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THE EXPLANATORY POWER OF TRUST AND COMMITMENT AND STAKEHOLDERS' SALIENCE: THEIR INFLUENCE ON THE REVERSE LOGISTICS PROGRAMS PERFORMANCE

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Abstract

There is a growing awareness among practitioners and scholars regarding the importance of Relationship Marketing and its advantages in the supply chain management context. This is particularly appropriate for Reverse Logistics (RL) activities, which are characterized by several relationships between different stakeholders and the firm. Drawing on multiple theoretical approaches, we propose that RL programs result from the combination of external, organizational, and individual factors. We emphasize the role of trust and commitment as key influential elements on the RL systems implementation and their subsequent performance.

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INTRODUCTION

The relevance of Relationship Marketing and its advantages in the supply chain management context have been claimed by prominent scholars (Sigauw, Baker & Simpson, 2003; Morgan & Hunt, 1994). Despite tremendous interest in Relationship Marketing, little conceptual development or empirical research has analyzed the supplier-buyer relationships in channels and Logistics. Since the very preliminary studies in Logistics, it has been generally assumed that the supply chain flow begun with the incorporation of raw materials in the transformation process and ended with the delivery of the product to the final end user. However, more than 25 years ago, Ginter & Starling (1978) anticipated reverse channel of distribution to be central in business activities. And time has proven them right. The protagonist role of the consumer (Homburg, Workman, & Jensen, 2000), the growing public consciousness and regulations about environmental issues (Henriques & Sadorsky, 1996), and the change in the strategic focus of the firms (Madsen & Ulhoi, 2001), have considerably incremented activities such as the return, recondition, refurbish and recycle of products and packing. All these activities constitute the most common procedures in Reverse Logistics (RL) (Rogers & Tibben-Lembke, 1999).

RL have grown in economic importance. Only the value of returned products to the retail sector in the United States rose up to over US\$100 billion (Stock, Speh, & Shear, 2002). From a strategic point of view, many firms have begun to consider these programs as possible alternatives to gain or maintain a competitive advantage, leading to proactive initiatives (Marien, 1998; Sarkis, 2003). However, many RL programs are still reactive and in most cases consequence of the governmental regulations (Daugherty, Myers, & Richey, 2002; Toffel, 2003). This reality leads to some key questions: *Why some firms implement RL activities and others do not? Why a number of them do it reactively and others do it proactively? And what factors determine a successful implementation?* The previous questions directly address the decision making process of RL.

Despite the growing amount of literature on RL, this issue has been largely ignored.

The purpose of the present paper is to fill out this gap. Drawing on multiple theoretical approaches, we propose that RL programs result from the combination of external, organizational, and individual factors. Because RL activities involve multiple relationships between different stakeholders (e.g. suppliers, customers) and the firm, we emphasize the role of the stakeholders' salience, trust and commitment as key influential elements on the RL systems implementation and their subsequent performance.

The rest of the article is structured as follows. First, we examine previous research on RL, then we develop our model and propose hypotheses. The article concludes with a discussion of the theoretical and practical significance of the study, its limitations, and an agenda for future research.

BACKGROUND ON REVERSE LOGISTICS

The concept

Perhaps for its rapidly rising significance, the concept of RL has not been homogenously defined (Fernandez, 2003). Definitions differ among themselves in the focus, economic (e.g. Rogers & Tibben-Lembke, 1999), environmental (e.g. Kroon & Vrijens, 1995), and on the topics covered by it (activities, products, points in the supply chain, etc). For instance, Carter & Ellram (1998) emphasized the environmental aspect of RL and defined it as the “*process whereby companies can become more environmentally efficient through recycling, reusing, and reducing the amount of materials used*” (p. 85). Alternatively, Rogers & Tibben-Lembke (1999) highlighted the economic side of RL. They argued that Reverse Logistics is “*the process of planning, implementing, and controlling the efficient, cost effective flow of raw materials, in-process inventory, finished goods and related information from the point of consumption to the point of origin for the purpose of*

recapturing value of proper disposal” (pp. 2). Integrating the economic and environmental views, Thierry, Salomon, Nunnen, & Wassenhove (1995) coined the term of “Product Recovery Management”, which stresses the recovery of economic and ecological value of discarded materials, products and components. More recently, Guide & Van Wassenhove (2003) expanded the notion of the traditional Supply Chains by defining the Closed-Loop Supply Chains concept, which integrates the forward and reverse supply chains.

For the purpose and spirit of the present article, we opt for a more general conception of RL. In this sense, the European Working Group on Reverse Logistics defines RL as “*the process of planning, implementing and controlling flows of raw materials, in process inventory, and finished goods, from the point of use back to a point of recovery or point of proper disposal*” (REVLOG, 1999).

This definition implicitly depicts the relationships between the firm and other actors in the supply and value chain. For instance, the flow of raw materials is related with suppliers, the stream of finished goods clearly involves customers and distributors, and so on. Hence, RL activities foster more complex relationships and engagements between individual firms and multiple stakeholders.

Literature and streams of research

The RL literature is greatly diverse and heterogeneous. In its origins, RL literature was done mainly in explorative terms, the evidence was mostly anecdotal, and the main channels of diffusion were the professional publications (Carter & Ellram, 1998; Knemeyer, Ponzurick, & Logar, 2002). In the academic arena, it was not until recent years when RL became an issue of growing importance. However, with the exception of a few studies (e.g. Carter & Ellram, 1998; Daugherty, et al., 2001; Daugherty, et al., 2002), most

of the work done intends to develop either mathematical models, run case studies or broad overviews for implementation .

Dowlatshahi (2000) defined five categories of the RL literature. (1) Studies whose authors attempted to give the basic notions and a general perspective of RL (Kopicki et al. , 1993; Stock, 1992, 1998; Rogers & Tibben-Lembke, 1999; de Brito,2003). (2) Scholarly works addressing quantitative approaches (e.g. Fleischmann & Kuik, 2003; Minner, 2001; see also Fleischmann, et al., 1997 for a review). The techniques and models used in this type of articles have enhanced different aspect of the RL systems such as extending product life cycle or remanufacturing operations. (3) Papers dealing with more specific logistics issues such as distribution, warehousing, and transportation (e.g. Jahre, 1995; Pohlen & Farris, 1992). (4) The fourth group is linked to company profiles, which illustrate that some manufacturing technologies have a critical role RL systems performance (e.g. Thierry, et al., 1995). (5) The last group refers to applications of RL in products made, for instance, of plastics, papers, metals, and other materials (e.g. Kroon & Vrijens, 1995).

Although some of authors previously mentioned gave a strong base to develop RL programs and their subsequence policies (Knemeyer, et al., 2002), the analysis of the factors that affect the decision process of RL implementation remains limited at best. This is partially because theory-based studies are almost inexistent in the RL literature (Daugherty, et al., 2001).

Motivations for Reverse Logistics

Previous literature depicted three main driving forces for RL activities: economic, corporate citizenship, and legislation (de Brito & Dekker, 2004). Economic force refers to the search of cost minimization and increase revenues (Guide & Van Wassenhove, 2001;

Madsen & Ulhoi, 2001). Activities such as remanufacturing, reuse of materials, and product refurbishing have the potential to improve profitability. The company “Recellular” is a good example of this. This firm is economically benefiting from recovery by trading refurbished cell phones (Guide & Van Wassenhove, 2001). Even without instantaneous profit, RL may be helpful to generate indirect benefits like corporate image improvement, legislation anticipation, or competitive advantage creation (Stock, Speh, & Shear, 2002).

The corporate citizenship, also called “extended responsibility” (de Brito, et al., 2003), refers to the search for a sustainable development from an environmental and social point of view. A case in point is the shoe company Nike It encourages consumers to bring back their used shoes, which are shredded and made into basketball courts for less fortunate people (Rogers & Tibben-Lembke, 1999). The application of certain methods of waste manipulation, which are better in an environmental sense, may be another good example of corporate citizenship.

The legislation force refers to the norms imposed by any jurisdiction indicating what a firm must do. Traditionally, Europe has been very active in this sense. For instance, Germany imposed the first mandatory tack-back program with its “Ordinance on the Avoidance of Packaging Waste”, which several years later the European Union passed as the “Directive on Packaging and Packaging waste” (Toffel, 2003).

These three forces are not mutually exclusive. Indeed, they are very highly related and boundaries may be blurred (Carter & Ellram, 1998). For instance, the automotive industry’s case showed that battery returns helped to reduce waste and production costs and simultaneously enhanced customer satisfaction (Marien, 1998). Or, the recycling process of a firm may be as a consequence of a higher environmental concern in society, which at the same time may improve the firm’s corporate image. As an example, Black & Decker’s RL

system of recycling generated one million dollar in revenues, and at the same time improved its environmental performance (Andel, 1997).

While most researchers would agree on these three general motivations for RL, conclusions regarding their origins are rather unclear. Do they come from inside the firm or from the outside? For example, are proper disposal programs implemented by self-initiative of the firm (i.e. altruism), or are they a response to the environmental claims of non-governmental-organizations (NGOs), or are they a consequence of both?

Another unresolved issue concerning RL is why some firms proactively implement RL programs while others do it reactively. Whereas many firms wait to be regulated before applying any RL programs (Daugherty, et al., 2002), others make proactive attempts to do so (Marien, 1998). This evidence indirectly suggests that the strategic stance of the decision maker of the firm (e.g. top management team) plays a key role on the determination of RL implementation. However, this issue has received very little attention in the RL literature.

From the previous paragraphs, it follows that we should considerate both internal and external factors that influence the implementation of RL in order to answer our research questions.

THEORETICAL FRAMEWORK AND HYPOTHESES

In this section, we present our model for RL. We argue that RL implementation is determined by the interaction of environmental, organizational, and individual factors. External forces stem from different stakeholders' pressures and the strength of their claims depend on their salience. We consider the availability of resources and capabilities as key organizational factors determining RL activities. Because these activities are often complex, challenging, and involve numerous actors, we depart from a relationship-

oriented perspective, and emphasize trust and commitment development as key elements for effective implementation (Daugherty, Richey, Hudgens, Autry, 2003). We also analyzed how individual characteristics on strategic preferences impact the final decisions of whether RL systems are implemented or not, and the effect on their performance.

A Reverse Logistics Model

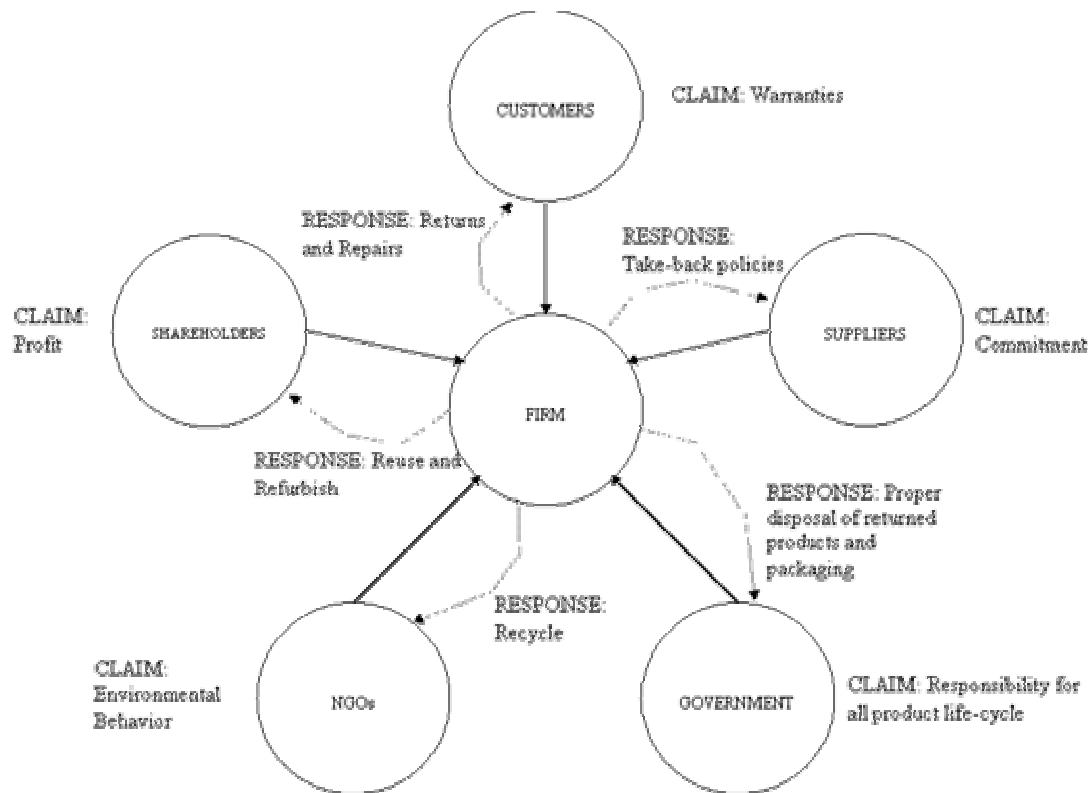
External pressures. A stakeholder approach

Freeman (1984) defined a stakeholder in an organization as “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (1984: 46). Under this view, the manager is responsible for the management of the *all* stakeholders’ claims – and not only of the shareholder welfare - being her duty to coordinate the constellation of competitive and cooperative interests, which give the firm its *raison d’etre* (Hill & Jones, 1992). The long-term survival and success of a firm is consequence of its by its capacity to establish and maintain relationship with its network of stakeholders (Clarkson, 1995; Post, Preston & Sachs, 2002).

RL literature has stressed the importance of different groups of pressures in the development of RL programs (e.g. Carter & Ellram, 1998; Drumwright, 1994; Sidell, 2003; Smith, Thomas, & Quelch, 2003). The requirements of different stakeholders like suppliers, customers, governmental agencies, NGOs (Carter & Ellram, 1998; Toffel, 2003), and shareholders (Guide & Van Wassenhove, 2001) have been described as a trigger for RL implementation. Put differently, stakeholders have different claims, which the firm can satisfied through RL activities. For instance, customers may claim longer periods of warranties, which translates into returns and repair activities. NGOs may demand a responsible environmental firm behavior, which may be satisfied through recycling. The shareholders’ profit maximization goal requires cost control and increase profit, which may

be obtained through handling recalls and reuse of material. These examples help to illustrate why stakeholder theory is especially suitable to capture how external forces spawn RL activities. We graphically represent these ideas in figure 1.

Figure 1: Stakeholders' claims and firm's responses.



Source: Own

If stakeholders have claims that could be satisfied through RL activities, the first key question is how firms identify and give priority to different stakeholders. In wealth of research of stakeholders Mitchell et al. (1997), after a in-depth revisions of the literature,

concluded that the salience of an interest group depends on the manager's perception of three stakeholder's attributes: power, legitimacy and urgency (See Agle, Mitchell, & Sonnenfeld, 1999 for an empirical demonstration). *Power* to have influence on the firm, *legitimacy* of the stakeholder's claims, and the *urgency* of the stakeholder's claims related to the organization. Based on these attributes, three types of stakeholders can be defined: "latent" stakeholders those with only one attribute, "expectant" stakeholders those with two attributes, and "definitive" stakeholders those that possess the three attributes. "*The salience of a particular stakeholder to the firm's management is low if only one attribute is present, moderate if two attributes are present, and high if all three attributes are present*" (Mitchell et al., 1997 pp.879). Thus, the stakeholder's influence increases as it acquires power, legitimacy and urgency, and these attributes are perceived by the manager. This implies that the definitive stakeholder will have priority over the expectant stakeholder and this one to the latent stakeholder. The typical example of definitive stakeholder in RL is the government. For instance, a governmental agency promoting a recycling normative can impose its will to the firm (i.e. power), taking care of the environment, which is a socially accepted demand (i.e. legitimacy), and should be complied by firms in the prescribed time period (i.e. urgency).

Based on the logic of the previous paragraphs we present our first hypothesis.

Hypothesis 1: *Other things being equal, the implementation of RL activities will be positively related to the cumulative number of stakeholder attributes of power, legitimacy, and urgency (i.e. stakeholder's salience).*

Organizational factors. Resources, trust, and commitment

In the previous section we have established the importance of stakeholders in the RL activity and how their claims influence the firm to adopt these types of systems. However, the intensity of the stakeholders' pressure is not enough to reach to final conclusions regarding to whether a specific action will be conducted by a firm (Ullman, 1985). There are organizational and individual factors that may be determinant in the final decision of implementing RL programs. Aspects such as the allocation of resources to RL (Daugherty, et al., 2001) and the strategic posture of the manager towards RL (Kopicki et al., 1993) are relevant in the decision of implementing RL activities.

According to conventional thought, there is a key organizational factor that determines pursuit and successful implementation of business opportunities, namely the availability of resources (March & Simon, 1963; Ullman, 1985). This factor is of special importance since RL is resource intensive (Daugherty, et al., 2001; Guide Jr., et al., 2000; Rogers & Tibben-Lembke, 2001). Economic funds are vital for the development of RL systems. Estée Lauder, for instance, needed \$1.3 million for its RL system of scanners, business-tools and data warehouse (Caldwell, 1999). However, economic resources could be thought as merely "undifferentiated" inputs. Traditionally, the capital together with unskilled labor and land, have been considered simply as factor of productions. Newer theoretical stream of research, based on the resource based view of the firm (RBV), has recently extended the notion of resources as firm-specific assets that are hard to obtain, difficult to transfer, and which contain special characteristics as tacit knowledge (Barney, 1991; Teece, Pisano, Shuen, 1997; Wernerfelt, 1984).

The previous concept of resources seems particularly appropriate for RL systems. RL consumes organization's labor, time, material, machinery, and outside services. It

requires new technologies and techniques. It may also require new transportations and information systems. Despite its importance, little empirical work examining the relationship between allocating of resources to RL and RL program performance (Daugherty, et al. 2001).

We consider the term “resources” within this broader view and aspects like know how, technology development, financial commitment, and skillful workers are included in it. Because RL are characterized as highly resource demanding activities, we expect that as the available resources for RL are more abundant, the likelihood of RL activities being implemented by the firm increases. This idea is depicted by the following hypothesis.

Hypothesis 2a: *Other things being equal, the implementation of RL activities will be positively related to the availability of resources.*

RBV of the firm provides understanding on how resources can be managed strategically and explain persistent performance differences among firms. More resources allow management to choose from a broader set of alternatives. Because there are fewer restrictions to implement RL systems, the management of the firm will select the alternative that better fits the stakeholders’ claims. Therefore, greater availability of resources will positively affect performance. This idea is captured in the following hypothesis.

Hypothesis 2b: *Other things being equal, successful implementation of RL activities will be positively related to the availability of resources.*

As tacit capabilities, two key constructs have been depicted in Relationship Marketing research, namely *commitment* and *trust*. Relationship marketing has emerged as

a central tenet in the business-to-business literature. Many marketing scholars claim that firms will be more successful if they build long-term, mutually supportive relationships with their partners (Kumar, 1996). Under this view, trust and commitment are essential for the survival of alliances and collaborating initiatives between organizations.

In the field of RL, previous studies have depicted the importance of trust and commitment. For instance, Daugherty et al. (2003) demonstrated that RL programs characterized by higher levels of trust and relationship commitment improved labor productivity, cost containment and recovery of assets. Additionally, Daugherty et al. (2002) showed that the greater the commitment between buyer and supplier for maintaining the reverse logistics program, the greater the value of information systems.

The marketing channel literature defines trust as “the extent to which a firm believes that its exchange partner is honest and/or benevolent”. The two main facets of trust are honesty and benevolence. Honesty is a channel member’s belief that one’s partner is reliable, stands by its word and fulfils promises. On the other hand, benevolence is a channel member’s belief that its partner is genuinely interested in one’s interests and welfare and is motivated to looking for shared gains, subordinating the short-term self-interest for long range group gain (Andaleeb, 1995, 1996).

In the context of the business-to-business literature, Miyamoto, Tadayuki and Nexhmi Rexha (2004) identified three components of interorganizational trust essential to a successful business to business relationship development, namely contractual trust (i.e., one’s expectations that an exchange partner fulfils promises), competence trust (i.e., one’s confidence in its exchange partner’s competence, or professional standard, in carrying out specific tasks), and goodwill trust (i.e., one’s confidence in its exchange partner’s open commitment to supporting and continuing a focal exchange relationship).

Commitment, on the other hand, represents “an enduring desire to maintain a valued relationship” (Moorman, Zaltman, & Deshpande, 1992, p. 316). This definition contains three dimensions that appear consistently in the literature. First, commitment is “enduring” involving an implicit or explicit understanding that the partners will continue working together after the current transactions are completed and will jointly face new and potentially unforeseen issues as they arise (Tellefsen, Thomas and Gloria Penn Thomas, 2005). Second, commitment reflects a “desire”, it is based on a personal choice rather than the result of a legal obligation. While committed partners may be bound by short-term contractual engagements, they decide to continue their relationship after their current legal obligations are fulfilled. Finally, commitment is driven by value. Partners form long-term relationships only if they believe that they will obtain some special long-term benefits from the agreement (Morgan & Hunt, 1994).

When buyers and sellers are committed to each other, they create a stable environment in which they can build on each other's strengths, engage in joint decision making, and increase the net benefits to the parties (Morgan & Hunt, 1994).

The central role of trust in business-to-business relationship development, maintenance and strengthness has often been noted in the marketing literature. The main idea is that trust leads to cooperative behaviors that are, on its turn, conducive to relationship success. The seminal work of Morgan and Hunt (1994) propose a model of the mediating role of trust and commitment in the marketing relationship performance. In the “key mediating variable” model of Morgan and Hunt (1994), trust is recognized as a key variable, mediating the relations between important antecedents and consequences. Communication and cooperation operate as antecedents of trust. The trust degree has been shown to increase as partner support increases, and as opportunistic behavior by the partner

decreases. Trust has a positive effect on willingness to invest, and a negative impact on manifest conflict and exit. (e.g., Anderson and Narus, 1990; Crosby et al., 1990). Trust is one's confidence in another that the other behaves or responds in a predictable and mutually acceptable way. Though it is built on a firm's previous interaction experiences with partners, it is a future-oriented concept. Moreover, long-term orientation and satisfaction are proposed as the main consequences of trust.

The link between organizational trust and organizational commitment is well established in the literature (see Geyskens, Steenkamp and Kumar, 1999, for an interesting meta-analysis). Basically, trust implies a sense of confidence and security in a relationship and, therefore, a greater willingness to preserve the relationship for the long term (Morgan & Hunt, 1994). According to Geyskens, Steenkamp and Kumar (1998, p. 233). When a channel member trusts its partner, it will feel secure by way of an implicit belief that the actions of the partner will result in positive outcomes or not result in negative outcomes. This evaluation should lead to high satisfaction (Andaleeb, 1996). In the longer run, relationships characterized by trust are so highly valued that the aspiration of the parties will be to commit themselves to such relationships (Morgan and Hunt, 1994).

As previously argued, RL activities are characterized by multiple business-to-business relationships and high levels of complexity. The higher levels of planning and control require more flexibility and multi-party coordination (Blumberg, 1999). Even if the firm decides to outsource, the trust and commitment between actors participating in the reverse process might be crucial for the successful implementation (Daugherty, et al., 2002; Daugherty, et al., 2003). Therefore, we expect both trust and commitment to boost RL implementation and have a positive effect on the performance of these systems.

Hypothesis 3a: *Other things being equal, the implementation of RL activities will be positively related to greater level of trust between the firm and other stakeholders.*

Hypothesis 3b: *Other things being equal, successful implementation of RL activities will be positively related to greater level of trust between the firm and other stakeholders.*

Hypothesis 3c: *Other things being equal, the implementation of RL activities will be positively related to greater level of commitment between the firm and other stakeholders.*

Hypothesis 3d: *Other things being equal, successful implementation of RL activities will be positively related to greater level of commitment between the firm and other stakeholders.*

Individual factors. The strategic stance of the decision maker

As the last part of our model, we consider the individual strategic preference of the decision maker as an additional explanatory factor of the RL implementation. Both theoretical (Cyert and March, 1963; Child, 1972, Hambrick & Mason, 1984) and empirical research (Wisema and Batel K. 1992; Chaganti and Sambharya, 1987) organizational strategic profiles reflect the individual preferences of senior management. In general terms, the manager and the top manager team can adopt two opposite strategic attitudes. At one pole is the manager with a strategic “progressive” attitude. At the other end is the manager with a strategic “conservative” attitude.

The progressive attitude is characterized by an active search of the satisfaction of stakeholders’ claim, a permanent control of the environment, looking for competitive advantages and business opportunities, and less aversion to risk. This is in contrast to a conservative attitude, which is associated to a reactive pattern of behavior, greater aversion

to risk, and commitment to the status quo (see Bantel & Jackson, 1989; Crant, 2000; Gupta & Govindarajan, 1984; Karake, 1995; Roberts, 1992).

Prior literature has identified these polar stances regarding RL. Firms with a passive posture will only implement RL activities as a consequence of external or internal pressures, which are difficult to elude and lead to reactive execution of programs (Kopicki et al., 1993). A passive posture in some firms could be due to what Rogers & Tibben-Lembke (1999) referred to “management inattention” (pp. 14), that is, the manager’s lack of interest toward RL issues. These authors argued management inattention is one of the main barriers to RL programs adoption. On the other hand, there are organizations which hold a proactive profile (Kopicki et al., 1993). A proactive firm does not wait to have unavoidable pressures to implement RL systems. Rather, decision maker take the lead on this type of activities. Hart (1995) provides a good example of RL proactive initiative. The German automobile company BMW started a “design-for-disassemble” program in 1990, which was oriented towards the recovery and recycling of car components. BMW wanted to anticipate a proposed government “take-back” policy and created an exclusive network with the few sophisticated dismantler companies in Germany. By being the precursor in the industry, BMW not only anticipated the future policy but also gained a cost advantage over competitors, who were left to less superior recycling firms or had to invest in their own dismantling infrastructure. BMW’s first movement enabled its executives to establish a national standard and obligated other car companies to follow BWM initiative but at significantly higher costs (Hart, 1995).

Moreover, RL activities involve many complex issues. For instance, these systems complicate the management, planning and control of supply chain functions (Guide Jr., et al., 2000), and may alter the information systems (Daugherty, et al., 2002). They also

require cooperative efforts with other actors in order to accurately predict and control supply of use products (Thierry, et al., 1995). Moreover, future performances of RL systems are uncertain since, for example, reverse distribution costs may be several times higher than original distribution costs (Sarkis et. al., 1995), and the potential benefits are difficult to assess (Guide Jr., et al., 2000). Put differently, it is not guaranteed that all firms will economically benefit from RL implementation (Guide & Van Wassenhove, 2001). Hence, RL intrinsically involves risks and changes; however, they might be compensated by a future benefit.

Based on the previous paragraphs, we argue that progressive managers will be more willing to face this uncertainty and therefore will be more likely to implement RL. On the other hand, a conservative manager would avoid changes and risks and, in turn, will be more unlikely to embark in these activities. Therefore,

Hypothesis 4a: *Other things being equal, implementation of RL activities will be positively related to progressiveness stance of the manager.*

It has been theorized that a proactive attitude is more beneficial than a conservative stance (Buisse & Verbeke, 2003; Carroll, 1979; Clarkson, 1995; Henriques & Sadosky, 1999; Ullman, 1985; Wartick & Cochran, 1985;). Ullman (1985) argued that a firm had an active posture if its attitude was to influence the relationship between the organization and an important stakeholder in order to reach optimal levels of interdependence. The passive attitude was characterized by the lack of intentional search of optimal stakeholder's strategy in terms of type and timing of programs. Thus, we expect that the a more progressive

manager will interpret better the claims of different stakeholder and, in turn, will positively impact on the performance of the firms activities like RL.

Hypothesis 4b: *Other things being equal, successful implementation of RL activities will be positively related to progressiveness stance of the manager.*

METHODS

A questionnaire was used as the instrument in measuring the theoretical constructs. The questionnaire sought the seniors manager's opinion on the number of issues which cover the paper. The respondents were asked to value in a likert scale (1-7) items who measure: the salience of the stakeholders; the availability of resources; the trust and commitment relationships; and the strategic attitude. To define those measures, we make an exhaustive literature review, discussion with different colleagues and consult with several managers of the firms who subsequently compose the research sample.

RESULTS

In process

DISCUSSION AND CONCLUSION

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