

Abstract

This study examines the effects of fairness perceptions (distributive, procedural, and interactional) on relationship performance through the mediating role of relationship quality in an environment where a small number of suppliers dominates the industry and where buyers and suppliers are fundamentally independent of one another. Building on Social Exchange and Transaction Cost theories, this study explores the effect of each fairness perception, moderated by industry dependence structure, on relationship quality and, subsequently, on relationship performance. Using Thailand chemical fertilizer industry as the study context with face-to-face questionnaire survey method, a total of 237 authorized dealers' sample is obtained and analyzed through the use of structural equation modelling technique. The study finds that distributive and procedural fairness perceptions significantly and directly influence relationship performance while procedural and interactional fairness perceptions indirectly influence relationship performance through the mediating role of relationship quality. Furthermore, by incorporating dependence structure as a moderator and using multi-group structural equation modelling analysis, the study finds that perceived dependence impact of the strength of distributive fairness perceptions on relationship quality. Based on findings from this study, suppliers are encouraged to initially increase relationship performance through distributive fairness perception. However, when constrained by limited resources and environmental uncertainty, suppliers are recommended to focus on procedural fairness perception with their authorized dealers because procedural fairness perception has the strongest effect on relationship quality and relationship performance.

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