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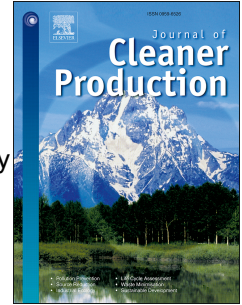
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Organizational coordination in sustainable humanitarian supply chain: an evolutionary game approach

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13 **Abstract:** Sustainable humanitarian supply chain has a great impact on saving lives, decreasing
14 human suffering and contributing to development. Organizational coordination plays an
15 important role in it, although it is uncommon to be established due to the conflicting interests and
16 expectations. To cope with the problem and achieve the sustainability of humanitarian supply
17 chain, the coordination between private sector and humanitarian organization was further
18 discussed with the help of sustainable principle regarding stakeholder approach. Different from
19 the existing literature that elaborated the drivers and the advantages of coordination, this paper
20 aims to explore the coordination mechanism regarding whether to coordinate, when to adopt the
21 optimal coordinated strategy and how such a strategy can perform well. To analyze the tendency
22 of the coordinated decisions, evolutionary game models concerning traditional and trust
23 mechanisms were developed. Then, computational studies based on hypothetical data were
24 simulated to validate the effectiveness of the proposed model. Results indicated that the
25 coordination decision was affected by coordinated returns and costs, normal returns and extra
26 returns in terms of the traditional mechanism. Several situations in regard to the coordinated
27 decisions were analyzed by adopting evolutionary stable strategies. Moreover, trust had a
28 significantly positive impact on coordination promotion under the support of potential returns
29 and high-level trust. Finally, managerial insights for achieving the sustainable humanitarian

30 supply chain were given from the perspective of organizational coordination and strategy.

31 **Keywords:** Sustainable humanitarian supply chain; stakeholder approach; coordination
32 mechanism; private sector; trust; evolutionary game model

33 1. Introduction

34 It is reported that an increasing number of disasters have led to overwhelming losses in
35 recent years. For instance, large-scale disasters approximately caused property losses of 986,691
36 million dollars and 1,105,352 casualties (Galindo and Batta, 2013). To save lives, decrease
37 human suffering and contribute to development, the philosophies of sustainable development
38 organically being integrated into disaster risk reduction during disaster prevention, mitigation,
39 preparedness and relief need to be identified and recognized, which was portrayed by the UN in
40 2015 (United Nations, 2015). Similarly, the combination of sustainable development and disaster
41 management was also suggested by Stenson (2006). In addition to that, Van Wassenhove (2006)
42 mentioned that 80 percent of humanitarian aids were related to logistic activities, and inadequate
43 supplies of reliefs or services would result in a bad reaction in the context of disaster. Thus, it can
44 be inferred that investigation on both sustainable humanitarian supply chain (SHSC) and disaster
45 relief supply chain requires urgent attention. Such a viewpoint was also supported by Cao et al.
46 (2018), Cao et al. (2017), Dubey and Gunasekaran (2016) and Haavisto and Kovacs (2014).

47 According to Cao et al. (2018) and Cao et al. (2017), SHSC can be defined as the
48 integration of humanitarian supply chain (HSC) and sustainable development. On the one hand,
49 an effective performance of traditional HSC can be regarded as a sustainable expectation. In
50 detail, saving lives and decreasing human suffering are consistent with social responsibility,
51 while contributing to development is closely associated with the longer term of sustainability
52 (Haavisto and Kovacs, 2014). On the other hand, triple bottom line (TBL) as a popular method is
53 used to analyze the trade-off among economic, environmental and social aspects in humanitarian
54 logistics (Laguna-Salvadó et al., 2018; Cao et al., 2018; Kunz and Gold, 2015; Vega-Mejia et al.,
55 2017). For example, Cao et al. (2017) employed emergency costs, carbon emissions and the
56 weighted completion times to measure economic, environmental and social dimension of the
57 sustainability. Similarly, the aspects of economy (e.g. effectiveness, efficiency and equity),
58 environment (e.g. pollution reduction and resource conservation) and society (e.g. labor
59 condition and local empowerment) were also considered in the design of a multi-criteria master

60 planning decision support system (Laguna-Salvadó et al., 2018). The aforementioned literatures
61 mainly focus on the optimization of various performance objectives, but ignore the importance
62 of several stakeholders. Humanitarian logistics include lots of stakeholders, such as military,
63 humanitarian organization (HO), private sector (PS), non-profit organization (Balcik et al., 2010).
64 And it is almost impossible for a single stakeholder to fulfill the needs of the affected people and
65 infrastructure rebuilding (Akhtar et al., 2012). Further, the achievement of sustainable
66 performance relies on information transparency, enhanced communication and trust, which
67 results from the coordinated supply chain design (Kunz and Gold, 2015). In this context, it is
68 necessary to adopt an effective way (e.g. stakeholder approach) to improve the sustainability of
69 HSC from the viewpoint of organizational coordination.

70 Given the complexity of business environment and the participation of various stakeholders,
71 the directors of a firm should take into account various stakeholder groups instead of merely
72 focusing on the interests/expectations of themselves. In this circumstance, stakeholder approach
73 is devised to manage the independence among several stakeholders by balancing different
74 interests/expectations (Freeman, 1984). Specifically, identification of stakeholders, analysis of
75 their interests/expectations and the relationship management are the main works. Not
76 surprisingly, since many organizations as various stakeholders participate in SHSC management,
77 organizational coordination problem can be regarded as a new application of stakeholder
78 approach. For example, various stakeholders (e.g. military, HOs, donors, PSs) are identified in
79 humanitarian logistics (Balcik et al., 2010). As a core stakeholder of SHSC, HO needs to
80 coordinate with other actors by well understanding different interests/expectations of them (Bealt
81 et al., 2016). After reviewing the related works (Numala et al., 2017; Van Wassenhove, 2006;
82 Akhtar et al., 2012; Tatham and Kovacs, 2010; Moshtari, 2016), Dubey and Altay (2018)
83 portrayed that such interests/expectations could be divided into two groups including the
84 resource-based view and the relationship theory. The former uses resources (tangible and
85 intangible) and capacities to explain the drivers of coordination (Akhtar et al., 2012), while the
86 latter emphasizes the important role of relationship (e.g. swift trust and commitment) on
87 coordination (Tatham and Kovacs, 2010; Moshtari, 2016). Although the aforementioned studies
88 explicitly conclude their interests/expectations, the coordination mechanism to balance different
89 interests and expectations is still limited (Altay and Green, 2006; Nurmala et al., 2017). For
90 example, Balcik et al. (2010) adopted the method stemming from commercial supply chain to

91 promote HSC coordination in a qualitative way. More specifically, the coordination decision is
92 made by decision makers based on the evaluation of relevant costs (e.g. coordination cost,
93 operational risk cost and opportunistic cost). Such a decision cannot answer when to coordinate
94 and how to perform well, although it is adopted to guide managers whether to coordinate.
95 Moreover, as Balcik et al. (2010) held, the relevant costs should be adjusted by the level of
96 interdependence among supply chain members and the uncertainty of demand and supply (Xu
97 and Beamon, 2006), which requires a perfect rationality of decision makers in a one-stage game.
98 However, due to the asymmetric information, shortsightedness and self-interest, decision makers
99 may show the bounded rationality in multistage games (Shi et al., 2018), especially during
100 disaster operations management (Du and Qian, 2016). To solve this problem, game theory is an
101 effective quantitative method to explore the strategic behavior between at least two players,
102 when the two players' interests are in conflict, and their actions are interactive (Xu and Beamon,
103 2006). Besides, compared with classic game theory, evolutionary game model (EGM) highlights
104 the importance of the bounded rationality and dynamic evolutionary of strategy. It provides an
105 effective approach to analyze the coordinated tendency of multi-suppliers (Yu et al., 2009). As
106 such, how to formulate the coordinated game as an EGM to answer whether to coordinate, when
107 to select an optimal coordination decision and how to perform well is the purpose of this paper.

108 Although lots of literature discuss the HSC/SHSC coordination from different perspectives,
109 few researchers concentrate on how this model evolves as the implementation progress in a
110 quantitative way. The purpose of this paper is to investigate the evolutionary process of the
111 coordinated game through the help of the EGM. The other contributions can be concluded from
112 the following three aspects. Firstly, PS-HO partnership is the main focus of this paper, and the
113 importance of such a partnership is summarized as follows. On the one hand, coordination has a
114 positive impact on their performance improvement (Van Wassenhove, 2006; Nurmala et al.,
115 2017). In detail, for HO, since PS has a rich resource to manage materials, service information
116 and capital flow, it usually acts as a significant logistics service provider in humanitarian aids
117 (Schulz and Blecken, 2010). And the participation of PSs determines the difference between
118 successful or failed disaster operations (Van Wassenhove, 2006). For PS, humanitarian relief can
119 be regarded as a multi-billion-dollar market, which draws PS to take part in humanitarian
120 logistics. In addition to that the coordination is also motivated by non-economic benefits (e.g.
121 brand images, corporate social responsibility and staff motivation) (Balcik et al., 2010). On the

122 other hand, as Nurmala et al. (2017) pointed out, although the benefits were obvious, such
123 coordination seemed uncommon because of the conflicting interests (e.g. PS concentrates on
124 profit-making while HO aims to save lives, decrease suffering and contribute to development).
125 Consequently, it is pressing to design an optimal mechanism to manage their partnership, which
126 is also identified as a research gap in the study of Nurmala et al. (2017). Secondly, to explore
127 different interests of HO and PS, performance management (e.g. normal returns, coordinated
128 returns, extra returns and coordinated costs) (Akhtar et al., 2012) and trust behavior (Lu et al.,
129 2018; Dubey et al., 2017) are simultaneously considered to manage the independence between
130 them. Specifically, the traditional mechanism tends to test the value of coordination from the
131 perspective of performance management. The trust mechanism aims to promote coordination
132 from the viewpoint of relationship management (Dubey and Altay, 2018). Such two mechanisms
133 provide decision tools to decide whether to coordinate, when to coordinate and how to adopt an
134 optimal strategy. Thirdly, this paper is to not only validate the designed methodology regarding
135 organizational coordination problem and improve the performance of SHSC, but call for the urge
136 of integrating philosophies of sustainable principle (e.g. stakeholder approach) into the design of
137 the organizational coordination mechanism in humanitarian logistics.

138 The rest of this paper is organized as follows: Section 2 presents a critical literature review.
139 In Section 3 and Section 4, the EGM concerning organizational coordination problems is
140 proposed. Then, necessary analysis is also presented. Computational studies are implemented in
141 Section 5. Discussion and managerial insights are also summarized. Finally, conclusions and
142 future directions are given in Section 6.

143 **2. Literature review**

144 To save lives, decrease human suffering and contribute to development, SHSC and
145 organizational coordination have received considerable attention. In line with the title and
146 structure of this paper, three aspects are reviewed as follows: (1) the relationship between
147 organizational coordination and SHSC, (2) organizational coordination issue, and (3)
148 evolutionary game theory.

149 **2.1 Relationship between organizational coordination and SHSC**

150 The total number of natural disasters has shown a growing trend in recent years. To deal
151 with the huge challenge of humanitarian logistics pressure, the attention to SHSC increases
152 (Dubey and Gunasekaran, 2016). However, given that sustainability is a very new stream in HSC

153 management, there are very few publications to elaborate the importance of coordination in
154 SHSC. Therefore, the related studies are extended to the HSC.

155 On the one hand, the main performance measurement of HSC focuses on time saving and
156 cost efficiency (Haavisto and Kovacs, 2014), and it is verified that organizational coordination
157 has a positive impact on improving such performances. For example, Balcik et al. (2010)
158 portrayed that a quick response required a coordinated effort. If not, the suffering of the affected
159 population may be prolonged because of the poor management of coordination (Moshtari, 2016).
160 Similarly, Nolte and Boenigk (2011) argued that an enforced organizational structure was helpful
161 for time saving and quality improvement of relief. However, as Brown et al. (2011) examined,
162 due to the conflicting cultures and interests, coordination played a negative role in performance
163 improvement of HSC, especially among temporary organizations. Although sustainability is not
164 clearly clarified in the field of HSC management, the objectives (e.g. saving lives, decreasing
165 human suffering and contributing to development) are still consistent with the goal of sustainable
166 development (Haavisto and Kovacs, 2014).

167 On the other hand, coordination is also regarded as a critical issue in the field of SHSC
168 management (Kunz and Gold, 2015), although the motivations, methods and objectives are
169 extremely different between HSC and SHSC (Cao et al., 2018). For example, Dubey and
170 Gunasekaran (2016) identified that the sustainability of HSC (e.g. agility, adaptability and
171 alignment) relied on an enforced coordination network. Kapucu et al. (2013) argued that
172 continuous operation was the critical feature of the sustainability, and it could be fulfilled by an
173 optimal coordination network. Meanwhile, Cao et al. (2017) suggested that the sustainability of
174 HSC (e.g. economic, environmental and social aspects) could be achieved by the optimization of
175 organization allocation. Not surprisingly, there is not always positive impact of coordination on
176 performance improvement. For example, Large and Thomsen (2011) found that environmental
177 coordination had a negative impact on purchasing performance. Moreover, the results of
178 Gimenez et al. (2012) only provided partial support for the positive impact of coordination on
179 the TBL achievement.

180 In summary, the positive impact of coordination is widely accepted as the main idea by lots
181 of researchers as a result of resource complementation (Moshtari, 2016), risk sharing (Akhtar et
182 al., 2012) and coherence of actions (Dubey and Altay, 2018). On the contrary, the opposite
183 viewpoint is also contended because of the conflicting interests, cultures and agendas (Van

184 Wassenhove, 2006; Brown et al. 2011; Large and Thomsen, 2011), although the importance of
185 coordination is not completely denied in their studies. Indeed, such conflicts challenge the
186 effectiveness of coordination, especially in disaster practical operations management. Fortunately,
187 such a challenge can be solved by the optimal managerial approaches/theories in terms of
188 information sharing, performance management, cultural cohesion and relationship management
189 (Dubey and Altay, 2018). Consequently, in this paper, it is assumed that coordination plays a
190 positive role in performance improvement of SHSC, and the related issue of organizational
191 coordination is reviewed in next subsection.

192 **2.2 Organizational coordination issue**

193 Coordination has been recognized as one of the critical factors to affect successful disaster
194 operations management by many researchers and disaster managers, especially between PS and
195 HO (Van Wassenhove, 2006; Balcik et al., 2010; Nurmala et al., 2017). Motivated by the
196 positive impact of coordination on both HSC and SHSC management, the coordination
197 mechanism regarding how to manage the independence among organizations is of great
198 significant (Balcik et al., 2010). To explicitly analyze the mechanism, different interests and
199 expectations of organizational coordination should be clarified here. After widely reviewing
200 literature, the interests and expectations of organizations can be concluded as the drivers of
201 coordination in the process of coordination. Specially, Dubey and Altay (2018) classified
202 various drivers of coordination into the resource-based viewpoint (e.g. information sharing,
203 visibility and performance management) and the relationship perspective (e.g. swift trust,
204 commitment and culture cohesion).

205 On the one hand, different interests (e.g. PS dedicates to stock market, high revenues and
206 profits while HO prefers to save live and decrease human suffering) are identified as a critical
207 challenge for coordination promotion between PS and HO (Van Wassenhove, 2006). Thus,
208 performance management is highlighted here. For PS, the purpose of performance management
209 is cost reduction (e.g. inventory cost, transportation cost, customization cost) and profit
210 maximization (e.g. high turnover rate and a large number of deterministic orders) (Nurmala et
211 al., 2017). However, given the preferences of procuring locally, the uncertainty of disaster, and
212 the levels of funding, HO usually requests for inventory pre-positioning and competitive
213 bidding (Balcik et al., 2010), which greatly increases the cost of PS. To effectively manage the
214 relationship, Balcik et al. (2010) employed coordination cost, opportunistic cost and operational

215 risk cost to measure the coordination in terms of procurement, warehousing and transportation
216 management. Particularly, the attributes of commercial supply chain coordination mechanism
217 (e.g. resource sharing structure, level of control, risk/reward sharing and decision style) were
218 replaced by quick response, continuous replenishment and coordinated procurement. Such a
219 mechanism was also applied in Akhtar et al. (2012).

220 On the other hand, coordination promotion is also discussed from the perspective of
221 relationship management, although performance management viewpoint is helpful to manage
222 the coordination well. For example, Dubey et al. (2017) identified that swift trust was a missing
223 links for HSC coordination. Similarly, Kapucu et al. (2013) verified that inter-organizational
224 trust was the most significant factor in coordination promotion. Therefore, to integrate trust
225 behavior into the coordination mechanism, Tatham and Kovacs (2010) analyzed different levels
226 of trust in coordination promotion and performance improvement. In detail, the strength of trust
227 depends on five routes (e.g. rule, third-party information, category, role and dispositional trust).

228 Overall, both performance management and relationship management are well applied to
229 the design of coordination mechanism, but few authors simultaneously address the two aspects.
230 As Dubey and Altay (2018) identified, there was a transitive link between performance
231 management and relationship management. In other words, the relationship management can be
232 regarded as a supplementary factor of the performance management, which plays a critical role
233 in coordination management. Therefore, in this paper, the integrated mechanism is devised
234 based on such two aspects.

235 **2.3 Evolutionary game theory and its applications**

236 Game theory was widely applied to model the social interaction and provide an effective
237 decision-making guideline for game players. In order to obtain a great prediction of players'
238 strategy, the classic game theory assumes that players show perfect rational behaviors (e.g.
239 acknowledge actions and characteristics of all the other players), although it is impossible for
240 each player to be acquainted with the information of others (Chen et al., 2018). To address the
241 issue mentioned above, the EGM highlighted the importance of replicator dynamics when
242 players with bounded rationality would adjust their strategies in light of their previous actions,
243 especially the successful strategy. Replicator dynamics is denoted by the differential equation in
244 the EGM, so as to describe the dynamic frequency change of the discrete decision in
245 evolutionary games (subsection 3.3 for more details). According to Cai and Kock (2009), such a

246 method leverages and extends the ideas of the classic game theory.

247 According to Yu et al. (2009), EGM is widely applied to study the social interaction in the
248 field of economics and sociology, especially to manage supply chain coordination (Seuring,
249 2013). To our knowledge, the application of MS/OR method (e.g. EGM) is unsound in the field
250 of HSC. Given the similarity between HSC and commercial supply chain, the boundary of our
251 review is expanded to the field of commercial supply chain. For example, Shi et al. (2018)
252 proposed a game model with the concern of product prices and its costs, incentive returns,
253 spillover effect as well as coordinated costs, so as to investigate the cooperative relationship
254 among construction suppliers. To achieve the integration of the entire supply chain, Yu et al.
255 (2009) developed an EGM, and the model was captured by normal benefits (traditional strategy),
256 new benefits (VMI strategy), penalties and investment. Similarly, a cooperation strategy was also
257 designed as an EGM to enhance the sustainability of two competing suppliers (Xie, 2016). In
258 literature of HSC, a few researchers did the similar work to promote coordination. For example,
259 Du and Qian (2016) characterized normal returns, coordinated benefits and costs, rewards,
260 penalties as well as the value of legitimacy as an EGM to describe the relationship between
261 governments and nonprofit organizations, and it aims to promote collaboration during the period
262 of disaster mobilization. Liu and Xie (2016) analyzed the prices and costs of relief, overtime pay
263 as well as the possibility of successful transaction on emergency supply requisition negotiation.

264 In summary, compared with classic game theory, EGM is an effective method to manage the
265 relationship among organizations, especially in the context of time pressure and information
266 asymmetry. In this paper, the related factors (e.g. performance management and trust behavior)
267 are treated as the returns and costs, and the questions regarding when to coordinate and how to
268 perform well can be solved by the results of EGM.

269 **3. The game model concerning the traditional mechanism**

270 In this section, the behavior of organizations in SHSC coordination are formulated as a
271 decision-making game. Specially, the traditional mechanism concerning performance
272 management is firstly discussed here.

273 **3.1 Problem description**

274 In this subsection, a two-tier supply chain structure consisting of demand points with
275 multiple HOs and external suppliers with lots of PSs is considered. One actor is randomly
276 selected from demand points and external suppliers each time to carry out the coordinated game.

277 Both PSs and HOs decide whether to coordinate with others. Particularly, for PS, whether to
278 provide philanthropic help (e.g. cash-based donation and strategic help) is the main difference
279 between coordination and non-coordination strategy (Van Wassenhove, 2006; Balcik et al.,
280 2010).

281 The unobservable system is the highlight of this paper. HOs fail to know if PSs adopt
282 coordination strategy, and if they can get more profits when they coordinate with PSs.
283 Meanwhile, PSs also don't know any information mentioned onwards. Thus, a dynamic game
284 exists in the interaction between PSs and HOs. In other words, since both PSs and HOs are
285 bounded rationality, the coordinated decision is closely related to their previous behaviors.

286 With regard to PSs, normal returns, coordinated returns and extra returns are the main
287 benefits when they interact with HOs. When PSs only act as a tool/operator (e.g. choose the
288 non-coordinate strategy) in humanitarian logistics, normal returns can be gained from the
289 commercial transaction (Balcik et al., 2010; Vega and Roussat, 2015). Besides, opportunistic
290 behaviors (e.g. shrinking responsibilities, providing low-quality relief and delaying delivery) (Xu
291 and Beamon, 2006) and "free rider" problems (Yu et al., 2009) may exist. They will obtain extra
292 returns from the aforementioned behaviors. On the contrary, a few PSs desire to coordinate, and
293 they will establish a philanthropic relationship with HOs. After that, more economic benefits and
294 non-economic benefits (e.g. brand images, corporate social responsibilities and staff motivation)
295 are gained as the coordinated returns of PSs (Balcik et al., 2010). Absolutely, necessary costs
296 should also be paid for their interaction. In order to maximize their returns, it is challenging for
297 PSs to balance the returns and costs.

298 In terms of HOs, normal returns, coordinated returns, extra returns are also important. The
299 decision process is similar to that of PSs, and it also aims to maximize their returns in
300 coordination games. However, due to the non-profit characteristic of HOs, it is necessary to
301 illustrate the returns and costs of HOs. As Nurmala et al. (2017) argued, HOs concentrated on
302 performance improvement regarding quick response, time saving and continuous replenishment
303 (details see Table. 1). Such an improvement can be treated as financial returns by adopting some
304 methods, such as key performance indicators (Blecken et al., 2009). For example, the efficiency
305 of disaster response was treated as financial returns in their model (Du and Qian, 2016). Chen
306 and Sun (2017) did a similar work to stand for performance improvement.

Table 1. Measurement of returns and costs

| Item(s) | Performance measurement | |
|---------------------|--|---|
| | <i>for PS</i> | <i>for HO</i> |
| Returns and costs | | |
| Normal returns | A multi-billion-dollar market (Balcik et al., 2010) | Rapid and stable relief supply, high quality of product/service (Nurmala et al., 2017) |
| Coordinated returns | <ol style="list-style-type: none"> 1. Direct economic returns, search for new ways for expanding their agility capacities (Beamon and Balcik, 2008); 2. Non-economic returns (e.g. brand image, staff motivation, corporate social responsibility, mitigate the negative impact of disasters on business sustainability (Rueede and Kreutzer, 2014; Moan et al. 2009; Van Wassenhove, 2006). | <ol style="list-style-type: none"> 1. Cash-based donation, strategic-based help (Balcik et al., 2010); 2. Achieving a more accountable, visible and effective performance by learning the experience of commercial supply chain management (Oloruntoba and Gray, 2009); 3. Reducing the risk of relief shortage, improving the capacity of continuous replenishment (Nurmala et al., 2017; Balcik et al., 2010). |
| Extra returns | <ol style="list-style-type: none"> 1. Opportunistic behaviors, such as provide low-quality products, shirk responsibilities and delay in delivery (Xu and Beamon, 2006); 2. “Free rider” problem, which can be explained as spillover returns from player's defection (Yu et al., 2009). | <ol style="list-style-type: none"> 1. Opportunistic behavior, such as unfair price-based competitive bidding, shirks responsibilities and contract broken (Balcik et al., 2010); 2. “Free rider” problem, and it is similar to PS, especially HO with bureaucracy. |
| Coordinated costs | <ol style="list-style-type: none"> 1. Philanthropic help (e.g. strategic help and donation (Balcik et al., 2010); 2. Interaction behavior (e.g. manage information, award the contract and attend meeting) (Balcik et al., 2010); 3. Rapid relief supply (e.g. staff salaries, inventory pre-positioning management) (Balcik et al., 2010). | Interactive behavior (e.g. acknowledge HO's culture, method and agenda, attend coordination meeting, award a contract (Balcik et al., 2010). |

308 3.2 Model formulation

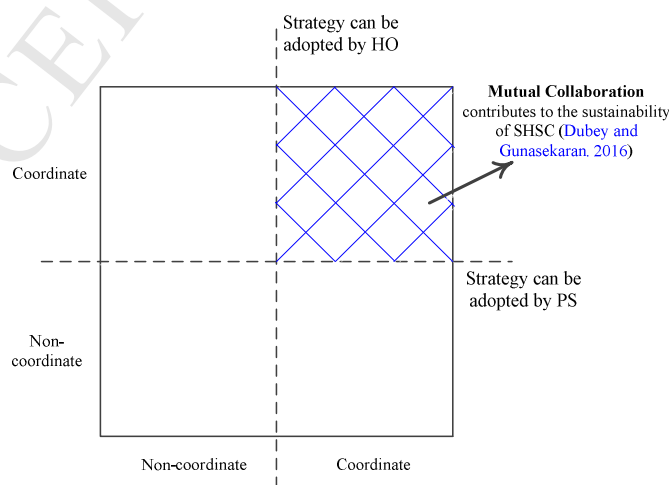
309 To present a comprehensive overview of various factors, the following parameters (Table. 2)
 310 are summarized here.

311

Table. 2 Parameter settings

| Item | Parameter | Description |
|---------------|------------|--|
| <i>for PS</i> | x | The possibility of coordination strategy adopted by PSs. On the contrary, $1-x$ denotes the possibility of adoption regarding non-coordination strategy; |
| | R_p | Normal returns obtained from the absolute commercial relationships (no one adopts the coordination strategy); |
| | α_1 | Ratio of increased returns of the mutual coordination to normal returns (both PSs and HOs adopt the coordination strategy); |
| | α_2 | Ratio of increased returns of the unfair coordination to normal returns (only PS desires to coordinate with HO); |
| | C_p | The coordinated costs should be paid by PSs when they choose the coordination strategy; |
| <i>for HO</i> | π_p | Extra returns obtained by PSs due to the opportunistic behavior and the “free rider” problem. |
| | y | The possibility of coordination strategy adopted by HOs. On the contrary, $1-y$ denotes the possibility of non-coordination strategy; |
| | R_h | Normal returns obtained from the absolute commercial relationship (no one adopts the coordination strategy); |
| | β_1 | Ratio of increased returns of the mutual collaboration to normal returns (both PSs and HOs adopt the coordination strategy); |
| | β_2 | Ratio of increased returns of the unfair coordination to normal returns (only HO desires to coordinate with PS); |
| | C_h | Coordinated costs should be paid by HOs when they choose the coordination strategy; |
| | π_h | Extra returns obtained by HOs due to the opportunistic behavior and the “free rider” problem. |

312 In this paper, a discrete strategy game is captured by coordination and non-coordination
 313 strategy. Four coordinated modes (Fig. 1) are developed from the cross tabulation of such
 314 strategies. Moreover, it was identified that mutual collaboration was the most effective way to
 315 achieve the sustainability of SHSC (Dubey and Gunasekaran, 2016).



316

317

Fig. 1 The coordinated modes between PSs and HOs in SHSC

318 To propose the EGM, four coordinated modes are discussed here. In this model, both PSs
 319 and HOs tend to maximize their returns when they choose the coordinated strategy.

320 (1) **Case 1:** {non-coordinate, non-coordinate}. No one adopts coordination strategy, and an
 321 absolutely commercial relationship is established (Balcik et al., 2010). Both PSs and HOs can
 322 only obtain normal returns R_p and R_h (Vega and Roussat, 2015), and $R_p > 0$, $R_h > 0$
 323 respectively;

324 (2) **Case 2:** {coordinate, coordinate}. An optimal strategy regarding mutual collaboration is
 325 the best cases in this game. For PSs, both economic (e.g. stock market, higher revenues and
 326 profits) and non-economic returns (e.g. staff motivation, brand image and corporate social
 327 responsibilities) can be earned (Van Wassenhove, 2006; Balcik et al., 2010), and it is denoted by
 328 $(1 + \alpha_1)R_p$. To obtain such returns, necessary costs C_p (see Table. 1) should be paid. For HOs,
 329 the coordinated returns (e.g. extra cash-based donation and strategic help) can be obtained
 330 because of their coordination behavior (Nurmala et al., 2017). Such returns can be represented by
 331 $(1 + \beta_1)R_h$. Similarly, HOs also should put C_h to the common pool.

332 (3) **Case 3:** {non-coordinate, coordinate}. The unfair coordination that only the HO prefers
 333 to coordinate exists in this game. In this context, HOs can also obtain some coordinated returns
 334 $(1 + \beta_2)R_h$, although such returns are less than $(1 + \beta_1)R_h$. What leads to such a phenomenon
 335 is that mutual collaboration is the best situation to improve the whole performance of the
 336 coordinated system (both PSs and HOs), and it was validated by Dubey and Gunasekaran (2016).
 337 Besides, the coordinated costs C_h should be paid by HOs. With regard to PSs, extra returns π_p
 338 can be obtained from opportunistic behavior (see Table. 1) and “free rider” problems as a result
 339 of adoption of the defection strategy (Xu and Beamon, 2006; Yu et al., 2009).

340 (4) **Case 4:** {coordinate, non-coordinate}. As an opposite case compared with case 3,
 341 coordination strategy is only adopted by PSs. $\pi_h + R_h$ and $(1 + \alpha_2)R_p - C_p$ stand for their
 342 returns.

343 According to the aforementioned statements, the return matrix is shown in Table. 3.

344

Table. 3 The coordinated game between PSs and HOs considering the traditional mechanism

| | | Humanitarian Organization (HO) | |
|------------------------|--------------------------|---|--|
| | | Coordinate (y) | Non-coordinate ($1-y$) |
| Private Sector (PS) | Coordinate (x) | $(1 + \alpha_1)R_p - C_p$; $(1 + \beta_1)R_h - C_h$ | $(1 + \alpha_2)R_p - C_p$; $\pi_h + R_h$ |
| | Non-coordinate ($1-x$) | $\pi_p + R_p$; $(1 + \beta_2)R_h - C_h$ | R_p ; R_h |

345

3.3 The replicator dynamics system and equilibrium points

346

Based on Table. 3, the expected returns of PSs that adopt coordination strategy are:

$$E_x = y[(1 + \alpha_1)R_p - C_p] + (1 - y)[(1 + \alpha_2)R_p - C_p] \quad (1)$$

The expected returns of PSs that don't adopt coordination strategy are:

$$E_{1-x} = y(\pi_p + R_p) + (1 - y)R_p \quad (2)$$

The average expected returns of PSs under the mixed strategies can be denoted by:

$$\overline{E_{x(1-x)}} = xE_x + (1 - x)E_{1-x} = [(\alpha_1 - \alpha_2)R_p - \pi_p]xy + (\alpha_2R_p - C_p)x + \pi_py + R_p \quad (3)$$

Based on the EGM, the expected returns of a strategy selected by one player are higher than the average expected returns of the population, and the strategy will spread in the population (Chen et al., 2018). Thus, the replicator dynamics system denoted by the differential equation can be used to describe the frequency of such strategies.

$$\frac{dx}{dt} = x(E_x - \overline{E_{x(1-x)}}) = x(1 - x)\{(\alpha_2R_p - C_p) - [\pi_p - (\alpha_1 - \alpha_2)R_p]y\} \quad (4)$$

Similarly, the replicator dynamics system of HOs is presented by:

$$\frac{dy}{dt} = y(E_y - \overline{E_{y(1-y)}}) = y(1 - y)\{(\beta_2R_h - C_h) - [\pi_h - (\beta_1 - \beta_2)R_h]x\} \quad (5)$$

347

Based on Eq. (4) and (5), five equilibrium points, namely (0,0), (1,0), (0,1), (1,1) and

348

(x^*, y^*) , where:

$$x^* = \frac{\beta_2R_h - C_h}{\pi_h - (\beta_1 - \beta_2)R_h}; \quad y^* = \frac{\alpha_2R_p - C_p}{\pi_p - (\alpha_1 - \alpha_2)R_p} \quad (6)$$

349

As Friedman (1991) pointed out, the Jacobian matrix of the replicator dynamics system is

350

defined by Eq. (7).

$$J = \begin{bmatrix} a_{11} & a_{12} \\ a_{21} & a_{22} \end{bmatrix} \quad (7)$$

351

where:

$$a_{11} = (1 - 2x)\{(\alpha_2 R_p - C_p) - [\pi_p - (\alpha_1 - \alpha_2)R_p]y\}$$

$$a_{12} = -x(1 - x)[\pi_p - (\alpha_1 - \alpha_2)R_p]$$

$$a_{21} = -y(1 - y)[\pi_h - (\beta_1 - \beta_2)R_h]$$

$$a_{22} = (1 - 2y)\{(\beta_2 R_h - C_h) - [\pi_h - (\beta_1 - \beta_2)R_h]x\}$$

352 The determinant and the trace of the Jacobian matrix are respectively denoted by $\det J$ and
 353 $\text{tr} J$. They are denoted as:

$$\det J = a_{11}a_{22} - a_{12}a_{21}; \quad \text{tr} J = a_{11} + a_{22} \quad (8)$$

354 When $\det J > 0$ and $\text{tr} J < 0$, the equilibrium point of the replicator dynamics system is
 355 locally stable, and it is regarded as the evolutionary stable strategy (ESS) in the coordinated
 356 game.

357 3.4 Evolutionary stable strategies considering different scenarios

358 In the light of model analysis, five ESSs are depicted in Fig. 2. Nodes O , A , B and C
 359 represent four types of coordinated modes.

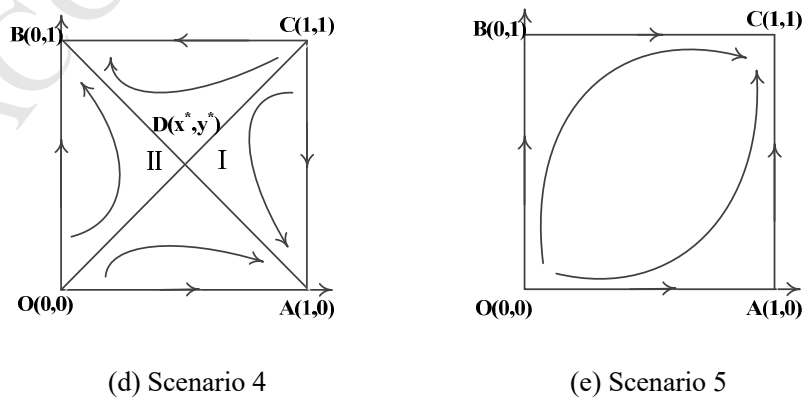
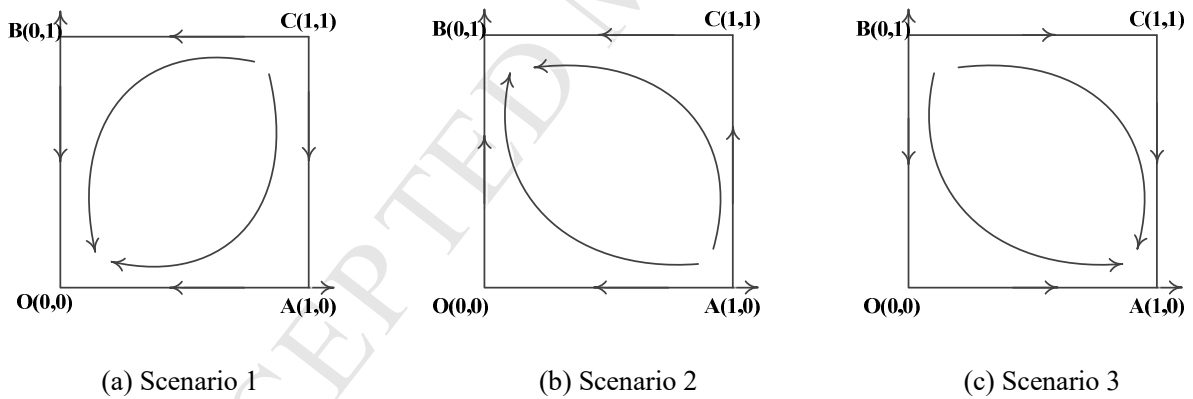


Fig. 2 Evolutionary stable strategies of the traditional mechanism

365 **Scenario 1** (Fig. 2a): when $0 < \alpha_2 < C_p/R_p$, $\alpha_2 < \alpha_1 < (C_p + \pi_p)/R_p$, $0 < \beta_2 < C_h/R_h$,
 366 $\beta_2 < \beta_1 < (C_h + \pi_h)/R_h$, $O(0,0)$ is the only equilibrium point of the replicator dynamics
 367 system, and it means that non-coordination strategy is the optimal strategy for both players. It
 368 may result from a small value of C_p/R_p and C_h/R_h . In other words, the net returns (the
 369 difference of the coordinated returns and their costs) obtained from coordination strategy are less
 370 than that of non-coordination strategy for each actor.

371 **Scenario 2** (Fig. 2b): when $\alpha_2 < \alpha_1 < (C_p + \pi_p)/R_p$, $C_h/R_h < \beta_2 < \beta_1 < (C_h + \pi_h)/R_h$,
 372 $0 < \alpha_2 < C_p/R_p$, the equilibrium point will evolve to $B(0,1)$ after several games. In this
 373 scenario, HOs prefer to coordinate due to the great value of net returns ($\beta_2 R_h > C_h$). On the
 374 other hand, inadequate benefits and undesired collaborated costs are found ($\alpha_2 R_p < C_p$,
 375 $\alpha_1 R_p < C_p + \pi_p$) from the coordination of PSs. However, the extra returns π_p can be obtained
 376 from their defection. Hence, non-coordination strategies are adopted by PSs.

377 **Scenario 3** (Fig. 2c): when $C_p/R_p < \alpha_2 < \alpha_1 < (C_p + \pi_p)/R_p$, $0 < \beta_2 < C_h/R_h$,
 378 $\beta_2 < \beta_1 < (C_h + \pi_h)/R_h$, compared with scenario 2, $A(1,0)$ is an opposite case, which
 379 indicates that an unfair coordination strategy is only adopted by HOs.

380 **Scenario 4**: when $C_p/R_p < \alpha_2 < \alpha_1 < (C_p + \pi_p)/R_p$, $C_h/R_h < \beta_2 < \beta_1 < (C_h + \pi_h)/R_h$,
 381 an interesting and reasonable situation including two equilibrium points $A(1,0)$ and $B(0,1)$
 382 will exist in the replicator dynamics system (Fig. 2d). In this context, the ESS is uncertain, and it
 383 will be discussed next.

384 **Scenario 5** (Fig. 2e): when $(C_p + \pi_p)/R_p < \alpha_2 < \alpha_1$ and $(C_h + \pi_h)/R_h < \beta_2 < \beta_1$, an
 385 expected state will exist in the coordinated game, which indicates coordination is an optimal
 386 strategy for both PSs and HOs. As such, mutual coordination is the best way to achieve the
 387 sustainability of HSC, and it was validated by Dubey and Gunasekaran, 2016.

388 3.5 Parameter analysis

389 As depicted in Fig. 2d, two strategies regarding {coordinate, non-coordinate} and
 390 {non-coordinate, coordinate} are adopted by two players randomly, which is determined by the
 391 location of node $D(x^*, y^*)$. In other words, the adopted strategy depends on the area of OACD
 392 (S_{OACD}) and OBCD (S_{OBCD}). If S_{OACD} is greater than S_{OBCD} , PSs choose the coordination

393 strategy, but HOs have an opposite action. To comprehensively test the impact of several factors
 394 on their coordinated decision, parameter analysis regarding ratio of increased returns of
 395 coordination to normal returns (α_1 , α_2 , β_1 and β_2), the normal returns (R_p and R_h), the
 396 coordinated costs (C_p and C_h) and the extra returns (π_p and π_h) is implemented. To make a
 397 clear statement for readers, necessary proofs are presented in Appendix A. Due to the similar
 398 meaning of S_{OACD} and S_{OBCD} , S_{OACD} (the possibility of ESS which is captured by {coordinate
 399 and non-coordination}) is only discussed here.

400 **Proposition 1:** S_{OACD} will expand with the increased tendency of α_1 and α_2 , but reduce
 401 with the increased tendency of β_1 and β_2 . It means returns from coordination (e.g. not only the
 402 mutual coordination but also the unfair coordination) positively affect the coordinated decisions.
 403 In other words, the motivation for each actor to coordinate can be induced with a strong
 404 possibility of coordination returns.

405 **Proposition 2:** S_{OACD} is positively correlated with the normal returns. It means a great
 406 value of the normal returns will make a good impression on the opponent, and it attracts each
 407 player for interaction.

408 **Proposition 3:** The impact of the coordinated costs on S_{OACD} is commonly negative. Based
 409 on transaction cost theory, the coordinated costs (e.g. monitoring cost and necessary investments)
 410 will increase the operational risk, which hinders each player from coordinating with anyone (Xu
 411 and Beamon, 2006).

412 **Proposition 4:** S_{OACD} is negatively related to the extra returns. In this context, PSs
 413 concentrate on short-term interaction, and they will take some opportunistic behaviors with a
 414 high possibility.

415 **4. The game model concerning the trust mechanism**

416 Not only performance management but also relationship management (e.g. trust) is the
 417 critical motivation of HSC coordination (Dubey and Altay, 2018). Given high uncertainty of
 418 disaster contexts, coordination is motivated by trust as a primary principle (Mcevely et al., 2003).
 419 Also, Papadopoulos et al. (2017) suggested that swift trust would promote the public-private

420 partnership in humanitarian logistics activities. Here, the trust mechanism is designed to
 421 accomplish the critical goal.

422 4.1 Model formulation

423 To design an effective trust mechanism, the relationship between trust and coordination
 424 should be elaborated here. As Dubey et al. (2017) and Lu et al. (2018) identified, trust had a
 425 great influence on coordination with the help of potential benefits (e.g. information sharing,
 426 observed improvement and shared values). The value of potential benefits is determined by the
 427 level of trust (Lu et al., 2018). In this context, potential returns are treated as an encouragement
 428 for coordinators, but a punishment for defectors. Moreover, it will be added into the EGM
 429 proposed in Section 3, so as to further promote PS-HO partnership. Based on the aforementioned
 430 statements, let λ_p and λ_h denote the level of trust. Besides, T_p and T_h stand for potential
 431 benefits of PSs and HOs. The return matrix of the coordinated game concerning the trust
 432 mechanism is demonstrated in Table. 4.

433 **Table. 4 The return matrix of the game with consideration of trust mechanism**

| | | Humanitarian Organization (HO) | |
|------------------------|---------------------------|--|---|
| | | Collaborate (y) | Non-collaborate ($1-y$) |
| Private Sector (PS) | Collaborate (x) | $(1 + \alpha_1)R_p - C_p;$ $(1 + \beta_1)R_h - C_h$ | $(1 + \alpha_2)R_p - C_p + \lambda_h T_p;$ $\pi_h + R_h - \lambda_p T_h$ |
| | Non-collaborate ($1-x$) | $\pi_p + R_p - \lambda_h T_p;$ $(1 + \beta_2)R_h - C_h + \lambda_p T_h$ | $R_p;$ R_h |

434 4.2 The replicator dynamics system and stability analysis

435 Based on Friedman (1991), the replicator dynamics system of PSs is denoted by:

$$436 \frac{dx}{dt} = x(1-x)\{(\alpha_2 R_p - C_p + \lambda_h T_p) - [\pi_p - (\alpha_1 - \alpha_2)R_p]y\} \quad (9)$$

437 The replicator dynamics system of HOs is:

$$438 \frac{dy}{dt} = y(1-y)\{(\beta_2 R_h - C_h + \lambda_p T_h) - [\pi_h - (\beta_1 - \beta_2)R_h]x\} \quad (10)$$

439 Five equilibrium points regarding $(0,0)$, $(1,0)$, $(0,1)$, $(1,1)$ and (x^*, y^*) can be obtained,
 440 where:

$$441 x^* = \frac{\alpha_2 R_p - C_p + \lambda_h T_p}{\pi_p - (\alpha_1 - \alpha_2)R_p}, \quad y^* = \frac{\beta_2 R_h - C_h + \lambda_p T_h}{\pi_h - (\beta_1 - \beta_2)R_h} \quad (11)$$

442 As Dubey and Gunasekaran, 2016 pointed out, mutual coordination was the best way to
 443 achieve the sustainability of HSC, which indicates the ESS should converge to node $C(1,1)$ in
 444 this model. After a detailed analysis, results can be summarized as follows. When $\lambda_h >$
 445 $(C_p + \pi_p - \alpha_1 R_p)/T_p$, $\lambda_p > (C_h + \pi_h - \beta_1 R_h)/T_h$, node $C(1,1)$ is the only equilibrium point
 446 of the coordinated game. It means that trust plays an important role in promoting the PS-HO
 447 partnership. The necessary proofs are presented in Appendix B.

448 5. Computational studies

449 Although the theoretical results have been explicitly analyzed in Section 3 and Section 4, to
 450 further validate the proposed model, computational studies based on hypothetical data are
 451 analyzed here. The indexes of h and p stand for HOs and PSs respectively. Normal returns from
 452 business transaction are represented by R_p and R_h . Besides, they are bounded to $R_p \in$
 453 $[200,220]$, $R_h \in [200,240]$. The ratio of increased returns of mutual coordination to normal
 454 returns is located at interval $[0.59, 0.9]$ ($\alpha_1 \in [0.59,0.9]$) and $[0.64, 0.9]$ ($\beta_1 \in [0.64,0.9]$).
 455 Meanwhile, that of unfair coordination to normal returns is assumed to be a random number at
 456 interval $[0.36, 0.5]$ ($\alpha_2 \in [0.36,0.5]$) and $[0.34, 0.6]$ ($\beta_2 \in [0.34,0.6]$). Coordinated costs are set
 457 to $C_p \in [80,100]$ and $C_h \in [80,120]$. In addition to that extra returns can be denoted by
 458 $\pi_p \in [50,80]$ and $\pi_h \in [80,100]$.

459 5.1 Computational results regarding the traditional mechanism

460 In this subsection, the uncertain scenario concerning two ESSs is only discussed here.
 461 Moreover, due to the similar strategy adopted by PSs and HOs, for the sake of brevity, the
 462 possibility of {coordinate, non-coordinate} strategy is only analyzed here. Fig. 3 indicates the
 463 ESSs of scenario 4. The possibility of the coordinated strategy adopted by PS and HO is
 464 respectively demonstrated by the lateral and the vertical axis. In this figure, the initial value of
 465 each possibility is set to 0.6 and 0.6. After several games, they will adjust their strategies and
 466 evolve to equilibrium point $(0,1)$ or $(1,0)$. Five evolutionary paths of the coordinated decisions
 467 are displayed as different lines, and it is determined by α_1 and α_2 .

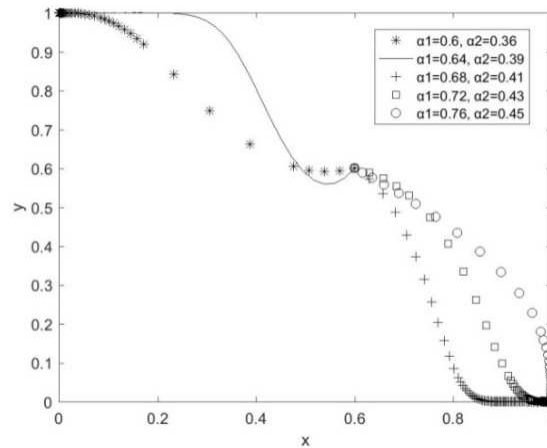


Fig. 3 Evolutionary stable strategies of scenario 4

468
 469
 470 Results indicate that: when other parameter remain unchanged, during the early stage of the
 471 coordinated game, non-coordination strategy is the preferred decision adopted by PSs because of
 472 the small value of α_1 and α_2 (e.g. $\alpha_1 = 0.6$ and $\alpha_2 = 0.36$). However, the varying strategy
 473 regarding coordination is adopted by PSs due to the increased tendency of α_1 and α_2 (e.g.
 474 $\alpha_1 = 0.72$ and $\alpha_2 = 0.43$). In this context, it can be inferred that coordinated returns have a
 475 positive influence on improving the desire of coordination. Such a viewpoint is also supported by
 476 Balcik et al. (2010). When PSs coordinate with HOs, both economic benefits and non-economic
 477 benefits can be gained from coordination. Thus, such returns with a high value will encourage
 478 PSs to participate in humanitarian logistic activities. In order to comprehensively explore how
 479 the coordination decision is affected by several factors, parameter analysis is given in next
 480 subsection.

481 5.2 Parameter analysis

482 This subsection aims to investigate the impacts of factors on S_{OACD} that represents the
 483 possibility of evolutionary stable strategy {coordinate, non-coordinate} adopted by PSs and HOs
 484 respectively.

485 5.2.1 Ratio of increased returns to normal returns

486 The relation among several parameters (α_1 , α_2 , β_1 and β_2) and S_{OACD} are exhibited in
 487 Fig. 4 respectively. S_{OACD} is displayed by the vertical axis, while the lateral axis represents the
 488 parameters including α_1 , α_2 , β_1 and β_2 .

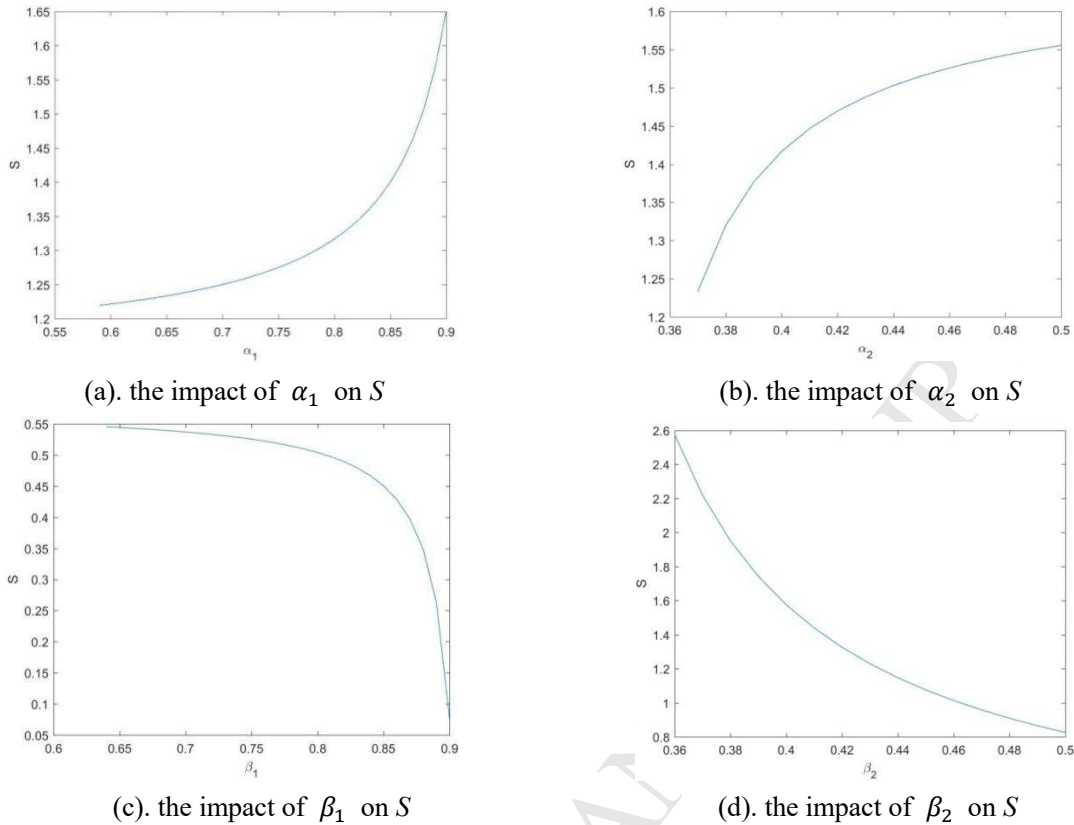
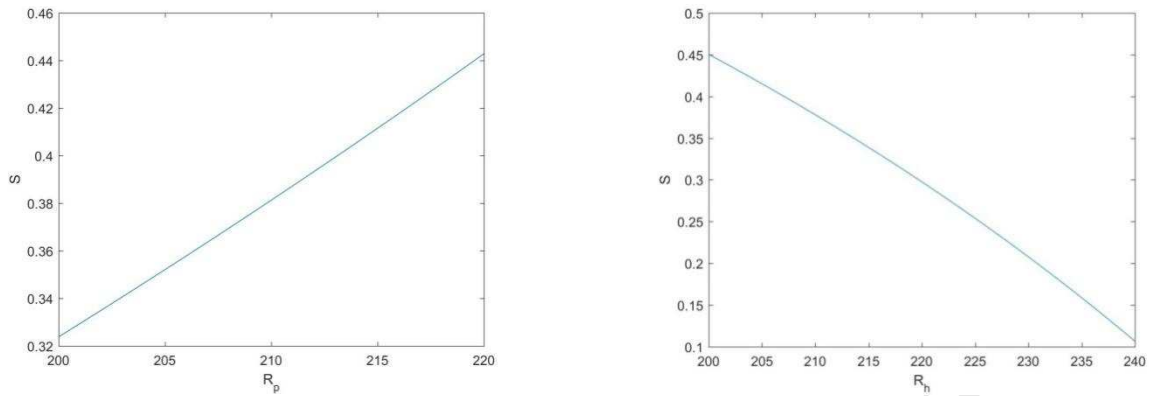


Fig. 4 Parameter analysis regarding α_1 , α_2 , β_1 and β_2

By following Fig. 4, it is reported that S_{OACD} maintains the ascending tendency for a long time, with an increased α_1 and α_2 . In contrast, S_{OACD} decreases as the increased tendency of β_1 and β_2 . In this context, the coordinated returns become the essential motivation of PSs or HOs for adopting a coordination strategy, which corresponds to proposition 1. With regard to PSs, both economic and non-economic benefits obtained from humanitarian logistics activities are the main motivation for coordination (Balcik et al., 2010). Meanwhile, what encourages HOs to coordinate is the performance improvement of humanitarian aid (e.g. time saving, cost efficiency and high quality of products/service) (Van Wassenhove, 2006).

5.2.2 Normal returns

The impact of R_p and R_h (lateral axis) on S_{OACD} (vertical axis) is shown in Fig. 5. It attempts to explore the relation between normal returns and coordinated strategy. Results demonstrate that: S_{OACD} is positively affected by R_p but negatively influenced by R_h , which is in line with proposition 2.



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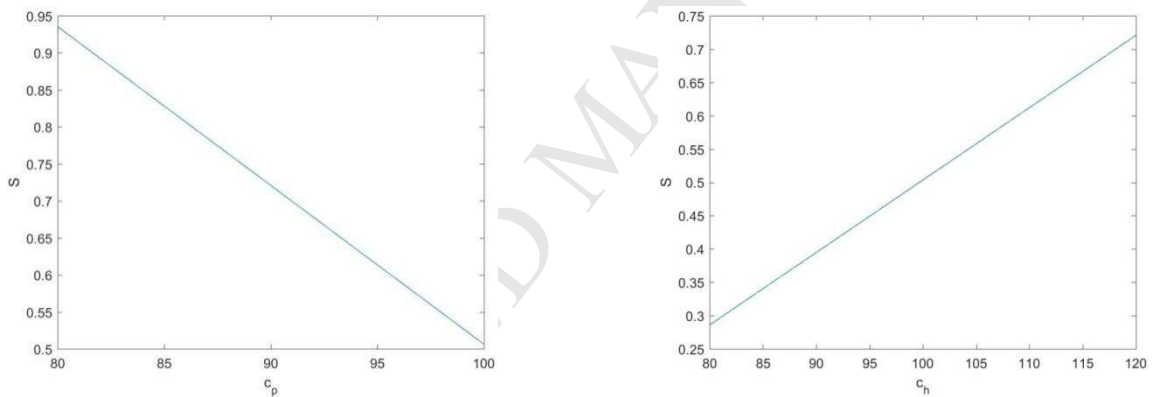
(a). the impact of R_p on S (b). the impact of R_h on S

509

Fig. 5 Parameter analysis of normal returns**5.2.3 Coordinated costs**

510

511 Similarly, the relation between coordinated costs (lateral axis) and the possibility of
 512 adopting {collaborate, non-collaborate} strategy (vertical axis) is depicted in Fig. 6.



513

514

(a). the impact of C_p on S (b). the impact of C_h on S

515

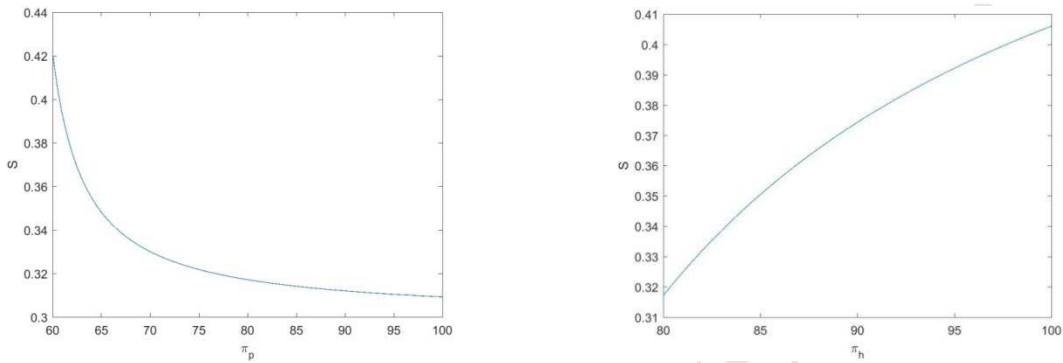
Fig. 6 Parameter analysis of coordinated costs

516 Fig. 6a manifests that C_p has a negative influence on S_{OACD} , which corresponds to
 517 proposition 3. It denotes that the desire of coordination is declined by PSs because of a high
 518 value of coordinated costs. In contrast, Fig. 6b shows that C_h has a positive impact on S_{OACD} ,
 519 which points out that the higher coordinated costs aggravate the desire of non-coordination
 520 strategy of HOs. As the relationship between PSs and HOs is uncommon in daily life, undesired
 521 coordinated costs (e.g. inventory management, contract management and infrastructural
 522 investment) should be paid for their partnership, especially in the time-pressure situation. And it

523 increases the operational risk of HSC (Xu and Beamon, 2006; Balciik et al., 2010).

524 5.2.4 Extra returns

525 To investigate the impact of extra returns (lateral axis) on their coordinated strategy
526 (vertical axis), the relation between S_{OACD} and extra returns (e.g. π_p and π_h) is shown in Fig. 7.



527 (a). the effect of π_p on S

528 (b). the effect of π_h on S

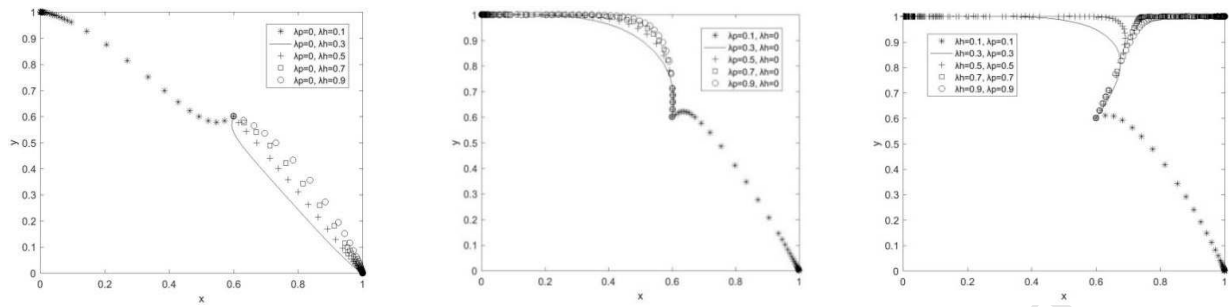
529 **Fig. 7 Parameter analysis of extra returns**

530 Fig. 7a and 7b indicate that S_{OACD} is negatively correlated with π_p but is positively
531 related to π_h , which presents that extra returns have a negative influence on their coordination
532 decision, which is in line with proposition 4.

533 5.3 Comparative analysis on traditional and trust mechanisms

534 As scenario 4 mentioned in subsection 3.1.4, when $C_p/R_p < \alpha_2 < \alpha_1 < (C_p + \pi_p)/R_p$,
535 $C_h/R_h < \beta_2 < \beta_1 < (C_h + \pi_h)/R_h$, a group of opposite situations will alternately appear in the
536 coordinated game, which is based on the first-moved strategy. In order to promote more mutual
537 collaboration between PSs and HOs, the trust mechanism is considered here.

538 It is reported that trust is an important asset for coordination (Lu et al., 2018). In addition,
539 the level of trust is the main factor affecting the coordinated decisions. In order to
540 comprehensively observe how the coordinated decision is affected by the level of trust (λ_p and
541 λ_h), three conditions are discussed in Fig. 8. Specially, the possibility of the coordinated strategy
542 adopted by PS and HO is respectively demonstrated by the lateral and vertical axis.



543

544 (a). trust action only taken by HO

(b). trust action only taken by PS

(c). mutual trust

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Fig. 8 The evolutionary stable strategies between PSs and HOs

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5.4 Discussion

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The following conclusions can be summarized. Firstly, when the trust action is only taken by one actor, the trust mechanism has a limited influence on their coordination, which is exhibited in Fig. 8 (a) and (b). More precisely, the coordination strategy is more likely to be adopted by the actor without taking the trust action, while the defection strategy is commonly chosen by the trust player. In this regard, potential benefits have a great influence on their coordination strategy, especially with a high level of trust. Secondly, mutual trust significantly affects the coordinated decision, although it is also determined by the level of trust. Fig.8 (c) denotes that for the small value of λ (e.g. $\lambda_p = 0.3$ and $\lambda_h = 0.3$) and for the large value of λ (e.g. $\lambda_p = 0.7$ and $\lambda_h = 0.7$), the ESSs indicates two heterogeneous states of all PS-players and HO-players. Lu et al. (2018) and Moshtari (2016) showed a better support for such results mentioned onwards.

We validated the proposed model with computational studies. These results indicate that the proposed model is effective to capture the coordinated behaviors of PSs and HOs in humanitarian logistics. In this paper, the selection boundary of several scenarios and the influencing factors are comprehensively discussed. Furthermore, the comparison between traditional and trust mechanisms is also analyzed here. Such results provide several managerial insights for decision makers.

Firstly, it should be acknowledged that a lack of better coordination among organizations might result in managerial confusion and ambiguity, even further deteriorating the performance of SHSC (Schulz and Blecken, 2010; Wamsler et al., 2013). As pointed out by Balcik et al.

567 (2010), a complete commercial relationship or unfair coordination commonly existed in
568 humanitarian logistics but mutual collaboration remained uncommon in the context of disaster,
569 although mutual collaboration has a great impact on the achievement of SHSC, especially
570 between PSs and HOs. Van Wassenhove (2006) also provided powerful evidence for this point.
571 As a result, decision makers should pay more attention to such cases in practical disaster
572 management. Similar viewpoints are also portrayed by the UN in 2015.

573 Secondly, different from the existing literature that elaborated the drivers and the
574 advantages of coordination, in this paper, evolutionary game theory is adopted to answer whether
575 to coordinate or not, when to adopt an optimal strategy and how such a strategy can perform well.
576 Indeed, it is popular to adopt the traditional mechanism concerning performance management, so
577 as to analyze the tendency of coordination in a qualitative way. However, such a mechanism is
578 hard to make a difference in the coordination of SHSC, especially when actors fail to obtain the
579 complete information of their opponents in a multi-stage game. Thus, it is necessary to design an
580 analytical tool for disaster managers or decision makers, so as to assist in making decisions. In
581 this paper, an EGM concerning normal returns, coordinated returns and costs, extra returns as
582 well as trust behavior was designed, and it provides practitioners with a clear understanding of
583 how to make decisions concerning HSC coordination. Specially, trust is regarded as potential
584 benefits of attracting attention of coordinated aspiration. For decision makers, the performance
585 management and the relationship management (e.g. trust) should be simultaneously considered
586 in the design of coordination strategy.

587 Thirdly, results demonstrate that the level of trust play a critical role in promoting the
588 PS-HO partnership. Habit-based trust, competence trust and swift trust are identified as three
589 types of trust, and it is used to evaluate the level of trust (Hung et al., 2004). Swift trust and
590 competence trust are usually implemented in the context of disaster, especially for several actors
591 together with first-contact, different-interest and various-organizational-type features (Tatham
592 and Kovacs, 2010). However, it can only be adopted to manage weak ties of organizational
593 coordination due to a limited influence on the level of trust, which is in line with the insight
594 proposed by Fawcett et al. (2008). On the contrary, Hung et al. (2004) highlighted that
595 habit-based trust could accelerate the establishment of the organization's stronger coordination. It
596 is the accumulated personal knowledge of prior successful interaction that significantly increases

607 the level of trust and has an essential effect on coordination decisions. Consequently, it can be
608 inferred that a long-term and stable relationship with the concern of undertaking a shared
609 responsibility on inventory management and infrastructure investment might strengthen mutual
600 trust in the context of both disaster and convention. Thus, it provides a better support for disaster
601 managers to design the coordinated strategy.

602 **6. Conclusions and future research**

603 SHSC has received an increasing attention from both academics and practitioners. In this
604 paper, we discuss the issue concerning the promotion of HSC coordination from the perspective
605 of the stakeholder approach. After investigating the conflict interests and expectations of PSs and
606 HOs, the tendency of coordinated strategy is analyzed by the EGM, so as to explore coordination
607 decisions regarding whether to coordinate, when and how to adopt an optimal coordinated
608 strategy. Moreover, coordination mechanisms are designed as two EGMs to manage the
609 independence between organizations from the perspective of performance management and
610 relationship theory. Results demonstrate that coordinated strategy was closely related to normal
611 returns, coordinated returns and costs as well as coordinated costs. Moreover, trust is also
612 highlighted as a critical factor to promote coordination.

613 Results provide several insights on the theory of organizational collaboration in
614 humanitarian logistics regarding sustainability. Firstly, a theoretical link between sustainable
615 principle (stakeholder approach) and organizational coordination is proposed to improve the
616 overall performance of SHSC. Secondly, differing from the hot topic associated with the drivers
617 and the advantages of coordination, this paper aims to design an optimal coordination
618 mechanism to answer whether to coordinate, when and how to adopt a suitable coordinated
619 strategy. In addition to that, the partnership between PSs and HOs is the highlight of this paper,
620 which is different from the recent literature that focuses on network-based coordination and
621 horizontal coordination among the same type of organizations. Thirdly, this paper adopt the
622 EGM to analyze the coordination of SHSC, and the research gap regarding the lack of
623 quantitative study is addressed here.

624 The limitations of this paper can be summarized as follows. Firstly, only the impact of trust
625 on their coordinated decision is investigated here. The factors regarding green products, green
626 transportation and big data are also critical to achieve the sustainability of HSC, but they are

627 ignored in this paper. Also, the sustainability of forward humanitarian supply chain is only
628 discussed here. However, the sustainability of reverse humanitarian supply chain (e.g. disaster
629 debris management) is also important. Secondly, although the sustainability of humanitarian
630 supply chain (e.g. balancing different interests and expectations) can be well achieved by
631 employment of evolutionary game theory, the traditional TBL performance measurement is not
632 mentioned in this paper.

633 There are valuable topics for further study. Firstly, it is recommended to investigate and
634 illustrate the combination of sustainability and HSC in the future. For example, ethical and green
635 production/transportation should be considered. Besides, the reverse logistics system regarding
636 disaster debris management is an interesting problem, and it needs to be explored from the
637 perspective of sustainability. Secondly, the mathematical programming approach or model might
638 also be an effective method of analyzing the trade-off in HSC coordination, although the EGM
639 performs well in this filed.

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644 **Supplementary material**

645 Supplementary material related to this manuscript consists of Appendix A and B, and is
646 provided as a separate file.

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Highlights

- Organizational coordination problem regarding sustainability of disaster is considered.
- Stakeholder approach is employed to promote partnership between private sector and humanitarian organization.
- Coordination mechanism is captured by quantitative method of evolutionary game model.
- Both traditional and trust mechanisms should be considered in the design of coordination mechanism.