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Sway and obey: power bases, compliance and satisfaction in B2B relationships

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Abstract

Purpose – This study aims to examine how coercive, legitimate, expert, referent and reward power shape compliance, satisfaction and collaboration in innovation-intensive semiconductor B2B dyads. The authors map bilateral power-pairings and develop a dyadic power-pairing viability (DPPV) framework explaining which pairings persist without sustained satisfaction loss and why others do not.

Design/methodology/approach – This study used qualitative multiple-case study of 22 Dutch customer–supplier dyads. The authors code each side’s use of the five power bases, derive pairings, link them to outcomes and use cross-case pattern matching and negative-case analysis to elaborate DPPV and derive testable propositions.

Findings – Only 9/25 theoretical pairings appear; the dominant configuration is {Customer-Legitimate, Supplier-Expert}. Coercive buys short-term compliance but depresses satisfaction. Expert and referent underpin durable collaboration when aligned to partner needs. Legitimate coordinates under clear roles. Reward works when value and fairness are credible. Viability is shaped by IP risk, time-to-market pressure and capability asymmetries.

Research limitations/implications – Single sector, The Netherlands; qualitative design limits generalizability. Future work should test DPPV quantitatively/longitudinally, probe boundary conditions across sectors/cultures and model dynamic switching between pairings under shocks.

Practical implications – This study avoids prolonged coercive use, aligns expert/referent to the locus of capability, uses legitimate with explicit roles/decision rights, applies reward with transparent value sharing, combines bases across the dyad (e.g. {Customer-Legitimate, Supplier-Expert}) and mitigates IP exposure, speed pressures and asymmetries.

Originality/value – This study introduces a dyadic, configuration-level view of power (DPPV) that explains observed vs absent power-pairings, links them to compliance-satisfaction trade-offs and tailors power use to semiconductor contexts, extending power-base theory to high-tech B2B governance.

Keywords B2B relationships, Power dynamics, Compliance, High-tech industry, Semiconductor industry, Collaboration

Paper type Research paper

1. Introduction

Power dynamics in business-to-business (B2B) relationships play a critical role in shaping compliance, trust and long-term collaboration potential between partners. In global supply chains, failures to manage power balances effectively have been linked to increases in



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operational disruptions and financial repercussions (Touboullic *et al.*, 2014; Zinn and Goldsby, 2020). Recent analyses highlight the practical costs of power misalignment in buyer–supplier relationships, showing that supply disruptions in advanced manufacturing often stem from unclear or imbalanced power arrangements and result in financial losses (Glavee-Geo *et al.*, 2021; Gyarmathy *et al.*, 2020; Paranikas *et al.*, 2020; Sharma *et al.*, 2022). These disruptions are especially costly in industries where rapid innovation and agility are paramount, placing significant pressure on firms to navigate power structures thoughtfully (Perrons, 2009; Touboullic *et al.*, 2014; Siemieniako *et al.*, 2022).

On the theoretical side, many established models highlight how different power bases (coercive, expert, reward, etc.) can drive compliance within organizations (French and Raven, 1959; Nyaga *et al.*, 2013; Siemieniako *et al.*, 2023). However, current research often overlooks the interplay between multiple power bases, particularly how they might transition from leveraging short-term control to building long-term, innovation-centric partnerships (Tjosvold and Wisse, 2009; Galinsky *et al.*, 2012; Anderson and Brion, 2014; Gray *et al.*, 2022; Liu *et al.*, 2023). This lack of a holistic lens risks reducing power to a one-dimensional tool rather than appreciating its evolving, relational nature.

When power is mismanaged, whether through overreliance on coercion or undervaluation of expert contributions, firms risk employee dissatisfaction, supplier disengagement and compromised innovation. Studies estimate that poorly aligned power in industrial buying can lead to high turnover among key technical staff along with increased relational conflict (Amaeshi *et al.*, 2007; Touboullic *et al.*, 2014). Conflicts stemming from power struggles can erode inter-organizational trust, ultimately jeopardizing ongoing collaborations that are crucial to competitive advantage (Glavee-Geo *et al.*, 2021; Gyarmathy *et al.*, 2020). Despite these consequences, practitioners still lack clear frameworks for harnessing different power bases not just to enforce compliance but also to nurture strategic partnerships. Scholars likewise grapple with how coercive, legitimate or expert power might interact in contexts where both parties rely heavily on each other's resources and capabilities. Addressing these gaps is essential for improving both B2B relationship outcomes and the broader theoretical understanding of power's functional role in modern supply chains.

Prior studies tend to treat power in B2B contexts as unidimensional, focusing predominantly on the negative outcomes of coercive power, such as dissatisfaction and reduced trust, while failing to adequately explore the dynamic interplay of other power bases, such as legitimate, referent and expert power, in high-tech sectors (Keegan *et al.*, 2022; Wang and Hsu, 2014). Unlike prior studies that have examined power bases in isolation, we explore how these power bases are strategically used and how they evolve, not just to enforce compliance but also to drive mutual satisfaction and partnership sustainability.

While these power challenges emerge across a variety of sectors, the high-tech semiconductor industry provides an especially vivid context for studying them. This sector is emblematic of the problem because it combines high interdependency between buyers and suppliers, often involving proprietary knowledge and specialized machinery (Qiu, 2024), with rapid technological cycles that force partners to continually renegotiate roles, responsibilities and pricing (Hingley *et al.*, 2015). However, the insights gleaned from examining power in semiconductors are equally relevant to other fast-evolving B2B settings, such as pharmaceuticals, aerospace and high-value machinery, where specialized knowledge grants suppliers significant influence and buyers often wield large-volume contracts (Dubey *et al.*, 2021; Hüllmann *et al.*, 2024; Liu *et al.*, 2024).

In light of these practical stakes and theoretical tensions, this study poses the following research question:

RQ: How do different power bases (coercive, legitimate, expert, referent and reward) shape compliance and satisfaction in B2B supplier–customer relationships, and how might these dynamics foster (or undermine) collaboration and innovation?

By addressing this question, we aim to:

- elucidate how power bases can shift from short-term control mechanisms to long-term relational assets;
- challenge the prevailing notion that power is primarily about enforcing compliance, showing instead how it can cultivate mutual satisfaction and trust; and
- demonstrate that while the semiconductor context is illustrative due to its complexity, the underlying principles apply broadly to technology-driven B2B ecosystems.

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In doing so, the study contributes both theoretically and practically to the literature on power dynamics, challenging the traditional view of power as solely a control mechanism and positioning it as a potential driver for long-term trust and innovation (Baek *et al.*, 2020).

In this study, we focus on Dutch high-tech manufacturers because The Netherlands hosts one of Europe's most advanced B2B innovation ecosystems in semiconductors and complex capital goods. Studying firms within a common regulatory and institutional setting reduces confounding variance and helps attribute observed power patterns to organizational dynamics rather than macro-level differences.

The remainder of this paper is organized as follows. Section 2 reviews the relevant literature on power dynamics in B2B relationships, particularly focusing on the role of different power bases. Section 3 presents the theoretical framework. Section 4 outlines the methodology used, including the case study approach and data collection techniques. Section 5 presents and discusses the key findings from the case analyses, illustrating how different power dynamics influence compliance and satisfaction. Section 6 proposes a set of testable propositions derived from our empirical insights. Finally, Section 7 concludes the paper by summarizing the key insights, offering actionable managerial recommendations and pointing to avenues for future inquiry.

2. Literature review

Power dynamics in B2B relationships have long been a focus of research, particularly in industries where collaboration, dependency and negotiation are pivotal (Hingley *et al.*, 2015; Augustine and Cooper, 2008; Eisenhardt and Schoonhoven, 1996). Recent reviews and empirical work connect supply-chain power structures directly to joint decision-making effectiveness (Nurhayati *et al.*, 2021, 2023). Foundational theories such as French and Raven (1959) define five bases of power (coercive, reward, legitimate, referent and expert), which continue to guide insights into how firms influence and shape partner behavior in B2B contexts. Over time, scholars have shown how these power bases influence the quality, longevity and success of interfirm relationships.

Coercive power, which relies on the threat of sanctions, is often effective for securing short-term compliance but may harm long-term relationship quality. Firms often comply to avoid punishment rather than out of collaborative intent (Bouncken *et al.*, 2020), particularly in sectors where customers exert strong purchasing power that strains supplier capacity. Although coercive power can yield immediate results, prior research characterizes it as a last-resort mechanism that becomes less sustainable as industries grow more innovation dependent (Benton and Maloni, 2004). Yet, coercive power remains pervasive in high-asymmetry relationships, especially in buyer-dominated sectors such as retail and manufacturing (Nyaga *et al.*, 2013).

Expert power, which stems from specialized knowledge, is especially influential in high-tech sectors where firms depend on each other's technical competencies to remain competitive (Wang and Hsu, 2014). In semiconductors, where technological cycles are short and capabilities are decisive, expert power becomes a crucial source of influence (Nurhayati *et al.*, 2025). Firms with unique knowledge or intellectual property can leverage this expertise to shape decision-making and strategic collaborations (Bernstein, 2015). However, the effectiveness of expert power depends on recognition and trust. Expert influence is strongest when supplier capabilities align with customer needs but becomes conditional when technological requirements shift (Watts and Hamilton, 2007; Yli-Renko *et al.*, 2001).

Referent power, grounded in respect or admiration, is typically associated with positive relational outcomes. It emerges when one firm values another's reputation, reliability or identity, motivating voluntary compliance. This becomes particularly important in settings where long-term collaboration and relational continuity matter (Corsaro and Murtarelli, 2024). Although referent power often fosters resilient cooperation (Zhao *et al.*, 2007; Nyaga *et al.*, 2013), it requires reciprocity. When one party perceives exploitation of goodwill, relational deterioration can occur (Dunbar, 2004).

Reward power operates by offering financial or non-financial incentives and is frequently observed in contexts where firms use rewards to motivate specific outcomes (Cowan *et al.*, 2015; Bresnen and Marshall, 2000). Customers may offer preferential contracts, bonuses or joint development opportunities to secure performance (Bhattacharya *et al.*, 2014). While reward power can encourage cooperation, its long-term effects are mixed because compliance depends on the perceived value and fairness of rewards (Chae *et al.*, 2017; Bresnen and Marshall, 2000). This is particularly relevant in high-tech sectors such as semiconductors where partnerships often involve significant R&D investment (Hauser *et al.*, 1994). Poorly managed rewards can lead to disillusionment and weaken partnership stability (Bhaskaran and Krishnan, 2009; Faems *et al.*, 2010).

Legitimate power, based on formal authority, is common in structured, contract-based relationships (Bh *et al.*, 1969). Large customers often exercise legitimate power when dictating terms to smaller suppliers. Although it helps ensure compliance with agreements, its rigidity can reduce flexibility, which is essential in fast-paced, innovation-driven industries like semiconductors (Perrons, 2009). As agility becomes more critical, firms must balance formal authority with adaptive, collaborative practices (Ng and Ahmed, 2024; de Jong and Klein Woolthuis, 2008).

In this paper, we examine how power bases relate to compliance and satisfaction in B2B contexts. While prior work has investigated individual power bases, much less is known about how power dynamics interact and evolve in industries defined by rapid technological change and inter-firm dependency. Classic studies typically analyze power bases unilaterally, but far less research explores their dyadic combination between customers and suppliers or the consequences of specific pairings. Prior work seldom examines which pairings tend to co-occur, persist or fail in practice. Because many studies treat power bases as static, limited insight exists into how firms shift between different power strategies depending on context (Hingley *et al.*, 2015). As a result, we still lack theoretical reasoning about which power configurations lead to which relationship outcomes.

Although different power bases can achieve similar compliance levels, they do not necessarily produce similar satisfaction or relational quality. In fast-changing industries such as semiconductors, misapplied power can erode satisfaction quickly because innovation hinges on collaboration and knowledge exchange. Tactics that may work in stable supply chains may undermine trust and cooperation in high-tech contexts. While many studies examine power dynamics with a focus on compliance or short-term outcomes (Brinker and

Haasis, 2022; Gruchmann, 2022), relatively little attention has been paid to the joint effects of power bases on satisfaction and relationship sustainability. To our knowledge, no study systematically maps dyadic power base pairings or evaluates their joint compliance-satisfaction outcomes in high-tech B2B. This gap invites further inquiry into how different power bases may yield similar compliance but divergent long-term relational trajectories.

Recent work also notes that power in B2B exchange is increasingly shaped by digital and regulatory forces. Platform-ecosystem research conceptualizes platforms as meta-organizations with distinct governance mechanisms that influence coordination and power (Kretschmer *et al.*, 2022). In B2B contexts, such governance mechanisms affect participation in supplier new product development and reshape influence patterns (Wei *et al.*, 2021). At the industry level, analyses of semiconductor supply chains highlight interdependence and policy-driven controls, such as export restrictions, which re-weight bargaining power among actors (Xiong *et al.*, 2025). These insights help situate our study, while our core contribution remains the dyadic power-pairing perspective in semiconductor relationships.

3. Theoretical framework

Scholars differ on whether power should be viewed as a resource one party holds or as a relational construct emerging from interdependencies (Emerson, 1964; Gaski and Nevin, 1985). This debate remains central today (Glavee-Geo *et al.*, 2021; Hekkala *et al.*, 2021; Pansardi and Bindi, 2021) and motivates us to consider both structural and relational aspects of power in our multi-case analysis. In response, this study adopts a dual approach. Power dependence theory (PDT) emphasizes structural resource dependencies, while social exchange theory (SET) highlights the reciprocal dimension of power where value exchange and trust-building matter alongside resource control. Integrating these perspectives allows us to explain which power bases emerge in specific B2B contexts, why certain deployments are more common and how these deployments influence compliance and satisfaction.

3.1 Power dependence theory

PDT (Emerson, 1964) posits that power is tied to the degree of dependency one actor has on another. In B2B relationships, this means that customer-supplier dynamics are shaped by the extent to which each party relies on the other for critical resources, technology or expertise (Benton and Maloni, 2004). In semiconductors, suppliers often possess unique technological capabilities, making customers dependent on them for innovation and development. This dependency grants suppliers expert power, as their specialized knowledge becomes indispensable (Handfield *et al.*, 1999; Alcacer and Oxley, 2013). Conversely, when suppliers depend heavily on large orders or long-term contracts, customers can exercise coercive or legitimate power, especially when suppliers lack alternative market opportunities (Barber, 2011; Flynn *et al.*, 2008). In cases where customers rely on coercive power and suppliers respond with referent power, dependency asymmetry provides an explanation. Suppliers may prioritize relationship maintenance when customers control critical revenue streams, reinforcing structural conditions that push suppliers toward compliance.

3.2 Social exchange theory

SET (Blau, 1968) views relationships as reciprocal exchanges that aim to maximize rewards and minimize costs. In B2B settings, power is therefore not only about control but also about ongoing exchanges that shape collaboration and trust (Blois and Ivens, 2007; Voss *et al.*, 2019). We use this lens to examine how reward power and referent power operate. Firms that offer strategic development opportunities or financial incentives can increase the perceived value of collaboration and strengthen relationships (Cowan *et al.*, 2015). Similarly, referent

power, rooted in admiration and a desire to sustain positive ties, aligns with reciprocal exchanges that build long-term trust and satisfaction (Pieperhoff, 2018). Applying SET helps explain how companies foster voluntary compliance and mutual satisfaction rather than relying on coercion. This is particularly important in high-tech industries such as semiconductors, where long-term collaboration is essential for innovation and competitiveness.

3.3 Integrating the two theories

By combining PDT and SET, we capture both the structural and relational dimensions of power. PDT clarifies why one party may hold more influence due to critical resource asymmetries, while SET explains how this influence is enacted and reciprocated within ongoing exchanges. Together, these perspectives reveal how power secures compliance and shapes long-term satisfaction, especially in high-tech sectors like semiconductors where rapid technological change and mutual dependencies define the nature of collaboration.

4. Methodology

This study uses a qualitative, multiple-case study approach to explore how power dynamics shape compliance and satisfaction in B2B relationships in the high-tech semiconductor industry. A case study design is appropriate because it allows for an in-depth examination of complex, context-dependent interactions (Yin, 2018). Given the nuanced nature of power relations between customers and suppliers, this approach captures real-world dynamics that quantitative methods may overlook.

We investigate 22 customer–supplier relationships in the semiconductor industry, focusing on the exercise of coercive, legitimate, expert, reward and referent power. The industry is suited to this inquiry because rapid technological innovation, high interdependence and the need for adaptive partnerships create conditions where both suppliers and customers exert significant influence (Perrons, 2009).

Cases were selected through theoretical sampling to capture a broad range of experiences within the semiconductor sector. Selection followed three criteria: collaboration type, supply chain position and company characteristics. Collaboration types were based on Lambert *et al.*'s (1996) three-tier framework: Type I (short-term repeated transactions), Type II (long-term relationships with shared goals) and Type III (strategic alliances such as just-in-time). A balance of upstream suppliers and downstream manufacturers ensured insights from both sides of the supply chain. Companies varied in turnover, size, age and ownership to capture different decision-making behaviors, and additional cases were excluded once saturation was reached.

Only dyadic, interdependent supplier–manufacturer collaborations were included. Joint ventures, horizontal or competitive relationships, arm's-length exchanges, indirect transactions and vertically integrated supply chains were excluded because they limit independent decision-making. From an initial target of 24 cases, indirect relationships were removed, resulting in 13 supplier and nine manufacturer direct-interaction cases (see Table 1).

Data were collected through semi-structured interviews with professionals from Dutch high-tech firms operating in Delft, Eindhoven and Amsterdam. Geographic proximity enabled face-to-face interviews and richer interaction. The interviews took place in January and February 2020. Informants were identified through LinkedIn Premium's advanced search and held at least middle-management roles such as supply chain manager, procurement lead or senior specialist. All had a minimum of a bachelor's degree and eight years of relevant experience. This method provided flexibility for exploring power use while

Table 1. List of high-tech companies interviewed*

Company	Case number	Which partner is discussed	Total years of establishment	Status	Total employees	Description
A1	C1	Supplier Buyer	31–35	Public	10,001+	The company provides industrial clients with solutions in electrification, process automation, motion, robotics and discrete automation
	C2					
A2	C3	Supplier Buyer	6–10	Privately held	11–50	The company is a university spin-off and provides expertise in nanoparticle manufacturing and integration. Their technology helps companies develop faster by generating nanoparticles on-site and integrating them directly into the final product. Applications includes sensor, battery, catalysis, solar cell, healthcare, additive manufacturing and nanosafety
	C4					
A3	C5	Supplier Buyer	66–70	Privately held	501–1,000	The company creates and enhances components, modules and systems. It also provides supply chain management, milling and sheet metal manufacturing. Industry and health-tech industries are served by the company
	C6					
A4	C7	Supplier Buyer	51–55	Public	1,001–5,000	The company specializes in the design, development, assembly and maintenance of high-level functional modules and subsystems. It produces high-mix, low-volume electrical components for worldwide original equipment manufacturers
	C8					
A5	C9	Supplier Buyer	51–55	Public	1,001–5,000	The company offers solutions for product lifecycle management of sophisticated electronic applications as an international one-stop-shop provider in the electronic manufacturing services (EMS) sector, for electrical components, assemblies and operating systems (box builds). Also, they offer customized solutions for PCBA's, cables, microelectronics and box construction applications, always striving for the lowest total cost of ownership
	C10					
A6	C11	Supplier Buyer	36–40	Public	10,001+	The company is a significant global supplier of lithography equipment for the semiconductor industry, producing complicated machinery required to manufacture integrated circuits or microchips
	C12					
A7	C13	Supplier Supplier	71–75	Privately held	1,001–5,000	The company provides farmers with innovative solutions and personalized services for every cowshed task, from milking to cleaning. The company advises on how to operate a dairy farm efficiently using management systems
	C14					

(continued)

Table 1. Continued

Company	Case number	Which partner is discussed	Total years of establishment	Status	Total employees	Description
A8	C15 C16	Supplier Buyer	21–25	Privately held	501–1,000	The company is a technology partner that specializes in the development and manufacture of technical goods and solutions. Clients hire their specialists in the areas of technical software, mechatronics, electronics, hardware and assembly to augment the expertise or outsource projects. The company can assist with research and development or perhaps take on the role of the R&D and production departments
A9	C17	Supplier	>100	Public	10,001+	The company delivers integrated solutions using innovative technologies and clinical and consumer data. In addition to diagnostic imaging, the firm is a pioneer in consumer health and home care
A10	C18 C19	Supplier Buyer	51–55	Public	1,001–5,000	The company is a global one-stop provider of electronic manufacturing services (EMS), and proclaims as a market leader in: automotive, medical, industrial and semiconductor. They provide tailored solutions for the entire product life cycle (from concept to after-sales support) of electrical components and complete (box-built) electronic control systems
A11	C20	Supplier	36–40	Public	201–500	The company is leader in making highly automated beverage machine in-house for consumer and professional buyers. They focus on providing superior solutions for office, hotel, restaurant and automatic vending locations. They conduct their own R&D and in-house manufacturing. Initially a private company, they were acquired by a larger stakeholder to cater bigger market and became one subsidiary
A12	C21 C22	Supplier Buyer	11–15	Public	10,001+	The company is one of global pioneers in secure embedded connection solutions for the automotive, industrial, IoT, mobile and communication equipment industries

Source(s): LinkedIn and corresponding company websites

maintaining comparability across cases (Galinsky *et al.*, 2012). Company and participant identities remain confidential.

Interviews lasted 60–90 min and focused on experiences with decision-making, conflict handling and long-term collaboration. Participants discussed power dynamics, how power was exercised and how this influenced compliance and satisfaction. Additional questions probed the effects of different power bases such as specialized knowledge (expert power) or threats of sanctions (coercive power).

Data were analyzed using thematic coding. Open coding identified emerging themes without predefined categories, followed by axial coding to refine themes into coherent categories aligned with the theoretical framework (Strauss and Corbin, 1998). Each case was analyzed individually, followed by a cross-case analysis to identify broader patterns and contrasts across the semiconductor industry (Eisenhardt, 1989). This dual approach enabled us to capture both case-specific insights and recurring dynamics across the data set.

To ensure rigor and credibility, we used several validation strategies. Member checking was conducted by sharing preliminary findings with selected participants to confirm that our interpretations matched their experiences (Lincoln and Guba, 1985). We also used triangulation by comparing labeling decisions with relevant literature to reduce biased interpretations. These steps helped refine our understanding of how power dynamics unfold in high-tech B2B relationships.

Sampling safeguards included selecting senior informants directly involved in the focal exchanges and balancing customer and supplier roles to avoid one-sided accounts. The interview protocol ensured neutral framing, critical-incident prompts and counterexample probes. We distinguished perceived from enacted power by separately coding subjective impressions and observable behaviors, and we assigned power bases only when supported by an explicit evidence anchor such as a *verbatim* quote. Coders searched for disconfirming evidence and maintained an audit trail. Member checking of case narratives ensured factual accuracy, and confidentiality reduced evaluation apprehension.

Coding followed three steps.

- (1) Thematic analysis: Verbatim quotes were coded to identify preliminary themes, such as compromise and trade-offs, which signal underlying power bases. [Appendix 2](#) provides the verbatim material and interpretive details.
- (2) Mapping: Themes were mapped onto categories such as “Power Base by Focal Company” and “Power Base by Partner.”
- (3) Justification: Each categorization was supported with verbatim evidence linking informants’ statements to specific power dynamics. Further justification appears in [Appendix 2](#).

[Appendix 1](#) includes the power-labeling rubric, [Appendix 2](#) the case narratives and *verbatim* anchors and [Appendix 3](#) the compliance and satisfaction mapping. Categorization was also guided by established literature, including French and Raven’s theory of social power. For example, instances of legitimate power were linked to formal authority positions.

Because semiconductor relationships involve high complexity and interdependence, distinguishing between coercive and legitimate requests and among referent, expert and legitimate power required clear operational criteria. These criteria were applied across all 22 cases to determine which power base was exercised and how it influenced each relationship. Full criteria and applications appear in [Appendix 1](#). While the multiple-case study method provides rich insights, the findings are context-specific to the semiconductor industry, which may limit generalizability. Self-reported interview data may also introduce biases such as social

desirability (Podsakoff *et al.*, 2003). Triangulation with company documents and the use of the above validation procedures were intended to mitigate these limitations and increase reliability.

5. Results and discussion

5.1 Power base analysis

In our study, we explored the use of five distinct sources of power in supplier–customer relationships. Theoretically, with each party capable of using one of the five power sources, we could expect to observe 25 possible pairings. However, in our analysis of 22 cases, we identified only nine unique pairings. The absence of certain pairings suggests that some power dynamics are less prevalent or simply not utilized in the cases examined. This is discussed later in this article. We interpret this result in the context of the semiconductor industry in the next subsection. The observed pairings, their frequency and the specific cases are summarized in Table 2.

The most common dynamic involved CustomerLegitimate Power paired with SupplierExpert Power, reflecting situations where customers leveraged their authority while suppliers defended their pricing or decision-making through their specialized knowledge. Coercive power was more frequently used by customers, particularly in scenarios involving unpredictable demands, while suppliers often used referent power to maintain positive relationships. For more detailed case-by-case descriptions, based on *verbatim* transcriptions or quotes from informants, we refer the reader to Appendix 2.

From a PDT perspective (Emerson, 1964), these dominant pairings indicate that structural resource dependencies, such as the customer’s position to dictate terms (legitimate power) and the supplier’s unique knowledge (expert power), are particularly salient in semiconductors. SET (Blau, 1968) further clarifies why referent power is prevalent on the supplier side, as maintaining goodwill and trust can be crucial for long-term collaboration.

5.1.1 Typical power dynamics chosen by supplier and customer. Table 3 presents a summary of the power bases identified across 22 cases in the semiconductor industry, illustrating the frequency with which each power dynamic was exercised by customers and suppliers.

This table illustrates how frequently different power bases were applied across the cases. For example, CustomerLegitimate Power was the most frequently observed, appearing in ten of the 22 cases, while SupplierReferent Power was used in eight cases.

5.1.2 Effect of power bases on compliance and satisfaction levels. Across the 22 cases, the observed compliance and satisfaction levels varied based on the power base employed.

Table 2. The observed pairings, their frequency and the specific cases

Power base pair	Count	Case numbers
{CustomerLegitimate, SupplierExpert}	6	C1, C2, C6, C9, C14, C21
{CustomerCoercive, SupplierReferent}	5	C8, C12, C13, C19, C22
{CustomerReward, SupplierLegitimate}	3	C5, C15, C18
{CustomerLegitimate, SupplierLegitimate}	2	C10, C16
{CustomerReward, SupplierReferent}	2	C11, C20
{CustomerLegitimate, SupplierCoercive}	1	C3
{CustomerLegitimate, SupplierReferent}	1	C4
{CustomerCoercive, SupplierExpert}	1	C7
{CustomerCoercive, SupplierCoercive}	1	C17

Note(s): We show pair x and y as {x, y}

Table 3. The power bases identified across 22 cases in the semiconductor industry

Power base	Case numbers	Count
CustomerLegitimate	C1, C3, C9, C14, C21, C2, C4, C6, C10, C16	10
SupplierReferent	C4, C8, C12, C19, C22, C11, C13, C20	8
CustomerCoercive	C7, C13, C17, C8, C12, C19, C22	7
SupplierExpert	C2, C6, C1, C7, C9, C14, C21	7
CustomerReward	C5, C11, C15, C18, C20	5
SupplierLegitimate	C10, C16, C5, C15, C18	5
SupplierCoercive	C3, C17	2

Coercive power generally resulted in high compliance but was often linked to low satisfaction, as pressure typically led to reluctant compliance. Expert power fostered high satisfaction, with compliance being conditional on the supplier's expertise aligning with the customer's needs. Reward power drove compliance through incentives, but satisfaction was moderate, closely tied to the value of the rewards.

Legitimate power produced moderate to high compliance, as both parties recognized each other's authority within established frameworks. Satisfaction tended to be moderate, depending on how well the legitimate demands aligned with each party's expectations and the structure of the agreements. Finally, referent power encouraged voluntary compliance and strong satisfaction, especially in relationships built on mutual respect.

The patterns observed in the Results section reveal several key insights into how power dynamics play out in customer-supplier relationships in the semiconductor industry. Below we discuss the results further through case summaries. For detailed case-by-case compliance and satisfaction levels, refer to the table in [Appendix 3](#).

5.2 Case summaries

This study shows that power bases are not exercised in isolation but in combinations that vary by context. Across 22 dyads, three regularities recur. First, {Customer-Legitimate, Supplier-Expert} appears in technical alignment and qualification work (e.g. spec clarification, ECNs, capability checks) and is associated with high compliance and high satisfaction (C1, C2, C6, C9, C14, C21). Second, coercion-anchored patterns such as {Customer-Coercive, Supplier-Referent} arise under demand volatility, late requirement changes or incident response, producing short-term compliance with lower satisfaction (C8, C12, C13, C19, C22). Third, {Customer-Reward, Supplier-Legitimate} appears when incentive-supported development or cost-down initiatives are active and sustains compliance when rewards are credible (C5, C15, C18). Only nine of the 25 theoretical pairings appear, consistent with dependence asymmetries, IP risk and time-to-market pressure.

The most frequent pairing was {CustomerLegitimate, SupplierExpert}. Observed in six cases, it reflects customers leaning on formal authority, while suppliers justify positions through technical expertise. Customers push on price or terms (e.g. "We won't shop around... if the price is not up to our liking," C1) while suppliers defend boundaries with knowledge (e.g., "They're already the cheapest we could find...", C1). Similar dynamics recur around quality limits or NPI/maintenance work (e.g. "We ask them to respect our boundary which is quality," C14). [Appendix 2](#) provides all excerpts. PDT interprets this as balanced mutual dependence; SET clarifies that misaligned expectations (e.g. perceived excessive expert-driven costs) may create tensions despite structural interdependence.

The {CustomerCoercive, SupplierReferent} pattern appears in five cases. Customers impose volatile or opaque demands, while suppliers emphasize relationship maintenance to cope. Examples include “very flexible with lack of informed planning” (C8) and customer-driven volatility (“...lack of downstream information,” C8), micromanagement (“micromanage our product spec,” C19) or risk-shifting (“...absorb the excess inventory...,” C22). These episodes deliver compliance but erode satisfaction. PDT explains the supplier’s structural vulnerability, while SET highlights unreciprocated goodwill.

In three cases, {CustomerReward, SupplierLegitimate} emerged, typically around incentive-supported development. Customers offer benefits (“Giving the supplier a bigger pie...,” C5; “...more freedom to set the price...,” C18), and suppliers negotiate within contract limits (e.g. “Open for discussion when unforeseen situations hinder manufacturability,” C5). When rewards are credible, reciprocity sustains cooperation. PDT highlights mutual resource control; SET explains how rewards reinforce reciprocal behavior.

Two cases exhibit {CustomerLegitimate, SupplierLegitimate}. Both sides operate within contractual boundaries, negotiating flexibility while respecting formal authority (C10, C16). This symmetry aligns with balanced dependence and supports stable, moderate-to-high satisfaction.

Two cases show {CustomerReward, SupplierReferent}. Customers offer incentives, while suppliers respond with relational flexibility (C11, C20). PDT explains mutual benefit; SET highlights reciprocal reinforcement between incentives and cooperative behavior.

One case reflects {CustomerLegitimate, SupplierCoercive}. The customer uses legitimate authority, while the supplier refuses orders due to capacity constraints (C3). The supplier’s control over a critical resource enables coercive tactics. SET suggests that this disrupts reciprocal balance.

One case shows {CustomerLegitimate, SupplierReferent}. The customer sets specifications, and the supplier uses referent power to sustain goodwill (C4). Dependence asymmetry explains the supplier’s strategy; SET shows how referent behavior aims to secure future reciprocation.

One case shows {CustomerCoercive, SupplierExpert}. The customer insists on strict specs, and the supplier counters with technological expertise (C7). PDT explains how expertise offsets coercive attempts; SET clarifies the tension between forced compliance and respect for specialized knowledge.

One case shows {CustomerCoercive, SupplierCoercive}. Both sides exert pressure, creating a zero-sum environment (C17). Threats (“switch suppliers”) and withholding information show structural stalemate. SET frames this as a breakdown of reciprocity.

Across all cases, customers most commonly used legitimate or coercive power, while suppliers relied on expert or referent power. These distributions reflect the industry’s resource asymmetries: customers control volume and contracts, suppliers control technology and specialized know-how.

5.2.1 The dyadic power-pairing viability. Only nine of 25 possible pairings appear. Technical expertise and formal authority dominate in semiconductors (Moguilnaia *et al.*, 2005). Some pairings are rare because they do not fit high-stakes, resource-asymmetric settings. Symmetrical pairings such as dual reward or dual referent are unlikely where structural dependence outweighs purely relational dynamics. Others, such as mutual coercion, appear rarely because they are unstable in innovation-driven environments. PDT explains why dominant resources produce recurring structural patterns; SET explains why relational reciprocity limits certain combinations.

Other industries may exhibit different pairings. Retail often shows bilateral reward dynamics (Rawwas *et al.*, 1997); construction features legitimate and coercive combinations

(Lu and Hao, 2012); service industries show stronger referent power on both sides (Wang and Chen, 2011). This highlights the contextual nature of dyadic power pairings.

5.2.2 Timing of power use. Although our focus is on cross-case mechanisms rather than relationship staging, narratives indicate that pairings surface at different points. Reward-based influence emerges during initiation or onboarding; {Legitimate, Expert} during maintenance or NPI problem-solving; and coercion-anchored configurations during escalation or incident recovery. This helps explain why only a subset of theoretical pairings appears: some are phase-specific rather than stable patterns.

In the following sections, we present the cross-case analyses and discuss the dynamics and impacts of each observed power pairing.

5.3 Power case pairings and their effectiveness

5.3.1 Legitimate power and expert power: a structured yet tense partnership. One of the most frequent pairings is between legitimate power and expert power. Here, the focal company sets expectations through legitimate authority while the supplier influences decisions through specialized expertise. In Case 9, the focal company stresses on-time delivery, and the supplier uses expert knowledge to meet stringent requirements. In Case 14, the focal company sets quality and logistics standards, while the supplier applies expert power in managing production and logistics. This reflects PDT: authority and expertise are resources each side depends on.

Tension can arise when expertise drives higher costs. In Case 7, early price lock-ins based on expert knowledge frustrate the focal company. In Case 15, expert-driven cost estimates result in unexpected increases. Thus, while this pairing can sustain structured, high-quality partnerships, it requires careful management to prevent pricing conflicts.

5.3.2 Referent power and coercive power: a fragile balance. Another recurring dynamic is {Referent Power, Coercive Power}, often leading to strained relationships. The focal company attempts to maintain goodwill through referent power, while the client or supplier exerts coercive pressure. In Case 12, accommodating the client does not prevent dissatisfaction caused by coercive demands. Case 22 shows similar strain as the focal company handles large volume orders while facing coercive tactics.

Case 8 illustrates a focal company seeking closer collaboration, but the client's coercive control over final terms creates pressure and undervaluation. In Case 19, referent efforts meet micromanagement and strict requirements, producing stress. These cases show that referent power may preserve relationships in the short term but becomes fragile when paired with coercion. Under SET, suppliers absorb strain hoping for future reciprocity that may not materialize.

5.3.3 Reward power and referent power: building cooperative relationships. Pairings of reward power and referent power often foster cooperative, mutually beneficial partnerships. In Case 11, the focal company offers strategic development opportunities and the supplier responds with referent power, enabling flexibility and commitment despite challenges. In Case 20, financial incentives ensure quality and lead time adherence, and the supplier, facing resource constraints, uses referent power to maintain the relationship.

Though both cases involve similar dynamics, they differ in emphasis. Case 20 centers on immediate financial rewards and transparency about operational difficulties, whereas Case 11 reflects longer-term, strategic incentives. Across both, reward power strengthens reciprocity, and suppliers reciprocate with referent power, consistent with SET.

5.4 Typical power dynamics chosen by supplier and customer

5.4.1 Suppliers: the strategic use of expert, legitimate and referent power. Suppliers in the semiconductor industry frequently rely on expert power, observed in seven of 22 cases (C2, C6, C1, C7, C9, C14, C21). Their specialized knowledge and technical capabilities give them leverage in negotiations. In Case 7, the supplier sets pricing early based on technical expertise, and in Case 15, expertise in material cost estimation shapes pricing and production decisions.

Suppliers exercised legitimate power in five cases (C10, C16, C5, C15, C18), typically where roles are defined contractually. In Case 9, the supplier adheres to agreed delivery expectations, while in Case 15, they follow established cost-estimation procedures, adjusting estimates as needed.

Referent power appeared in eight cases (C4, C8, C12, C19, C22, C11, C13, C20). In Case 20, the supplier works under pressure to maintain goodwill, and in Case 11, flexibility and cooperation reflect efforts to sustain the partnership. Referent power is often a strategy for suppliers in weaker structural positions.

5.4.2 Customers: balancing coercive, legitimate and reward power. Customers frequently use coercive power, seen in seven cases (C7, C13, C17, C8, C12, C19, C22), especially when large purchasing volume gives them leverage. In Case 19, micromanagement and detailed information demands show coercive control, while in Case 22, pushing for large volume at lower prices strains supplier capacity.

Customers also use legitimate power, observed in ten cases (C1, C3, C9, C14, C21, C2, C4, C6, C10, C16). In Case 2, the customer sets pricing within a formal negotiation framework, and in Case 12, they operate within established decision-making structures while enforcing strict deadlines.

Reward power appeared in five cases (C5, C11, C15, C18, C20). In Case 11, the customer offers strategic development opportunities, and in Case 20, financial incentives help ensure quality and lead times.

Across cases, suppliers draw on expert and legitimate power to negotiate effectively and use referent power to protect relational value, especially when structurally vulnerable. Customers, in turn, balance coercive power with legitimate power and reward power, using their control over contract volumes and market access to influence supplier behavior.

5.5 Effect of power bases on compliance and satisfaction levels

Power bases significantly shape compliance and satisfaction in customer–supplier relationships, and each power type produces a distinct pattern of outcomes.

5.5.1 Coercive power: high compliance, low satisfaction. Coercive power secures compliance but usually results in low satisfaction. In Cases 19 and 22, the pressured party complies to avoid negative consequences. In Case 22, the focal company accepts large, straining volume demands, producing compliance motivated by fear rather than commitment. This aligns with PDT, where dependence leaves no choice, and with SET, where absent reciprocity leads to resentful compliance.

5.5.2 Expert power: high satisfaction, conditional compliance. Expert power tends to yield high satisfaction because it builds on respect for specialized knowledge. In Cases 7 and 15, customers comply with suppliers' pricing or cost estimations due to trust in expertise. However, compliance is conditional on the expert resource remaining relevant. In Case 15, rising costs reduce satisfaction and willingness to comply. Under PDT, expertise loses influence if it no longer fits evolving needs. Under SET, respect-based ties weaken if unique knowledge erodes.

5.5.3 Reward power: incentivized compliance, moderate satisfaction. Reward power generates compliance through tangible benefits. In Cases 20 and 11, suppliers meet expectations as long as incentives remain attractive. Satisfaction is moderate and contingent on reward continuity; without incentives, compliance may decline. SET views this as transactional exchange, and PDT notes that once rewards lose value, compliance fades.

5.5.4 Referent power: voluntary compliance, high satisfaction. Referent power encourages voluntary compliance and strong satisfaction. In Cases 11 and 20, suppliers comply because they value the relationship. However, as Case 12 shows, if referent efforts are not reciprocated, strain emerges. SET explains this through relational equity, while PDT recognizes that admiration-based influence weakens if goodwill or brand advantage diminishes.

5.5.5 Conditional compliance and satisfaction. Several cases reveal “conditional” compliance or satisfaction, meaning their stability depends on specific conditions:

- With expert power, compliance persists only if expertise remains valid (Case 15).
- With reward power, satisfaction is tied to the ongoing relevance of incentives (Case 20).

This conditionality highlights the fragility of these outcomes when reciprocity or resource alignment shifts.

Summary

Coercive power enforces compliance but lowers satisfaction. Expert and referent power foster higher satisfaction but may produce conditional compliance, relying on sustained expertise or mutual respect. Reward power yields incentivized compliance with satisfaction contingent on continued benefits. These patterns align with SET, which emphasizes reciprocity, and with PDT, which highlights the relevance of resource asymmetry. In high-tech settings, where long-term collaboration and innovation are central, understanding these dynamics is essential.

5.6 Propositions

Reviewing the power dynamics across the 22 cases reveals several findings with theoretical and managerial implications. Of the 25 theoretically possible pairings, only nine appear. We argue that a customer–supplier power pairing (e.g. {Customer-Legitimate, Supplier-Expert}) is viable when, under specific contingencies (knowledge intensity, asset specificity, dependence asymmetry, governance form, technological turbulence), it recurs in practice and achieves compliance without persistent satisfaction deterioration. This dyadic power-pairing viability (DPPV) framework extends PDT and SET by shifting attention from unilateral power bases to dyadic pairings, adding viability (recurrence + outcome sufficiency) and explaining not only presences but also absences of pairings in high-tech B2B contexts. The framework reorganizes existing theory into a configuration-to-outcome logic with testable implications.

Below are five propositions (P) for future research:

P1. Coercive power secures compliance but reduces long-term satisfaction.

Buyer-driven coercion reliably produces immediate compliance but erodes satisfaction. Cases 19 and 22 show compliance driven by pressure and fear of consequences. In semiconductor settings, where collaboration and innovation cycles are fast, trust erosion accelerates because coerced parties need autonomy for problem-solving. SET explains this as reciprocity breakdown; PDT highlights asymmetric dependence.

In the DPPV logic, {Customer-Coercive, Supplier-Coercive} is a transient escalation state: it delivers short-run compliance but cannot persist without severe satisfaction loss. Customer coercion is more viable when outside options are high, and the satisfaction penalty is softened only when suppliers possess visible, non-substitutable expertise:

P2. Expert power fosters high satisfaction, but compliance may be conditional.

Supplier-driven expertise (Cases 7 and 15) generates high satisfaction because customers value unique knowledge (Fang *et al.*, 2011). Yet, compliance is conditional: once expertise no longer aligns with evolving needs, influence declines. PDT frames this as shifting resource dependence; SET highlights temporary reciprocity dependent on continued relevance.

In the DPPV framework, under high tacitness and asset specificity, {Customer-Legitimate, Supplier-Expert} is a viable and dominant pairing: clear formal authority on the customer side complements supplier expertise, maximizing compliance and satisfaction:

P3. The effectiveness of reward power depends on the perceived value and consistency of rewards.

Reward power (Cases 11 and 20) incentivizes compliance (Chae *et al.*, 2017), but satisfaction depends on the stability and fairness of rewards. Because rewards fluctuate with market and performance conditions, their influence is not structurally fixed. SET emphasizes fairness perceptions, and PDT notes that resource asymmetry can shift as rewards become less valuable.

In the DPPV view, reward-based compliance declines in volatile environments unless reward rules are pre-committed and transparent across review cycles. When rewards intentionally sunset as supplier capability matures, dyads may transition from {Reward, Legitimate} to {Legitimate, Legitimate} while maintaining compliance, though satisfaction plateaus:

P4. Legitimate power mutually works best in clear, structured relationships.

Legitimate power is effective when roles and expectations are well defined (Cases 10 and 16; Hoppner *et al.*, 2014). However, in fast-evolving high-tech environments, rigid authority structures can hinder adaptability, indicating a boundary condition for PDT: stable authority is less effective under volatility. Compliance is high, but satisfaction depends on whether rules feel equitable.

Under the DPPV lens, as knowledge becomes codified and processes mature, viable pairings often shift from {Legitimate, Expert} to {Legitimate, Legitimate}. By contrast, {Customer-Legitimate, Supplier-Coercive} indicates governance-expertise misalignment and predicts compliance-satisfaction decoupling, making it non-viable in steady-state conditions:

P5. Referent power can bolster long-term satisfaction, but its use requires reciprocity.

Referent power functions as an intangible but meaningful resource when goodwill, identity or reputation matter. In Cases 11, 12 and 20, suppliers use referent power to preserve relationships (Benton and Maloni, 2004; Gaski and Nevin, 1985). However, without reciprocal respect, goodwill deteriorates. SET emphasizes that referent-based influence requires ongoing reciprocity; PDT notes that its effectiveness declines if admiration or relational identity weakens.

In DPPV terms, mutual-referent or reward-reward pairings are rare unless dependence is symmetric and IP hazards are low. Referent influence endures only when paired with

minimal formal governance that protects reciprocity; without this, referent power decays despite goodwill.

6. Conclusion

This study advances the understanding of power dynamics in B2B relationships by showing how customer and supplier power-base pairings influence compliance and satisfaction. These outcomes often align but can diverge. Across 22 semiconductor dyads, only nine of the 25 theoretically possible pairings appear, indicating that many configurations are either non-viable or short-lived under conditions such as IP risk, time-to-market pressure and capability asymmetries.

Three patterns stand out. Customer legitimate combined with supplier expert appears in technical alignment and qualification contexts and yields high compliance and high satisfaction. Coercion-driven pairings, for example customer coercive combined with supplier referent, arise during demand volatility or incident response and lead to short-term compliance with reduced satisfaction. Customer reward combined with supplier legitimate appears in incentive-supported development or cost-down situations and sustains compliance when rewards are consistent and transparent. A limited number of customer legitimate combined with supplier legitimate cases reflect routine coordination and produce stable compliance with moderate satisfaction.

Customer legitimate power with supplier expert power is the most frequent pairing and typically results in balanced and productive relationships, although satisfaction declines when legitimate authority is overused. Customer coercive combined with supplier referent consistently produces high compliance but low satisfaction, reinforcing earlier findings about the risks of coercion. Reward power supports compliance but does not guarantee satisfaction unless rewards are judged fair and reliable.

These observations form the basis of the DPPV framework. A pairing is viable when it recurs without sustained deterioration in satisfaction. DPPV shifts attention from single power bases to dyadic configurations, links these configurations to joint compliance and satisfaction outcomes and explains absent pairings through dependence asymmetry, outside options, asset specificity, reciprocity and fairness. This framework offers testable implications for understanding which configurations persist and why others do not appear in high-tech B2B settings.

A notable insight is the limited role of referent power in generating long-term satisfaction. Although often associated with strong relational ties, referent power appears more defensive than collaborative in fast-paced semiconductor contexts, challenging assumptions about its durability when technological and competitive pressures rise.

Overall, this study shows that power in B2B relationships is dynamic and context dependent. Effective management of power can strengthen partnerships in environments shaped by innovation and rapid technological change. The findings refine PDT by illustrating how resource leverage adapts to volatility and extend SET by highlighting how relational equity weakens when reciprocity becomes uncertain.

This study offers three main contributions:

- (1) introduction of the DPPV framework and an explanation for why only nine of 25 pairings occur;
- (2) joint analysis of compliance and satisfaction, revealing that similar compliance levels can lead to different relational paths; and
- (3) demonstration that power operates configurationally and shifts with situational triggers such as price pressure, incidents, incentives or routine coordination.

Limitations include the absence of direct measures of switching costs and loyalty, which future mixed-method and longitudinal studies could address. In addition, this study does not

capture relationship phases in detail, because data were optimized for cross-case comparison rather than temporal mapping. Future research could track how pairings evolve across initiation, maintenance and escalation, and test how configurations migrate over time under varying dependence structures.

6.1 Managerial implications

For managers, these findings show that power in B2B relationships must be used carefully. In semiconductor settings, where innovation and speed matter, power should support both compliance and long-term satisfaction. The following power hygiene guidelines can help procurement, engineering and quality, account leads and legal:

- prefer the pairing of legitimate and expert power for complex technical coordination so that authority and expertise align;
- reserve coercive power for true exceptions; it delivers fast compliance but lowers satisfaction, so use it with clear exit criteria, post-incident repair and a swift return to normal governance;
- use rewards to begin capability development, keep them predictable and tied to milestones and plan a sunset path to avoid dependency;
- translate tacit knowledge into checklists and DfX gates to maintain compliance without harming satisfaction;
- run periodic power hygiene reviews by reassessing BATNAs, switching costs, and capability asymmetries; correct situations where authority sits with a party lacking the needed expertise;
- as platforms and regulations reshape interdependence, align authority, data access and expertise through SLAs, shared data and expert sign-off; and
- treat referent power and goodwill as insufficient alone; complement them with light governance and visible reciprocity to preserve trust.

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Appendix 1. Guidelines for labeling power bases

The following framework provides adaptable guidelines for differentiating similar-sounding, subtle or overlapping power dynamics in customer-supplier relationships. It serves to help future researchers apply consistent labels to instances of power based on interview findings.

This nuanced approach helps differentiate different power bases and provides insight into how power bases are exercised in the complex, high-tech semiconductor industry.

Starting with legitimate power as the baseline in industry relationships is a wise approach, because it reflects industry norms, established roles and expected duties. By using legitimate power as a comparison point, one can clearly distinguish when something deviates from standard expectations, whether it is moving toward coercion (excessive pressure) or referent/expert power (based on relationships or expertise).

Distinguishing between coercion and legitimate ask

Given the volatile and complex nature of the semiconductor business, suppliers are often expected to be flexible. However, there is a fine line between reasonable industry expectations and coercion.

(1) Legitimate ask:

- Contextual normalcy: The request aligns with standard industry practices, where high adaptability is the norm due to the rapid evolution of semiconductor technology.
- Mutual benefit: Both customer and supplier gain from the request, such as in innovation, quality or long-term partnership.
- Reasonable demands: The supplier is capable of meeting the demands without excessive strain, even if the demands are challenging.
- Negotiable and collaborative: There is space for negotiation, with both parties actively discussing terms.

(2) Coercion:

- Excessive pressure: The customer's demands strain the supplier's capacity beyond reasonable industry norms.
- Unilateral benefit: The customer benefits disproportionately, leaving the supplier with little choice but to comply due to lack of alternatives or market power imbalance.
- Lack of flexibility: The supplier is given no room to negotiate or reject unreasonable demands.
- Punitive consequences: There is an explicit or implied threat of losing business or facing negative consequences if the supplier does not comply.

Application to case examples

(1) Case 13: a mix of legitimate ask and coercion

- Referent power (supplier): The supplier's flexibility in adapting to changes during the testing phase is a legitimate ask, as this adaptability is an industry standard for meeting high-tech requirements.
- Coercive power (customer): The customer's persistent pricing strategy, where they "always strive to have the product cheaper than what the supplier sells to us," could cross into coercion if it places unsustainable pressure on the supplier. Whether the pricing demands are within industry norms or coercive depends on the supplier's ability to negotiate without fear of losing business.

(2) Case 11: a non-coercive, collaborative relationship

- Referent power (supplier): The supplier demonstrates flexibility in adapting to volatile logistics and lead times, aiming to strengthen the relationship. This willingness to adapt indicates referent power, as the supplier values being seen as a reliable and cooperative partner.
- Reward power (customer): The customer offers strategic development opportunities to the supplier, fostering a mutually beneficial relationship without coercion.

(3) Case 12: coercion through unpredictable demands

- Referent power (supplier): The supplier adapts to the customer's volatile demands to maintain a positive relationship, driven by a desire to continue the partnership.
- Coercive power (customer): The customer's imposition of volatile demands without adequate market information places undue operational strain on the supplier, forcing them to comply despite the challenges.

Distinguishing between referent power, legitimate power and expert power

In addition to differentiating coercion from legitimate asks, this study distinguishes between referent power, legitimate power and expert power in supplier–customer relationships. The following criteria were applied to categorize these forms of power:

(1) Referent power:

- Relationship-driven: Actions taken to maintain or strengthen the business relationship, often involving flexibility and cooperation.
- Beyond duty: The supplier or customer goes beyond contractual obligations to ensure a positive, long-term relationship.
- Mutual respect and admiration: Behavior motivated by a desire to be seen as reliable, adaptable or indispensable.

(2) Legitimate power:

- Role-driven: Actions taken as part of a party's recognized duties within the business relationship, based on agreed-upon roles and expectations.
- Formal authority: Compliance with requests is based on the recognition of the other party's authority to set terms.
- Normal business operations: The supplier or customer is meeting typical industry demands without going beyond their expected role.

(3) Expert power:

- Knowledge-driven: The party uses specialized expertise or knowledge to influence the relationship, especially in areas such as innovation or unique technical capabilities.
- Leverage of expertise: The supplier or customer uses their unique capabilities to negotiate terms, provide value or resist demands.

Application to case examples

(1) Case 15: legitimate power by the supplier

- Legitimate power (supplier): The supplier provides competitive pricing, fast responsiveness and functionality, meeting the buyer's expectations. These actions align with legitimate power because they are fulfilling their normal responsibilities as part of a mutually agreed business relationship.
- Why not expert power?: Although the supplier possesses technical expertise, the case emphasizes that the customer grants the supplier freedom to innovate as a reward, not as something the supplier negotiated based on expertise.
- Why not referent power?: The supplier's compliance is based on fulfilling expected duties rather than maintaining or enhancing the relationship.

(2) Case 11: referent power

- Referent power (supplier): The supplier is highly flexible and willing to adapt to the customer's volatile demands, prioritizing the long-term relationship. This behavior is motivated by the desire to maintain a positive partnership, even when it involves extra effort.
- Why referent power?: The supplier's actions go beyond standard expectations, driven by the need to be seen as a reliable partner, thus reflecting referent power rather than legitimate or expert power.

(3) Case 12: referent and coercive power

- Referent power (supplier): The supplier adapts to volatile demands to preserve the relationship, going beyond standard obligations.
- Coercive power (customer): The customer's unpredictable demands, combined with insufficient information, impose strain on the supplier, forcing compliance under pressure.

Appendix 2. Detailed case analyses and transcription excerpts

This appendix provides a comprehensive breakdown of the power dynamics observed in each of the 22 cases studied. The cases are grouped based on the dominant power dynamic, with each group providing key evidence and a summary for both the focal company and the partner (supplier or customer). The evidence quotes are highlighted to emphasize the importance of specific statements used to illustrate the power bases. This structure allows for easy comparison and identification of patterns across cases.

Legitimate power vs expert power

These cases highlight instances where the focal companies leveraged legitimate power due to their established authority or relationship with the partner. The partners, in turn, relied on expert power, using specialized knowledge, technological advantages or market position to resist demands or maintain control over certain aspects of the partnership.

Case 1

(1) Focal company power base: legitimate

- Key evidence: “We won’t shop around either if the price is not up to our liking.”
- Analysis: The focal company uses its long-standing relationship with the supplier to demand price adjustments, expecting compliance based on their established authority.

(2) Partner (supplier) power base: expert

- Key evidence: “They’re already the cheapest we could find due to the economies of scale and transaction history we had with this supplier.”
- Analysis: The supplier uses their expertise in pricing and economies of scale to resist further price reductions, maintaining control over the situation.

(3) Summary: The focal company exercises legitimate power through their relationship, while the supplier uses expert power to justify their pricing.

Case 2

(1) Focal company power base: expert

- Key evidence: “Our product will bring financial benefits or efficiencies in the Customer’s operation.”
- Analysis: The focal company relies on its expertise in the product’s value and quality to justify a higher price point, leveraging its specialized knowledge.

(2) Partner (customer) power base: legitimate

- Key evidence: “The Customer will buy our product even when it is beyond their expected price because there is a lack of alternative supplier.”
- Analysis: The customer exercises legitimate power by acknowledging the critical market position of the focal company, accepting the higher price due to a lack of alternative suppliers.

(3) Summary: The focal company exercises expert power through product knowledge, while the customer uses legitimate power by recognizing the supplier’s essential role.

Case 6

(1) Focal company power base: legitimate

- Key evidence: “We can see the whole connection of processes and activities required to deliver the product they need.”
- Analysis: The focal company uses legitimate power by leveraging its deep understanding of the process to influence the customer’s decision-making and demand compliance with timelines.

(2) Partner (customer) power base: expert

- Key evidence: “The way to resolve is to accelerate that to higher ranks in their bureaucracy, which slows down our process at the end.”
- Analysis: The customer uses expert power through its organizational hierarchy to control final decisions, even if it slows the process.

- (3) Summary: The focal company uses legitimate power through process expertise, while the customer uses expert power through bureaucratic decision-making.

Case 9

- (1) Focal company power base: legitimate

- Key evidence: “Our priority is speed.”
- Analysis: The focal company exercises legitimate power by prioritizing speed over the supplier’s technological advancements, enforcing its operational needs.

- (2) Partner (supplier) power base: expert

- Key evidence: “Our supplier offered an idea to develop a new technology based on their new skill and research.”
- Analysis: The supplier uses expert power by proposing a new technology, relying on their specialized knowledge to influence the focal company’s decisions.

- (3) Summary: The focal company exercises legitimate power by prioritizing operational speed, while the supplier uses expert power through technological expertise.

Case 14

- (1) Focal company power base: legitimate

- Key evidence: “We ask them to respect our boundary which is quality.”
- Analysis: The focal company uses legitimate power by setting clear quality boundaries that the supplier must respect as part of their relationship.

- (2) Partner (supplier) power base: expert

- Key evidence: “Since our supplier knows a lot about their product, sometimes we follow their suggestions on material.”
- Analysis: The supplier uses expert power by leveraging their product knowledge to influence the focal company’s material decisions.

- (3) Summary: The focal company uses legitimate power by enforcing quality standards, while the supplier uses expert power through their specialized knowledge.

Case 21

- (1) Focal company power base: legitimate

- Key evidence: “We discuss with our suppliers about their future prediction... Finally, we will ask our supplier for their commitment to provide enough capacity to support our business.”
- Analysis: The focal company exercises legitimate power by setting expectations and seeking a commitment from the supplier to meet their future capacity needs.

- (2) Partner (supplier) power base: expert

- Key evidence: “Sometimes, the supplier will disagree with our offered pricing... We don’t normally challenge their pricing because we understand they’re the best supplier in the market.”
- Analysis: The supplier uses expert power by leveraging their advanced market knowledge and technological capabilities to maintain control over pricing decisions.

- (3) Summary: The focal company exercises legitimate power by managing capacity commitments, while the supplier uses expert power to maintain pricing authority.

Coercive power vs referent power

In these cases, the customers exerted coercive power, often through volatile demands, while suppliers or focal companies relied on referent power to maintain positive relationships despite challenging circumstances.

Case 8

(1) Focal company power base: referent

- Key evidence: “This causes us (manufacturers) to have to be very flexible with lack of informed planning.”
- Analysis: The focal company demonstrates referent power by being flexible and adaptive to the customer’s frequent changes, prioritizing the relationship over operational control.

(2) Partner (customer) power base: coercive

- Key evidence: “Following Customer’s volatility of product requirements, even when Customer shows lack of initiative to share more market demand/downstream information.”
- Analysis: The customer uses coercive power by frequently changing product requirements without providing adequate downstream information, forcing the focal company to operate under pressure.

(3) Summary: The focal company relies on referent power to maintain flexibility, while the customer uses coercive power through volatile demands.

Case 12

(1) Focal company power base: referent

- Key evidence: “We normally adapt to our Customer’s volatile demand, to sustain our business.”
- Analysis: The focal company uses referent power by adapting to volatile customer demands to sustain the relationship, even when it causes operational strain.

(2) Partner (customer) power base: coercive

- Key evidence: “We understand that the high-tech market is volatile.”
- Analysis: The customer uses coercive power by exerting pressure on the focal company through volatile demands, forcing continuous adaptation.

(3) Summary: The focal company uses referent power to sustain the relationship, while the customer uses coercive power through volatility.

Case 13

(1) Focal company power base: coercive

- Key evidence: “PRICING: there is always a compromise because we always strive to have the product cheaper than what our supplier sells to us.”
- Analysis: The focal company uses coercive power by pushing the supplier to lower prices, creating pressure through persistent negotiation.

(2) Partner (supplier) power base: referent

- Key evidence: “Suppliers have to be flexible to adapt to changes in measurements for prototypes to reach quality... Normally, they will accommodate us in testing phase and development phase.”

- Analysis: The supplier uses referent power by being flexible and accommodating during the testing and development phases to maintain a positive relationship.
- (3) Summary: The focal company uses coercive power by enforcing lower prices, while the supplier uses referent power by being flexible in the development phase.

Case 19

- (1) Focal company power base: referent
 - Key evidence: “If they insist, we have no choice but to use our power upstream to put the stress to our suppliers.”
 - Analysis: The focal company uses referent power by trying to align with the customer’s demands, passing the pressure onto upstream suppliers.
- (2) Partner (customer) power base: coercive
 - Key evidence: “Our Customer is very demanding and dictating... They want to micromanage our product spec and high flexibility.”
 - Analysis: The customer uses coercive power by micromanaging product specifications and placing strict demands on the focal company, leaving little room for flexibility.
- (3) Summary: The focal company uses referent power to maintain the customer relationship, while the customer exerts coercive power by imposing strict controls.

Case 22

- (1) Focal company power base: referent
 - Key evidence: “They would always give us large volume so that they could get from us cheaper price, but enough to push us to accommodate with our capacity regardless of demand fluctuation.”
 - Analysis: The focal company uses referent power by accommodating the customer’s large volume demands, even when it strains their own capacity.
- (2) Partner (customer) power base: coercive
 - Key evidence: “When we already started our manufacturing with our suppliers, sometimes our Customer communicated a change of demand from their side, and it results in us having to absorb the excess inventory together with supplier.”
 - Analysis: The customer uses coercive power by changing demand after production begins, forcing the focal company and suppliers to absorb excess inventory.
- (3) Summary: The focal company uses referent power to accommodate demand fluctuations, while the customer uses coercive power by imposing last-minute changes.

Reward power vs legitimate power

These cases show how focal companies used reward power to incentivize suppliers, while suppliers exercised legitimate power by adhering to agreed-upon terms in response.

Case 5

- (1) Focal company power base: reward
 - Key evidence: “Giving the supplier a bigger pie as long as the quality is good/not compromised.”
 - Analysis: The focal company uses reward power by offering better terms to incentivize the supplier to maintain high-quality standards.
- (2) Partner (supplier) power base: legitimate

- Key evidence: “Open for discussion when unforeseen situation happens which hinders our supplier to not fulfill their promises in manufacturability.”
- Analysis: The supplier uses legitimate power by negotiating terms when unforeseen challenges affect production capacity.

(3) Summary: The focal company uses reward power to motivate the supplier, while the supplier exercises legitimate power during negotiations.

Case 15

(1) Focal company power base: reward

- Key evidence: “The Supplier is given a freedom to develop new product using their technical expertise, without restrictions.”
- Analysis: The focal company uses reward power by offering the supplier the freedom to innovate and develop new products, encouraging creativity.

(2) Partner (supplier) power base: legitimate

- Key evidence: “They are requested by the buyer to provide good price/cost under the Customer’s budget, fast responsiveness to market volatility, and also competitive functionality of end product.”
- Analysis: The supplier uses legitimate power by fulfilling the focal company’s requests within agreed-upon terms regarding price, responsiveness and functionality.

(3) Summary: The focal company uses reward power by granting innovation freedom, while the supplier exercises legitimate power by adhering to agreed terms.

Case 18

(1) Focal company power base: reward

- Key evidence: “We give them more freedom to set the price in exchange.”
- Analysis: The focal company uses reward power by offering the supplier pricing freedom in exchange for maintaining quality and meeting production standards.

(2) Partner (supplier) power base: legitimate

- Key evidence: “We request that they follow us in terms of quality... We expect them to have the same structure as we have with our customer.”
- Analysis: The supplier exercises legitimate power by adhering to the focal company’s quality requirements as part of the business agreement.

(3) Summary: The focal company uses reward power to incentivize compliance, while the supplier exercises legitimate power by following quality standards.

Coercive power vs coercive power

In one standout case, both the focal company and the supplier exercised coercive power, creating a tense dynamic of mutual control and pressure.

Case 17

(1) Focal company power base: coercive

- Key evidence: “We are free to choose another more compatible supplier.”
- Analysis: The focal company uses coercive power by retaining the flexibility to switch suppliers if expectations are not met, using this as leverage over the current supplier.

(2) Partner (supplier) power base: coercive

- Key evidence: “For strategic purposes, our supplier is not very transparent, there is hidden information about the estimate cost.”
- Analysis: The supplier uses coercive power by withholding critical information, maintaining control over the pricing process and forcing the focal company into a vulnerable position.

- (3) Summary: Both the focal company and the supplier use coercive power, leading to a high-pressure relationship where both parties leverage their controls to gain the upper hand.

Grouping the cases by power dynamics allows for easier comparison of similar cases.

Appendix 3. Effect of power bases on compliance and satisfaction levels

This appendix shows the cross-case labeling for compliance and satisfaction levels as observed across suppliers (Table A1) and across customers (Table A2).

Table A1. Power bases and corresponding effects on supplier

Case number	Power base exercised by supplier	Compliance level (supplier)	Compliance explanation (supplier)	Satisfaction level (supplier)	Satisfaction explanation (supplier)
C1	Expert power	High	Supplier expertise respected	High	High satisfaction with recognition of expertise
C2	Legitimate power	High	Aligned with customer demands	Conditional	Conditional based on customer legitimacy
C3	Coercive power	Moderate	Compliance under pressure	Low	Low satisfaction due to coercion
C4	Legitimate power	High	Compliance due to customer authority	Moderate	Moderate satisfaction through compliance
C5	Legitimate power	Moderate	Compliance due to rewards	Moderate	Moderate satisfaction tied to rewards
C6	Legitimate power	High	Aligned with legitimate customer expectations	Moderate	Moderate satisfaction with customer legitimacy
C7	Expert power	High	Supplier expertise respected	High	High satisfaction due to recognition of expertise
C8	Referent power	Moderate	Compliance due to relationship	Moderate	Moderate satisfaction with relationship
C9	Expert power	High	Expertise aligns with customer needs	High	High satisfaction with recognition of expertise
C10	Legitimate power	Moderate	Compliance with structured agreements	Moderate	Moderate satisfaction with structured agreements
C11	Referent power	Moderate	Compliance through positive relationship	Moderate	Moderate satisfaction through positive relationship
C12	Referent power	Moderate	Compliance through relationship	Moderate	Moderate satisfaction through relationship
C13	Referent power	Moderate	Compliance with customer needs	Moderate	Moderate satisfaction with recognition of expertise
C14	Expert power	High	Supplier expertise leads to compliance	High	High satisfaction through recognized expertise
C15	Legitimate power	High	Compliance due to rewards	Moderate	Moderate satisfaction tied to rewards
C16	Legitimate power	Moderate	Aligned with legitimate customer expectations	Moderate	Moderate satisfaction through compliance
C17	Coercive power	Moderate	Compliance due to fear	Low	Low satisfaction due to coercion
C18	Legitimate power	High	Aligned with customer demands	Moderate	Moderate satisfaction with customer legitimacy
C19	Referent power	Moderate	Compliance due to positive relationship	Moderate	Moderate satisfaction through positive relationship
C20	Referent power	High	Compliance through positive relationship	High	High satisfaction through positive relationship
C21	Expert power	High	Expertise respected by customer	High	High satisfaction with recognized expertise
C22	Referent power	Moderate	Compliance through relationship	Moderate	Moderate satisfaction through relationship

Table A2. Power bases and corresponding effects on customer

Case number	Power base exercised by customer	Compliance level (customer)	Compliance explanation (customer)	Satisfaction level (customer)	Satisfaction explanation (customer)
C1	Legitimate power	High	Compliance due to structured agreements	High	High satisfaction through structured agreements
C2	Expert power	High	Compliance driven by supplier expertise	Conditional	Conditional satisfaction through recognized expertise
C3	Legitimate power	Moderate	Compliance with legitimate supplier demands	Moderate	Moderate satisfaction with legitimate supplier demands
C4	Referent power	High	Compliance through positive relationship	High	High satisfaction through positive relationship
C5	Reward power	High	Compliance driven by rewards	Moderate	Moderate satisfaction through rewards
C6	Expert power	High	Compliance driven by supplier expertise	Conditional	Conditional satisfaction through recognized expertise
C7	Coercive power	High	Compliance achieved through coercion	Low	Low satisfaction due to coercion
C8	Coercive power	Moderate	Moderate compliance due to coercion	Moderate	Moderate satisfaction with coercive measures
C9	Legitimate power	High	Compliance with legitimate supplier demands	High	High satisfaction through legitimate supplier demands
C10	Legitimate power	Moderate	Compliance with structured agreements	Moderate	Moderate satisfaction through structured agreements
C11	Reward power	High	Compliance through rewards	Moderate	Moderate satisfaction through rewards
C12	Coercive power	Moderate	Moderate compliance due to coercion	Moderate	Moderate satisfaction with coercive measures
C13	Coercive power	Moderate	Moderate compliance through coercion	Low	Low satisfaction due to coercion
C14	Legitimate power	High	Compliance with legitimate supplier demands	High	High satisfaction through structured agreements
C15	Reward power	High	Compliance driven by rewards	Moderate	Moderate satisfaction through rewards
C16	Legitimate power	Moderate	Compliance with legitimate supplier demands	Moderate	Moderate satisfaction with legitimate supplier demands
C17	Coercive power	High	Compliance through coercion	Low	Low satisfaction due to coercion
C18	Reward power	High	Compliance driven by rewards	Moderate	Moderate satisfaction through rewards
C19	Coercive power	Moderate	Moderate compliance due to coercion	Low	Low satisfaction due to coercion
C20	Reward power	High	Compliance through rewards	High	High satisfaction through rewards
C21	Legitimate power	High	Compliance with structured agreements	High	High satisfaction through structured agreements
C22	Coercive power	Moderate	Moderate compliance through coercion	Moderate	Moderate satisfaction with coercion

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