

DOI: 10.19275/RSEP018

Received: 12.05.2017

Accepted: 10.10.2017

THE EFFECT OF RELATIONAL RISK PERCEPTION ON SUPPLIER'S PERFORMANCE; AN EMPIRICAL STUDY ON TURKISH STRATEGIC ALLIANCES

Dr. Farzaneh Soleimani Zoghi

SRH University of Applied Sciences Berlin

Email: far.soleimani@gmail.com

Prof. Dr. Fatma Müge Arslan

Marmara University

Abstract

The aim of this research is to find answers to two principle questions: what is the effect of buyer's relational risk perception on supplier's expected performance? And how do strategic alliances manage relational risk in their enhanced supplier-buyer partnerships. In order to formulate hypotheses a review of the general literature on strategic alliances and the specific literature on relational risk, governance structure and trust in alliances has been provided. The hypotheses were tested using data from 135 questionnaire sent to the directors and key managers of alliances from Turkey's main industrial sectors. The results of this study show that there is a negative link between perception of relational risk and supplier's expected performance. However our results do not support any significant correlation between opportunism and expected performance. The results of study also confirm that higher perception of opportunistic behavior tends to use of more formal control mechanisms and higher compatibility between supplier and buyer tends to decrease the use of formal control mechanisms such as contract. The main contribution of this paper is to present an empirical support to relational risk management in Turkish strategic alliances.

Keywords: Strategic Alliance, Relational Risk Perception, Supplier-Buyer Partnership, Governance Structure, Contractual Arrangement, Trust.

JEL Classification: D7, G32, G34.

Citation: Zoghi, F.S. & Arslan, M. A. (2017). The Effect of Relational Risk Perception on Supplier's Performance; An Empirical Study on Turkish Strategic Alliances, Review of Socio-Economic Perspectives, Vol. 2(2), pp. 67-84. DOI: 10.19275/RSEP018.