

**OPPORTUNISM IN EXCHANGE RELATIONSHIPS IN
SUPPLY CHAINS: THEORY DEVELOPMENT AND
EMPIRICAL EVIDENCE**

Sarah Eyaa

Bachelor of Commerce (Marketing), Makerere University, Uganda

Master of Business Administration (Procurement), Maastricht School of
Management, Netherlands

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STATEMENT OF ORIGINALITY

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DEDICATION

I dedicate this thesis to God, my husband, children and parents.

God, the Father, Son and Holy Spirit—You have indeed made all things possible for me during the PhD journey according to your word (Luke 1:37).

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ABBREVIATIONS USED IN THESIS

AT	–	Agency Theory
AVE	–	Average Variance Extracted
CDT	–	Cultural Dimensions Theory
CMB	–	Common Methods Bias
GDP	–	Gross Domestic Product
HREC	–	University of Newcastle Human Research Ethics Committee
IT	–	Information Technology
K-S	–	Kolmogorov-Smirnov
LTO	–	Long-term Orientation
MCAR	–	Missing Completely At Random
NAADS	–	The National Agricultural Advisory Services
NITA-U	–	National Information Technology Authority – Uganda
PIS	–	Participant Information Sheet
PSFU	–	Private Sector Foundation of Uganda
RDT	–	Resource Dependence Theory
RET	–	Relational Exchange Theory
SMEs	–	Small and Medium Enterprises
SPSS	–	Statistical Package for Social Sciences
S-W	–	Shapiro-Wilk
TCE	–	Transaction Cost Economics
TPB	–	Theory of Planned Behaviour
TQM	–	Total Quality Management
TRA	–	Theory of Reasoned Action
UCDA	–	Uganda Coffee Development Authority

UEPB	–	Uganda Export Promotions Board
UIA	–	Uganda Investment Authority
UMA	–	Uganda Manufacturers Association
UNDFFA	–	Uganda National Dairy Farmers Association
UNFFE	–	Uganda National Farmers Federation
USA	–	United States of America
USA	–	Untied States of America
USSIA	–	Uganda Small Scale Industries Association
VIF	–	Variance Inflation Factor

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CONFERENCE PAPERS

Eyaa, S., Sridharan, R. and Ryan, S. (2016). Opportunism in Manufacturing Supply Chains in Uganda, Conference Publication, 30th Annual Australian and New Zealand Academy of Management (ANZAM) Conference, Brisbane, Australia, December 6 – 9, 2016.

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ABSTRACT

Opportunism in supply chains is a barrier to effective business relationships in Africa. Ingrained in a culture of corruption, it leads to poor *firm performance* and inefficient economies incapable of fostering development and creating employment. Despite the prevalence of *opportunism*, there is little if any research on understanding what drives *opportunism* in Africa. Outside Africa, empirical research on *opportunism* is based on reports from a single category of respondents within firms with limited focus on investigating comprehensive frameworks of *opportunism* antecedents, mediation effects, differences in *opportunism* engagement across firm sizes and industry sectors and the impact of *opportunism* on *firm performance*.

Applying the Transaction Cost Economics (TCE) Theory and Relational Exchange Theory (RET), this study investigates *opportunism* in Uganda, a developing country context to address these limitations by investigating the extent to which nine antecedents (*environmental uncertainty, power asymmetry, information sharing, governance structures, relationship duration, relational norms, cooperation, competition* and *cultural values*) explain *opportunism* engagement. Furthermore, the study investigates the parallel and serial mediation effects of three variables (*favourable attitude towards opportunism, long-term orientation, relationship quality*) on relationships between antecedents and *opportunism* as well as the impact of *opportunism* on *firm performance*.

The research is based on a cross-sectional survey of 198 procurement and sales managers from 99 Ugandan manufacturing firms, comprising SMEs and large firms drawn from agricultural and non-agricultural sectors. All respondents admitted to engaging in *opportunism*. Consistent with TCE and RET and previous studies in more

developed economies, *power asymmetry* and *environmental uncertainty* increase *opportunism*, although this varies with firm size and sector. *Information sharing* has a negative but weak effect, it has no influence based on firm size or sector, except in the agricultural sector where *information sharing* is encouraged by government-funded initiatives.

By better understanding why firms engage in *opportunism* in Africa, the research provides important direction to African governments and International Donor agencies in their efforts to curb *opportunism*. For example, *opportunism* can be minimised by strengthening legal frameworks, creating more stable market environments, and improving Information Technology infrastructure to enhance *information sharing* and *long-term orientation*. Recognising differences across firm sizes and sectors allows policies, programmes to be targeted, and more effective. A key theoretical contribution is the application of two theories, TCE and RET in a developing country to demonstrate how contextual factors constrain the applicability of the TCE and RET in explaining *opportunism*. For instance, *environmental uncertainty* does not reduce *opportunism* when governments protect firms from the effects of *environmental uncertainty*. Capturing data on self-reported *opportunism* from both supplier and buyer perspectives is a major advancement in comprehending *opportunism*.