equipment, supply, and furniture industry.

The results also provide support for the moderating influence of affective commitment on the relationship between supplier's opportunist behavior and honesty and benevolence as two trust dimensions. That is, the negative effect of opportunism on honesty becomes weaker when the affective commitment is high. In other words, affective commitment plays a buffering effect for the opportunist behavior of the supplier. This buffering effect is stronger when the suppliers' opportunist behavior is more severe. This result is consistent with (Ganesan et al.'s, 2010) study indicating a buffering effect of affective commitment when inter-organizational relationships are strained by supplier opportunism. Similarly, for benevolence dimension of trust, it is found that affective commitment has moderating effect for opportunist behavior of incumbent supplier. The negative effect of opportunism is buffered by affective commitment; and this buffering effect is again stronger for severe levels of opportunist behavior. Unexpectedly, it is found that calculative commitment does not have a moderating affect on supplier opportunism and trust relationship. The finding that calculative commitment did not buffer against opportunism suggests that for eliminating the negative effect of opportunist behavior, emotional roots and social norm are more important than economic concerns.

From a buyer firm's perspective, relationship strength with incumbent supplier is found to be affected positively from inter-firm trust, and negatively from opportunistic behavior. Considering the direct effects among these three constructs, the mediating effect of trust is proposed. Results supported the indirect effect of opportunism on relationship strength via, both honesty and benevolence. Partial mediation of trust dimensions show that opportunist behavior's damaging effect on buyer-supplier relationships is became more important when it is considered together with buyer's trust to the supplier.

5.0 Managerial Implications

Considering the results about the associations among relationship strength and interrelationship of opportunism, affective and calculative commitment, and trust; this study provides some implications for managers to manage their long-term relations.

First, the findings indicate that two types of commitment may have different effects on buyer-supplier relationships. Manager should be aware of the different moderating effects of affective

and calculative commitment. That is, affective ties can be more important and may have a buffer effect against the opportunist behavior of the supplier. Therefore, managers should consider social and emotional interactions with their buyers as well as economic considerations to decrease the negative effects of opportunism. Managers should also be aware of that, especially when the level of opportunist behavior is severe, the buffering role of affective commitment increases. Second, it is believed that since calculative commitment in the relationship is primarily a kind of a force to continue relationship; affective commitment provides the main energy in absolving supplier misbehavior. Third, this research indicates the negative effect of opportunism has exponential growth together with the decrease in honesty and benevolence. That is, negative effect of opportunistic behavior on relationships may become more detrimental when concerning the damage in honesty and benevolence of the supplier arising from opportunist behavior.

6.0 Limitations and Future Research

Although the findings of this research are important to B2B relationship marketing literature, the following limitations should be noted: First, this study takes into account only a single industry, restaurant equipment, supply, and furniture industry. Future research may replicate the study in a variety of industries. Second, firm size is not screened in this study. However, management literature states that the drivers and outcomes of inter-firm relations, and their magnitude can change across different sized firms. Third, in this study two positive (trust and commitment) and one negative (opportunism) drivers of relationship strength are examined. Yet, relational patterns have more complicated interactions among several antecedents. For example, together with being opportunist, the possible negative effect of being unethical on business relationships can be examined. Moreover, the relational patterns among opportunist behavior, loyalty and satisfaction, as well as trust and commitment, can also be studied. Finally, this study investigates only buyers' perceptions of supplier opportunism. But, it is necessary to measure suppliers' reactions to the opportunistic behaviors of buyer firms to get the full understanding the nature of dyadic relationships.

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Appendix

Scale Items (Likert: strongly disagree anchored on 7, strongly agree anchored on 1)
Relationship Strength

- It is unlikely that we will be doing business with this supplier over the next few years (reverse)
- We are continually on the lookout for another supplier to replace this supplier (reverse).
- We find it necessary to be cautious with this supplier (reverse).
- Our relationship with this supplier deserves our maximum effort to maintain.
- Compared to alternatives, this supplier provides a larger volume of products.

Trust

- Honesty*
- This supplier has been frank in dealing with us.
 - Promises made by this supplier are reliable.
 - This supplier is knowledgeable regarding his/her products.
 - This supplier understands our position.
 - This supplier does not make false claims.
 - This supplier is open in dealing with us.

- Benevolence*
- This supplier has made sacrifices for us in the past.
 - This supplier cares for us.
 - In times of shortages, this supplier has gone out on a limb for us.
 - This supplier is like a friend.
 - We feel this supplier has been on our side.

Opportunism

- If problems such as shipment delays arise, the supplier's representative is honest about the problem (reverse).
- We feel that our supplier often uses the information we give to check up on us rather than to solve problems.
- Given the chance, this supplier might try to take unfair advantage of our business unit.
- In dealing with this supplier, we spend a lot of time haggling unproductively over such issues as prices and responsibility for problems.
- We can depend on our supplier always to treat us fairly (reverse).

Affective Commitment

Our loyalty to this supplier is a major reason we continue to work with it.

We want to stay associated with this supplier because of our allegiance to it.

We intend to continue working with this supplier because we feel like they are "part of the family".

Given all the things our two firms have done for each other over the years, we feel we ought to continue our relationship with this supplier.

Calculative Commitment

Changing suppliers would be too disruptive for our business, so we continue to work with this one.

Even if we wanted to shift business away from this supplier, we wouldn't because our losses could be significant.

We need to keep working with this supplier since leaving would create a hardship for our firm.

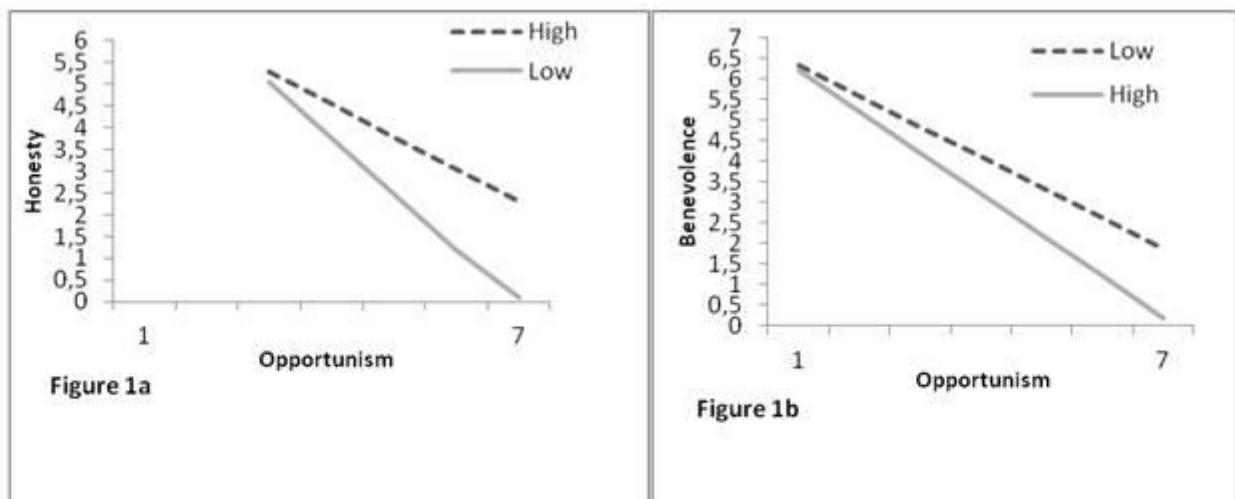


Figure 2: The Moderating Effect of Affective Commitment: (a) Honesty, (b) Benevolence