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The Buyer–Supplier Relationship: An Integrative Model of Ethics and Trust

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ABSTRACT. The buyer–supplier relationship is the nexus of the economic partnership of many commercial transactions and is founded upon the reciprocal trust of the two parties that participate in this economic exchange. In this article, we identify how six ethical elements play a key role in framing the buyer–supplier relationship, incorporating a model articulated by Hosmer (The ethics of management, McGraw-Hill, New York, 2008). We explain how trust is a behavior, the relinquishing of personal control in the expectant hope that the other party will honor the duties of a psychological contract. Presenting information about six factors of organizational trustworthiness, we offer insights about the relationship between ethics and trust in the buyer–supplier relationship.

KEY WORDS: buyer-supplier relationship, ethical duties, ethical models, trustworthiness, distrust, mediating lens

According to information in commonly available business search engines, over 2000 scholarly articles have been written about the buyer–supplier relationship and its importance in the business world. Although this important relationship serves as a vital metaphor for interfirm cooperation and the building of trust in today's international marketplace (Mukherji and Francis, 2008; Yang et al., 2008), the process for developing trust between buyers and suppliers continues to be elusive and reflects differing perspectives about ethical duties owed (Phillips and Caldwell, 2005). The buyer–supplier relationship reflects the nexus or intersection between economic interest and ethical choices which Hosmer (1995) suggested was the foundation for the creation of trust in the business context. Hosmer (1995) observed the diversity of opinions about trust and its antecedents has generated persistent debate about the nature of trust and its implicit ethical obligations as scholars have argued about how trust is established.

The purpose of this article is to propose a model for explaining how trust is created in the buyer–supplier relationship – incorporating both the model that Hosmer has provided for understanding how ethical duties relate to trust and a framework for understanding the trust relationship as a product of the mediating lens that is used in assessing the ethical duties of the psychological contract (Caldwell and Clapham, 2003). We begin by briefly summarizing the nature of the buyer–supplier relationship and its key role in the market relationship. Incorporating Hosmer's discussion of the ethical duties associated with trust, we explain six ethical perspectives that he has suggested are implicit in the trust relationship. Citing recent research from the organizational trust literature which provides insight into how the trust decision is made by both parties, we explain how the buyer–supplier relationship is a useful framework for understanding the relationships between ethics and trust. We conclude this article by suggesting how our discussion adds value and makes a contribution to the scholarly literature.

The buyer–supplier relationship

Although Reid and Plank (2000) suggested that the purchasing relationship was considered to be an insignificant function within a firm for many years, in the past two decades the buyer–supplier relationship has been increasingly acknowledged to be a critical element of the supply chain partnership (Fukukawa and Moon, 2004; Paulraj et al., 2008; Terpend et al., 2008). Carter and Narasimhan (1996) noted that the purchasing function has evolved from a tactical function with a minimal impact on overall organizational performance to a competitive function with a substantial organizational impact.

Moeller et al. (2006) have noted that the buyer–supplier relationship can range from an arms-length, zero-sum, antagonist relationship between competing parties to a cooperative partnership. The goal for the buyer in the former model is to obtain the best short-term financial outcome, often by playing one supplier against the other, with actors perceiving themselves as adversaries (Watts et al., 1992; Wilson, 2000). Chen et al. (2004) have found that firms that seek to build a more collaborative long-term partnership with suppliers can reap a substantial benefit in the form of increased supplier responsiveness and better long-term financial performance. Wuyts and Geyskens (2005) have observed that a buyer can also decide to take an incremental approach regarding each individual purchasing transaction or to create a partnership with a buyer to obtain long-term economies.

Buyer–supplier relationships focus on established interorganizational "transactions, flows, and linkages" between the vendor of a product or service and the purchaser of that service (Oliver, 1990). Koulikoff-Sourviron and Harrison (2006, p. 77) identified seven dimensions of the buyer–supplier relationship with their accompanying characteristics, briefly explained in Table I.

Because buyers and suppliers may have divergent interests, with the supplier wanting to obtain the highest reasonable price and the buyer seeking the lowest possible cost, the management of the relationship between a buyer and a supplier is inherently subject to conflicts and pressures (Moeller et al., 2006). Mukherji and Francis (2008) note that this relationship requires constant mutual adaptation, interdependence, and joint action to create a relationship in which both parties feel high trust for the other. Sngun and Wasti (2007) note that the relationship between the parties balances trust, control, and risk as the buyer and supplier pursue their distinct but syncretic agendas.

Trust, distrust, and trustworthiness

Trust, distrust, and trustworthiness are interrelated constructs that impact a cross section of buyer–supplier issues. In this section we will briefly define each of these three constructs.

The complexity of trust

Scholars have consistently defined trust as a key "aspect of relationships" that "varied within person and across relationships" (Schoorman et al., 2007, p. 344), but perspectives about the exact nature of trust have varied widely. The relationship between trust and vulnerability associated with risk is common to many discussions of trust (cf. Donaldson and Dunfee, 1999; Kjaernes, 2006; Mayer et al., 1995;

TABLE I

Dimensions and characteristics of the buyer–supplier relationship

Dimensions	Characteristics
Goals	Goals are shared, explicit, and clear at strategic and operational levels
Information sharing	Open and prompt two-way information sharing
Relationship structure	Multiple levels and functions are in contact. Clear communication channels. Interpersonal relationships
Coordination mechanisms	Formal as well as informal mechanisms govern the relationship
Locus of decision making	Clear decision-making process. Mandate from top management
Top management commitment	Top managers jointly support the relationship
Compatibility	Compatibility of organizational structure and management philosophy

Searle and Ball, 2004). From time to time trust has been described as a *propensity* (Mayer et al., 1995) or *attitude* reflecting a *willingness* (Serva et al., 2005) to take a risk based upon an express or implied social contract (Naeves and Caetano, 2006). Trust is also described as a *belief* (McAllister, 1995; Mills and Ungson, 2003) defined "in terms of several interrelated cognitive processes and orientations" (Kramer, 1999, p. 569), while others suggest that as a belief trust is also affective in nature (Dirks and Ferrin, 2002; Flores and Solomon, 1998). Some scholars describe trust as incorporating a trusting *intention* (McKnight et al., 2004) that reflects a "subjective probability" (Fishbein and Ajzen, 1975, p. 12) that a person will perform a specific behavior and that suggests a *disposition* to trust that is contextually based (Lamsa and Pucetaite, 2006). Others describe trust as a "semi-stable *psychological state*" that is critical in the process of personal and organizational change (Lines et al., 2005, p. 221).

We take the position that trust incorporates each of these characteristics but ultimately must rise to the level of a *behavior* that demonstrates the degree to which each individual is personally willing to relinquish control to the party being trusted (Caldwell and Clapham, 2003; Caldwell and Hayes, 2007).

The interrelated connections between beliefs, attitudes, intentions, and behaviors associated with trust behaviors are clarified in Figure 1, and this model incorporates the Theory of Reasoned Action which was developed by Fishbein and Ajzen (1975).

The Theory of Reasoned Action in Figure 1 shows the interrelated nature of beliefs, attitudes, intentions, and behaviors while helping to explain the complexity of the "conceptual calculus" (Creed and Miles, 1996, p. 17) used in sense-making associated with human behavior. Cook et al. (2005, p. 5) describe the decision to trust as something that varies "in its intensity, consequences, and probability." The trust decision is an inference made when another party is perceived to genuinely take to heart one's interests and well-being and encapsulates that interest as this/her own (Cook et al., 2005, pp. 5–7).

Trust is not simply a belief, attitude, or psychological state. Ultimately, we trust when we assume a risk associated with a relationship with others and, making ourselves vulnerable, we then take action (Caldwell and Clapham, 2003). Deutsch (1958) conceptualized trust as cooperation, consistent with Barnard's (1938) early writing about the nature of authority generating a willingness of followers to collaborate to achieve shared goals. Trust is a subjective perception that "varied within person and across relationships" (Schoorman et al., 2007, p. 334), and although one party may trust another, it is not necessary for trust to be reciprocal for it to exist (Brower et al., 2000).

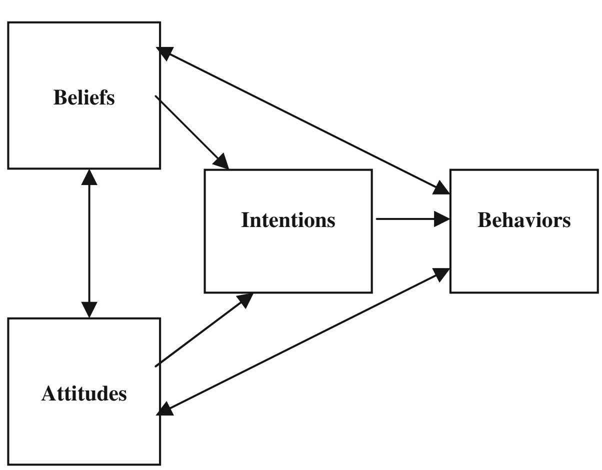

Figure 1. Conceptual framework of beliefs, attitudes, intentions, and behaviors.

The role of distrust

Leading scholars have differentiated between trust and distrust as two distinct constructs (Adler, 2007). Govier (1994, p. 240) described distrust as a "lack of confidence" in another, based upon a fear that the other party will act contrary to one's self-interest. Distrust involves hedging behavior wherein a party withholds commitment in order to minimize the risk that the other party will violate perceived ethical obligations (Kramer, 1999).

Vlaar et al. (2007) have noted that distrust is based upon the historical evolution of the relationship between the parties, and that trust or distrust increases in intensity based upon attributions inferred about the other party's intentions. Cho (2006) found that in consumer behavior trust and distrust have distinctively different but correlated roots, based upon individual perceptions about the trustworthiness of the provider of products or services. Verhagen et al. (2006) explained that both trust and distrust involve the degree to which one is willing to risk and impacts both a buyer and a supplier in a relationship.

Summarizing the issues that overlap both trust and distrust, Lewick et al. (1998, p. 439) explained that "speed, quality, and global reach, which require trust, also have precipitated distrust through corporate restructuring, downsizing, and fundamental violations of psychological contracts.'' Baruch and Lambert (2007) explained that distrust produces organizational anxiety in addition to individual anxiety. Thompson and Bunderson (2003) noted that violation of the perceived psychological contract that exists between parties is interpreted as both a serious ethical breach and a destroyer of trust.

Foundations of trustworthiness

Both trust and distrust hinge on perceptions about the trustworthiness of the other party (Lewick et al., 1998). Trustworthiness has been defined as a measure of the ability, integrity, and benevolence of the other party, and is based upon one's subjective perception of that other party's behaviors (Schoorman et al., 2007). Caldwell and Clapham (2003, p. 358) identified six factors that measured organizational level trustworthiness, including honest communication, task competence, quality assurance, interactional courtesy, legal compliance, and financial balance. In assessing the decision to trust another person, each party evaluates the other party's behaviors about the perceived psychological contract and duties owed through a subjective mediating lens, and makes the decision to trust or not to trust (Caldwell and Clapham, 2003). Adapting the Caldwell and Clapham (2003) framework to the buyer–supplier relationship, we propose the diagram indicated in Figure 2 as a model for understanding the decision to trust that exists in this relationship.

As represented in Figure 2, both the buyer and supplier make the decision to trust or distrust the other party based upon their subjective interpretation of the behaviors of the other party, as measured by the six elements of organizational trustworthiness. These six elements are interpreted through the mediating lens of each party based upon their individual perceptions about the ethical duties incorporated within their interpretation of the psychological contract that exists between the parties (Caldwell and Clapham, 2003). As Morrison and Robinson (1997) have suggested, the psychological contract is perceptual and unwritten – and often not necessarily shared by the other party to the exchange. For that reason the content of each psychological contract and the degree to which the parties have fulfilled their shared obligations may be subject to the individual interpretation of each party (Coyle-Shapiro and Kessler, 2000).

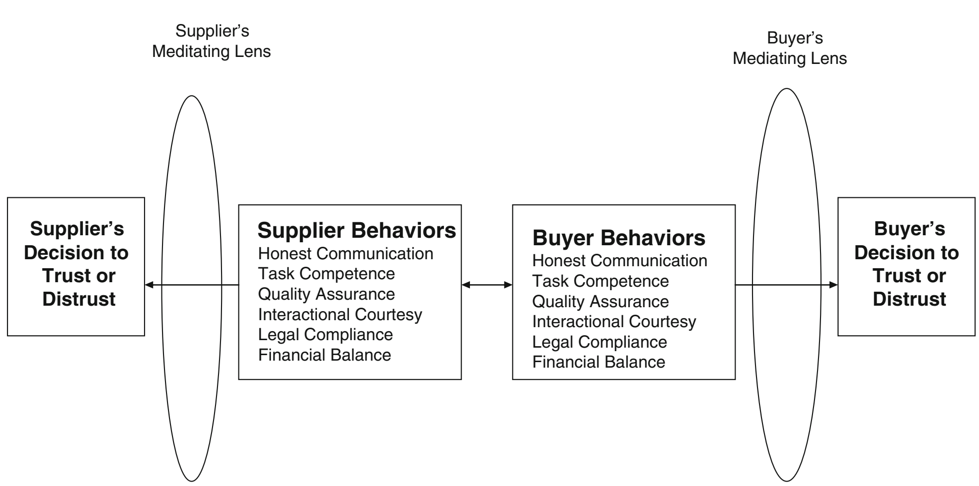

Figure 2. Model for buyer–supplier decision to trust or distrust.

Ethical duties and perceived trustworthiness

Hosmer (2008, pp. 13–14) has provided a six-factor ethical framework by which to examine ethical duties:

(1) *Personal virtues* – This Aristotelian approach to ethical values argues that ''We can pursue our own self-interests, as long as we adopt a set of standards for ''right,'' ''just,'' and ''fair'' treatment of others. Openness, honesty, and truthfulness are requirements to eliminate distrust.

(2) *Religious injunctions* – This standard adopts the Judeo-Christian perspective that honesty, truthfulness, and temperance are necessary but not sufficient to form a truly ''good'' society. The Golden Rule, compassion and kindness, and reciprocity in relationships are essential to create a community that works together for common goals.

(3) *Utilitarian benefits* – Bentham and Mills argued that a standard was required for evaluating the relative virtues of our behaviors. ''Right'' behavior, they suggested, was measured by its contribution to net social benefits often summarized as resulting in ''the greatest good for the greatest number.'' Society, not the majority, must benefit and actions must result in greater good than harm.

(4) *Universal rules* – Kant argued that net social benefit did not explain how we ought to distribute benefits or allocate harms. He advocated eliminating the self-interest of persons by universalizing the decision process. The defining principle can be expressed as ''Never take action that you would not wish others faced with the same situation to be free and even encouraged to take.''

(5) *Distributive justice* – Rawls suggested that the problem with establishing rules for actions is that people differ in their social and economic situations, wants, and needs. He argued that society needs a rule to protect the poor, uneducated, and disadvantaged who lack the power and position to achieve what they need. The principle he advocated was ''Never take any action which would harm the least among us in any way.''

(6) *Contributive liberty* – Nozick claimed that liberty, or the freedom to follow one's personal self-interest within the constraints of the law and the marketplace, is more important than justice, or the right to be protected from extremes of that law and those markets. Accordingly, he argued that no one should ever interfere with the rights of anyone else to improve their legal abilities or their marketable skills associated with self-development and self-improvement.

Hosmer's framework is a useful model for evaluating the six elements of organizational trustworthiness identified by Caldwell and Clapham (2003) within the context of the buyer–supplier relationship. Each of these six elements applies to the buyer–supplier relationship and represents how the two parties might respectively view ethical issues implicit in the psychological contract that exists between the parties (cf. Pastoriza et al., 2008). Table II identifies how each of the six elements of Hosmer's ethical framework might apply to the buyer and to the supplier.

As a careful reading of this table suggests, the ethical position of the buyer and supplier varies slightly depending upon which of the six elements predominates. Although buyers and suppliers may share common ethical interests and values, they may interpret these six ethical perspectives differently and their behaviors from one or more of these perspectives may not always be interpreted by the other party as being mutual, reciprocal, and integrative (cf. Caldwell and Karri, 2005). For example, a buyer may perceive that (s)he deserves a price break for a large volume purchase. The supplier who has just invested heavily in a piece of capital equipment to produce the buyer's product may justifiably feel that the price break being requested is overreaching on the buyer's part.

The subjective mediating lens, shown in Figure 2, through which both parties view their relationship is a complex multifaceted framework based upon the ethical filter of each party, their assumptions about the social contract, and a rich combination of personal beliefs and personal history through which each party defines reality (Caldwell and Hayes, 2007). That lens impacts how the parties view issues

TABLE II

Hosmer's ethical framework from the perspective of buyer and supplier

Ethical element	Application to the buyer	Application to the supplier
Personal virtues	Expects the supplier to be honest, open, and fair in framing the offer. Expects the supplier to deliver items on time and at the quality needed	Expects the buyer to be honest and to disclose key information about short-term and long-term needs
Religious injunctions	Expects to be treated as a valued partner in the relationship. Expects the supplier to reciprocate goodwill in creating a relationship	Expects to be treated as a valued partner and to be told if conditions may change. Expects that the buyer will reciprocate goodwill
Utilitarian benefits	Anticipates that the relationship will benefit both parties and society without harming either party	Anticipates that the relationship will benefit both parties and society without harming either party
Universal rules	Expects that the relationship will be legal and honest in every way. Expects that the supplier will offer economies of scale for larger purchases	Expects the relationship will be legal and honest in every way. Expects that the buyer will recognize how the business relationship impacts the supplier's long-term position
Distributive justice	Expects that the supplier will not act to injure the buyer by failing to honor commitments	Expects that the buyer will honor commitments, particularly involving the supplier's investment to meet buyer needs
Contributive liberty	Assumes that the buyer and supplier are both free to seek a market opportunity that benefits their position both short term and long term	Assumes that both the supplier and the buyer are free to pursue a market opportunity that benefits them both short term and long term

associated with both justice (Primeaux et al., 2003) and trustworthiness (Caldwell and Clapham, 2003), and the mediating lens is a critical interpreter in evaluating the ethical and moral conduct of the other party and the decision to trust or withhold trust.

Each of the six factors of organizational trustworthiness identified by Caldwell and Clapham (2003) may play a key role in the personal calculus by which the buyer or supplier ascertains whether the other party's behavior is ethical and trustworthy. Table III defines each of these six factors and provides an example of how each factor may be interpreted in the buyer–supplier relationship (Caldwell and Clapham, 2003, pp. 353–359).

Honest communication is the degree to which communications between parties are perceived as honest, truthful, and complete – and whether commitments are honored (Caldwell and Clapham, 2003). The ability of both the buyer and supplier to be perceived as trustworthy, ethical, and honest in their communications is related to the extent to which both parties have fully explored the expectations of the other party (Tokman et al., 2007). Although the buyer and the supplier in a relationship may have conflicting ends – and although their relationship may sometimes be zero-sum with one party's gain being the other party's loss – many buyer–supplier relationships have been established that are greatly beneficial to both parties (Rinehart et al., 2004). Trust and goodwill are often a result of creating a history of working together (McAllister, 1995). The creation of relational capital in the buyer–supplier partnership can substantially improve as parties work together over time (Cousins et al., 2006) and determine that each party communicates honestly and can be counted onto honor commitments.

The competence or ability of a party is a fundamental factor in being perceived as trustworthy, whether at the organizational level or at the individual level (Mayer et al., 1995). The task competence of the supplier in the buyer–supplier relationship is related to the ability of the supplier to demonstrate the advantages of the supplier's product or service and how the product or service meets the buyer's needs (Eriksson and Sharma, 2007). Perin

TABLE III

Six factors of trustworthiness and their practical applications

Factor	Factor definition	Practical application
Honest communication	The degree to which communications are honest, truthful, and complete – including whether commitments are honored	Either party may interpret what is communicated based upon personal assumptions and history. Expectations are dependent upon the interpretation of the psychological contract thought to apply
Task competence	The ability to perform key tasks competently, including both technical and relational tasks	A buyer may expect a supplier to deliver a product at an agreed upon time, but circumstances may arise that the supplier fails to anticipate. The competence of the other party may be called into question
Quality assurance	The degree to which products or services meet quality expectations and the degree to which processes comply with quality standards	Parties may differ regarding the distinction between "conformance with specifications" and "fitness for the expected use required." Operational definitions about quality may differ substantially
Interactional courtesy	Being treated as a valued "end" rather than as a "means." Treatment that is courteous, respectful, and committed to the welfare, growth, and wholeness of the other	The buyer–supplier relationship is inherently an instrumental or outcome-based relationship, and the tendency may be for one party to view the relationship as merely transactional and short term
Legal compliance	Conformance with the spirit of the law, in addition to the letter of the law	Acknowledging that what was intended and relied on in a formal agreement may not be precisely reflected by the contract's actual verbiage
Financial balance	Providing the resources to realistically accomplish what is expected from the other party	Recognizing that an unanticipated change in market conditions needs to be accommodated in the buyer–supplier relationship

et al. (2007) found that perceptions about the trustworthiness of a supplier were correlated with the perceived value of the product or service provided. Muthuraman et al. (2006) noted that the ability of the supplier to understand value added in the buyer's supply chain was critical to demonstrating the supplier's competence and trustworthiness.

Quality assurance as an element of trustworthiness includes not only conformance with specifications but fitness for the purpose required by the customer (Caldwell and Clapham, 2003; Deming, 2000). Maguad (2006) has described the concern for quality as the center stage issue of modern business commerce. Dovaliene et al. (2007) have cited numerous customer surveys that indicate that perceived service quality is the critical factor for creating a long-term buyer–supplier relationship. Ryu et al. (2007) found similar results and concluded that the ability of a buyer to be confident that a supplier's quality would be high was a vital factor in maintaining a long-term buyer–supplier relationship. The perceived quality of the supplier's products, his/her communications systems, and service-related factors associated with meeting the buyer's needs can be a critical factor for the buyer in evaluating the decision to continue to do business or to incur switching costs (Hult et al., 2007).

Interactional courtesy is an element of benevolence which is critical to both interpersonal and organizational trustworthiness (Mayer et al., 1995). It is a subjective perception of the degree to which the other party (1) is committed to the welfare, growth, and wholeness of the other party; (2) establishes relationships based upon dignity and respect; and (3) treats others with courtesy and personal regard (Caldwell and Clapham, 2003). Campbell et al. (2006) noted that establishing interpersonal rapport in the buyer–supplier relationship was of significant importance, particularly early in the relationship. Vlachos and Bourlakis (2006) found that the expressed level of commitment of a supplier wholesaler influenced the level of trust of a buyer retailer in the food industry.

Legal compliance encompasses meeting the spirit of the law in a relationship and was found to be an important factor in honoring duties and building trust (Caldwell and Clapham, 2003). Ural (2007) noted that the trust relationship between the parties is at the heart of relationship marketing. Sirgy and Lee (2008) found that honoring the intent of the relationship was a critical factor in being perceived as ethical in buyer–supplier relationships. Moon and Bonney (2007) described the buyer–supplier relationship as akin to a marriage partnership, and noted that the ability to be perceived as trustworthy required a commitment to honoring the best interests of the other party. Holding the other party to the requirements of an agreement, while within the legal right of a participant in the buyer–supplier relationship, would destroy trust and effectively end a relationship that exists (Weick, 2008). Uslaner (2002) concluded that the moral foundations of trust required that parties look beyond the legal requirements of an agreement and turn to its ultimate intent.

Financial balance reflects perceptions about desired goals that are both effective and efficient, and reflects the degree to which resources available realistically match expectations about outcomes (Caldwell and Clapham, 2003). Trust in a relationship is enhanced when one party shares information, provides adequate resources, and works in partnership with the other party to pursue aligned objectives (Block, 1996). Handfield and Lawson (2007) noted that an effective mechanism for reducing risk and achieving outcomes that benefited both parties in the buyer–supplier relationship was to integrate suppliers into the new product development process. Su et al. (2007) described the Chinese model in which buyers and suppliers share resources and develop a shared partnership to compete successfully financially in a highly competitive global marketplace.

Perceptions about trustworthiness in the buyer–supplier relationship are ultimately profoundly complex and individually subjective (Wood et al., 2008), but these six factors and the ethical implications associated therewith are critical elements in building trust between the parties. Building this trust is fundamentally an ethically based process and encompasses all aspects of interpersonal and inter-organizational relationships (Hosmer, 2008; Solomon and Flores, 2003; Uslaner, 2002).

Contributions of our article

Our discussion of the nature of trust and its ethical implications in the buyer–supplier relationship offer four major contributions to the dialog about this important topic.

(1) *Identifies trust as a key behavior and clarifies ambiguities in the trust literature.* As many scholars have noted (cf. Maguire et al., 2001; Sydow and Windeler, 2003), the nature of trust in business relationships is ''far from clear'' (Vlaar et al., 2007, p. 408). Because buyers and suppliers rely upon each other's actions – as opposed to their intentions, dispositions, propensities, or beliefs – trust in the buyer–supplier relationship is manifest as a behavior. Although scholars describe trust in many conflicting ways (Caldwell and Clapham, 2003; Hosmer, 1995), our explanation of trust is as a behavior – the relinquishing of one's personal power or control in the expectant hope that another party will honor the implicit duties of the psychological contract between the parties. Distinguishing trust as a behavior that encompasses beliefs, attitudes, and intentions as reflected in the Theory of Reasoned Action (Ajzen and Fishbein, 1980) adds richness to an understanding of the scholarly literature. By framing trust as a mutual behavior based upon one's perception of the other party's actions, our discussion also provides value to practitioners who wish to understand how they can create more powerful reciprocal relationship (cf. Mukherji and Francis, 2008; Saccani and Perona, 2007).

(2) *Affirms the importance of subjective perceptions as important elements of trust and trustworthiness.* In explaining the nature of trust in the buyer–supplier relationship, our model affirms the importance of the subjective mediating lens as an important factor in evaluating the trustworthiness of the other party. Because each party comes to the relationship with a unique personal history, and because the psychological contract is based upon each party's beliefs and assumptions (Caldwell and Clapham, 2003), the decision whether to trust or to withhold trust is ultimately a subjective decision (Kjaernes, 2006). As a buyer and a supplier see their relationship through their own lens, their expectations about the relationship are ultimately a product of their personal experiences (Caldwell et al., 2008). The ability of the parties to craft a mutually acceptable solution is a function of their skill in both communicating their needs and in listening to the messages of their dyadic partner (O'Brien, 2008).

(3) *Reinforces the linkage between trust and ethical perceptions.* Our explanation of the relationships between the factors of trustworthiness and the six elements of Hosmer's (2008) ethical framework add fine-grained detail to the relationship between trust and ethics. Recognizing that each of the elements of Hosmer's framework may call out a slightly different response to specific situations offers insights as to how ethical decisions are made and why two different people may arrive at different ethical choices (cf. Brady, 1999). Acknowledging that trust, trustworthiness, and ethical choices are subjectively rooted also confirms the importance of looking for solutions that are morally based upon universal principles (Brady and Hart, 2007; Hosmer, 2008).

(4) *Clarifies the importance of both values and principles in ethical decision making.* For buyers and suppliers, as well as for other actors in business relationships, ethical decision making can be both complex and significant in impact (Bendixen and Abratt, 2007). Instrumental goals, focused on desired outcomes and results, and normative goals, based upon individual values and priorities, must both be weighed in reaching ethical decisions (Covey, 2004; Hosmer, 2008). Moral problems in business over the past decade seem to be caused by "the extreme pressures, risks, and rewards" that characterize today's business context (Hosmer, 2008, p. 1). As buyers and suppliers make ethical decisions that affect the bottom line of their organizations, both financial and moral factors must be integrated to achieve solutions that ensure the best possible decisions (Paine, 2003).

Each of these four contributions adds value to the ongoing dialog about organizational decision making and the foundations of ethics and trust, which are implicit in these decisions.

Conclusion

Building trust at the organizational level is dependent on the ability of the parties involved to communicate that they are trustworthy and to demonstrate that trustworthiness by consistent behaviors (Schoorman et al., 2007; Serva et al., 2005). But trust building also requires the recognition that the other party may have a separate agenda, a different set of values, and a unique perspective about the goals and objectives to be accomplished in the potential partnership (Hosmer, 2008). The buyer–supplier relationship provides an opportunity for the parties to build a relationship that is mutually beneficial, but the implicit nature of that relationship can be challenging and difficult to negotiate (Mukherji and Francis, 2008; Saccani and Perona, 2007). By understanding and honoring the expectations of the other party, both the buyer and the supplier can build mutual trust and can make meaningful headway in pursuing the opportunity for a shared benefit. Communicating mutual expectations, honoring commitments, and working in partnership can allow both parties to build trust while maintaining a reputation as ethical and committed partners.

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