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THE EFFECT OF CONFLICT MANAGEMENT STRATEGIES ON MANIFEST CONFLICT AND RELATIONSHIP QUALITY IN A BUYER/SELLER ENVIRONMENT

by

Lisa Toms, M.B.A.

A Dissertation Presented in Partial Fulfillment of the Requirements for the Degree Doctor of Business Administration

COLLEGE OF ADMINISTRATION AND BUSINESS LOUISIANA TECH UNIVERSITY

May 2004

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ABSTRACT

In the free market theory established by Adam Smith in his *Wealth of Nations*, humans were assumed to automatically seek their own best economic interest. This assumption placed every buyer and seller in conflict with each other. Given the everincreasing competitiveness of the business environment, it is imperative that salespeople seek to improve relationships with their customers. The purpose of this study is to propose and test a model of conflict management strategies, manifest conflict, relationship quality, and their associations during a particular conflict incident. The first objective is to determine if there is an association between the conflict management strategy chosen and the nature of the manifest conflict, whether functional or dysfunctional. The next goal is to understand any association between either of the two types of manifest conflict and relationship quality, measured using the component constructs of trust and satisfaction. The final purpose of this study is to determine if manifest conflict has any mediating effect between the conflict management chosen and relationship quality.

A survey of 1,950 members of the Institute of Supply Management was conducted to gather data to test the hypotheses. Two hundred seventy-three valid questionnaires were returned.

Of the five conflict management strategies tested, only the one labeled dominating has a significant association with either type of manifest conflict. Dominating has a significant positive association with both functional and dysfunctional conflict. Of the two types of manifest conflict, only one has a significant relationship with relationship quality. Dysfunctional conflict has a significant negative association with trust and satisfaction. Additionally, manifest conflict has no mediating effect on the association between conflict management strategies and relationship quality. Instead, the conflict management strategy integrating has a significant positive relationship with both trust and satisfaction. Additionally, dominating was significantly, negatively associated with trust and satisfaction. Compromising had a significant positive relationship with trust. Of the five, only obliging had a significant association that was not as expected, which was positive with satisfaction.

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Author	Lba Joms
	Lisa Toms, B.S., M.B.A
Date	5/11/04
	I

DEDICATION

To Jimmy, Russ, Grant, and Rayli.

TABLE OF CONTENTS

LIST OF TABLES	X
LIST OF FIGURES	xii
ACKNOWLEDGEMENTS	xiv
CHAPTER 1 INTRODUCTION AND OVERVIEW Introduction Dissertation Overview Conceptual Model Manifest Conflict Defined Type of Manifest Conflict Defined Conflict Management Styles Defined Quality of Relationship Defined Research Questions	1 4 5 5 6 8 9
CHAPTER 2 LITERATURE REVIEW AND THEORY DEVELOPMENT	
Introduction	
Examination of Constructs	
Manifest Conflict	13
Structural or Organizational Model of Conflict	
Process Models of Conflict	23
Manifest Conflict: Unidimensional, Continuum or	
Separate Constructs	26
Chosen View of Manifest Conflict	29
Conflict Management Style	30
Organizational Conflict Management Strategies	
Behavioral or Process Conflict Management Strategies	33
Chosen View of Conflict Management Styles	35
Quality of Relationship	
Types of Buyer/Seller Relationships	
Stages or Patterns of Relationship Development	
Components of Relationship Quality	
components of relationship Quanty	40

Chosen View of Relationship Quality	52
Theoretical Development	
Theoretical Support for the Overall Model	54
Support for the Association of Conflict Management Strategies with Manifest Conflict	
Integrating Management Strategy and Manifest Conflict	
Compromising Management Strategy and Manifest Conflict	
Avoiding Management Strategy and Manifest Conflict	
The <i>Obliging</i> Management Strategy and Manifest Conflict	
The Dominating Management Strategy and Manifest Conflict	
Support for the Association of Manifest Conflict with Relationship Quality	
CHAPTER 3 RESEARCH METHOD	73
Introduction	73
Construct Measurement	
Conflict Management Strategies	
Manifest Conflict	
Relationship Quality	
Collection of Data	80
The Sample	
Unit of Analysis	80
Sample Frame	86
Analysis of Data	
Diagnostic Tests	88
Normality	
Multicollinearity	
Independence of Error	
Homoscedasticity	
Scale Assessment	
Internal Consistency or Reliability	
Unidimensionality	
Validity	
Method of Analysis	07 00
۲ · · · · · · · · · · · · · · · · · · ·	

CHAPTER 4 RE	ESULTS	
Introduct	ion	
Examinat	tion of Data	
R	eliability Measures	100
R	egression Analysis – Functional Conflict	103
D	iagnostic Tests – Functional Conflict	103
	Normality	103
	Multicollinearity	106
	Homoscedasticity	106
D	iagnostic Tests – Functional Conflict – Reduced Model	107
	Normality	107
	Multicollinearity	
	Homoscedasticity	
R	egression Analysis – Dysfunctional Conflict	110
D	agnostic Tests – Dysfunctional Conflict	110
	Normality	
	Multicollinearity	
	Homoscedasticity	
	agnostics Tests for Reduced Model	
-	– Dysfunctional Conflict	
	Normality	
	Multicollinearity	
	Homoscedasticity	115
D	iscussion of Regression Models	
1	And Hypotheses 1-5	117
	Integrating CMS and Manifest Conflict	
	Compromising CMS and Manifest Conflict	
	Avoiding CMS and Manifest Conflict	
	Obliging CMS and Manifest Conflict	
_	Dominating CMS and Manifest Conflict	
	egression Analysis – Relationship Quality - Trust	
D	Piagnostic Tests – Relationship Quality – Trust	
	Normality	
	Multicollinearity	
_	Homoscedasticity	
D	Diagnostic Tests for Reduced Model – Trust	
	Normality	
	Multicollinearity	127

	Homoscedasticity	127
]	Regression Analysis – Relationship Quality - Satisfaction.	128
]	Diagnostic Tests – Relationship Quality - Satisfaction	128
	Normality	
	Multicollinearity	
	Homoscedasticity	
]	Diagnostic Tests – Reduced Model - Satisfaction	
	Normality	
	Multicollinearity	135
	Homoscedasticity	
]	Discussion of Regression Results	
	and Hypotheses 6 and 7	136
	Manifest Conflict and Trust	136
]	Manifest Conflict as Mediating Variables	137
CHAPTER 5 C	ONCLUSIONS AND FUTURE RESEARCH	130
	tion	
Interpre	tation of Findings and Theoretical Implications	139
]	Managerial Implications	
	Limitations	
	Research	
APPENDICES		
APPEN	DIX A SURVEY INSTRUMENT	150
APPEN	DIX B FIRST SURVEY REQUEST	155
APPEN	DIX C SURVEY COVER LETTER	
	DIX D SECOND LETTER OF REQUEST	
BIBLIOGRAP	HY	

LIST OF TABLES

ГАВLЕ 3.1
Reliability Scale Analysis
ГАВLЕ 3.2
Scales Considered to Measure Constructs
TABLE 3.3. 87
Review of Research Using ISM as Sample Frame
ГАВLЕ 4.1
Date of Received Responses
FABLE 4.2(a) 95 Sample Descriptions
Sample Descriptions
FABLE 4.2(b)
TABLE 4.3
Reliability Measures/Results
TABLE 4.4
Results of Regression Analysis for Conflict Management Strategies and Functional Conflict with Demographic Control Variables
TABLE 4.5
Results of Regression Analysis for Functional Conflict and Conflict Management Strategies
TABLE 4.6. 113 Results of Regression Analysis for Conflict Management 113 Strategies and Dysfunctional Conflict with Demographic Control Variables
TABLE 4.7. 116 Results of Regression Analysis for Dysfunctional Conflict and Conflict Management Strategies

TABLE 4.8. 121 Results of Regression Analysis for Trust with Control Variables and 121 Manifest Conflict 121
TABLE 4.9.125Results of Regression Analysis for Relationship Quality/Trust with Manifest Conflict and Conflict Management Strategies
TABLE 4.10
Results of Regression Analysis for Satisfaction with Control Variables and Manifest Conflict
TABLE 4.11. 133 Results of Regression Analysis for Relationship Quality/Satisfaction 133 with Manifest Conflict and Conflict Management Strategies

LIST OF FIGURES

FIGURE 2.1	
Proposed Model	
FIGURE 2.2	55
Proposed Model	
FIGURE 2.3	60
Proposed Associations of Conflict Management Strategies with Conflict	ith Manifest
FIGURE 4.1	105
Regression Standardized Residual	
FIGURE 4.2	105
Normal P-Plot of Regression Standard	
FIGURE 4.3	106
Scatterplot	
FIGURE 4.4	107
Histogram	
FIGURE 4.5	108
Normal P-Plot of Regression Standard	
FIGURE 4.6	109
Scatterplot	
FIGURE 4.7	111
Histogram	
FIGURE 4.8	111
Normal P-Plot of Regression Standard	
FIGURE 4.9	
Scatterplot	

FIGURE 4.10	14
	15
FIGURE 4.11	15
FIGURE 4.12	16
FIGURE 4.13	20
FIGURE 4.14	23
FIGURE 4.15	24
FIGURE 4.16 12 Histogram	26
FIGURE 4.17	26
FIGURE 4.18	27
FIGURE 4.19	29
FIGURE 4.20	29
FIGURE 4.21	32
FIGURE 4.22	34
FIGURE 4.23	34
FIGURE 4.24	35

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CHAPTER 1

INTRODUCTION AND OVERVIEW

Introduction

In the free market theory established by Adam Smith in his *Wealth of Nations*, humans were assumed to automatically seek their own best economic interest. This assumption placed every buyer and seller in conflict with each other. Such conflict is the focus of this study.

During the production orientation era, prior to 1930, the firm's objective for the salesperson was simply to make the sale. This focused on the short-term need of the selling firm to move a product that had been produced through a focus on the seller's capabilities and to fit the sellers needs (Weitz, Castleberry, and Tanner 2001). Customers were assumed to be indiscriminate in regards to quality and service. If one customer did terminate his/her association with the firm, there were others ready to act as a replacement.

During the sales era, from 1930 to 1960, the salesperson became more sophisticated and aggressive in persuading customers to buy, with the emphasis still on making the sale (Weitz and Bradford 1999). Sales managers focused on motivating the individual salesperson to work harder and more efficiently. Again, the firm was

1

maintaining a short-term focus on the needs of the firm all the while ignoring the needs of the customer.

It was not until after 1960 companies began to understand that there is not a constant supply of new customers and that finding those new customers is very expensive. Retaining customers was recognized as a more efficient method of achieving goals. Management began to identify causes of customer desertion, and soon realized that one reason customers defected to competing firms was because salespeople sold a product that was not needed or did not meet the customer's expectations. Salespeople were soon being trained to communicate with clients to determine what needs could be met with their selling companies' offerings. The role of the salesperson during this marketing era was that of problem solver, yet attention was focused on the immediate problem or symptom, not the long-term cause of the problem (Weitz and Bradford 1999). As the technology and communication advanced and most industries became more globalized, competition continued to become more intense. In reaction to this environment, many firms sought some security through contracts or partnerships with suppliers, vendors, distributors or customers. These conditions signaled the beginning of the partnering era, which began around 1990.

Relationships and partnering are not new phenomenon of business, but a focus on them as a norm for industry has changed the buyer-seller paradigm. The primary objective of personal selling now revolves around building a relationship that will meet the long-term needs of both the buyer and seller and create value for both companies. The primary activity of the salesperson is no longer merely making the sale. It has shifted to three distinct but interrelated activities. The first activity a salesperson must perform is building and maintaining the customer relationship, while the remaining two are organizing and leading a sales team, and managing conflict (Weitz and Bradford 1999).

Managing conflict is important in the sales environment because it supports the primary activity of building and maintaining the relationship with the customer. What is the connection between the two activities? First, in order to develop a partnership, an initial sale must be made. Negotiation by its very nature is fraught with potential conflict (Mallen 1963). The manner in which a salesperson manages these conditions will determine the future nature of the alliance or if there will even be an alliance.

Second, a salesperson has the responsibility to service the customer in a manner that will build loyalty to the selling firm through the evolving relationship. Loyalties are created when customers are not merely satisfied, but are completely satisfied or are delighted (Jones and Sasser 1995). Buyers who are constantly engaged in poorly managed conflict incidents over delivery or billing issues will not be delighted.

Finally, the salesperson is the primary disseminator of information about the company to the client and vice versa (Weitz, Castleberry, and Tanner 2001). If one customer has an issue with the product of a company, or the service that is provided, that customer may be one of many. By failing to manage the conflict, the salesperson may miss key information that will help him or her to resolve an issue and improve the relationships with many customers. In reviewing the changing roles and activities of salespeople, Weitz and Bradford (1999) called for research to explore the effect of

conflict management on the quality of the relationship that exists between buyers and sellers.

Dissertation Overview

This research establishes and addresses the gap in the literature on how the choice of conflict management styles affects the type of manifest conflict, and then in turn what influence manifest conflict has on the quality of relationship that exists between a buyer and seller dyad. Despite the presence of conflict between buyers and sellers throughout the eras discussed previously, the study of the possible connection between conflict and business relationships parallels these eras. During the production orientation and sales era when the emphasis was on increasing sales, there were no studies concerning conflict, managing conflict, or building relationships. Only in the marketing era did scholars attempt to understand conflict, its antecedents, and its consequences. Most of these studies were performed in channels of distribution environments. The effect of conflict and conflict management on a buyer/seller relationship has been discussed only recently during the partnering era.

Since the goal of any salesperson should be to improve the quality of the relationship with the buyer, it is important to determine if the two types of manifest conflict, functional and dysfunctional, each have a distinct effect on the buyer/seller relationship and if the two types of conflict are determined in some way by the choice of one of five management strategies available to the seller. The objective of this research is to develop and test a conceptual model of conflict in buyer/seller relationships and to examine the relationships between conflict resolution strategies and manifest conflict, as well as those between manifest conflict and the quality of

relationships in the buyer/seller environment. The mediating effects of manifest conflict between conflict management strategies and relationship quality will also be tested.

Conceptual Model

An overview of the conceptual model of this dissertation research is briefly discussed here. The model will be discussed in greater detail in Chapter 2. Hypothesis development as well as theoretical support for the relationships will also be provided there.

<u>Manifest Conflict Defined</u>. The broad definition of conflict is a disagreement. Early marketing theorists used the term to depict the antecedent conditions of conflicted behavior, the actual affective states of conflict, the cognitive states of individuals, and conflicted behavior (Pondy 1967). Conflict was also defined as a "breakdown in the decision-making apparatus resulting in difficulty in selecting alternative courses of action" (Assael 1969 p. 573-74).

Most previous research on conflict in the marketing field of study has focused on identifying the antecedents and consequences of it in channel of distribution relationships. This research began in the 1960's, and, over time, the definition of conflict within channels of distribution differed from the aforementioned definition.

Conflict exists in . . . channels of distribution when a component (channel member) perceives the behavior of another component to be impeding the attainment of its goals or the effective performance of its instrumental behavior patterns. Conflict represents a state of frustration on the part of the restricted component (Stern 1969 p. 155.)

Another definition of interorganizational conflict was developed when Eliasberg and Michie (1984) merged the work of several authors (Find 1968; Mack and Snyder 1957; Stern 1971; Thomas 1976). The broadened definition includes "perceptions, emotions, behaviors, and outcomes of the two parties. It is opponentcenter, based on incompatibility of goals, aims, or values of opposing firms, direct and personal, and the opponents or opposing firm is perceived to have some controls over goals desired by both parties (p. 76-77)."

Pondy (1967) was one of the first to propose that a conflict incident was a process and followed through several stages. During the first stage, latent conflict, conditions occur that may lead to a conflict incident, but parties are not aware that the conditions exist or the parties are not aware they may cause conflict. The second stage is perceived conflict, which occurs when parties determine, either correctly or in misperception, that unacceptable conditions or attitudes exist. A third stage, felt conflict, actually occurs simultaneously with perceived conflict. Perceived conflict is an awareness that differences exist; felt conflict is a personalization of the differences. The fourth stage of conflict is manifest conflict, which is the presence of conflictful behavior. The final stage of conflict is conflict aftermath, or the circumstances that exist after the manifest conflict has taken place.

<u>Type of Manifest Conflict Defined.</u> Conflict, by connotation, elicits negative emotions. However, conflict can be viewed as negative or positive. Negative conflict, termed affective, dysfunctional, or A-type conflict (Amason, Thompson, Hochwarter, and Harrison 1995), is destructive to the relationship of the conflicting parties. Positive conflict, also called functional, cognitive or C-type conflict (Amason

et al. 1995), promotes understanding and leads to achieved goals. As an analogy, consider the outcomes of different types of rain storms that occur in nature. A slow, soaking rain may nurture plants and replenish water supplies. A deluge or flood accompanied by violent wind or hail may leave crops damaged or whole cities destroyed. It stands to reason then, that manifest conflict can also occur differently, leaving both positive and negative aftermaths.

Affective, or dysfunctional, conflict tends to manifest itself in emotional interactions that focus on personal differences (Amason 1996). While the original issue in the conflict may be one of substance, the ensuing discussion typically dissolves quickly into either stony silence or personal attack.

Functional, or cognitive conflict, in contrast, occurs when the conflicting parties have differences of opinion about a situation, decision, or proposition yet focus on the issue, not the person with the differing opinion. This type of conflict fosters open communication, innovative thinking, cooperative solutions, and higher levels of commitment to the group or organization (Amason 1996).

Since manifest conflict by definition is seen as the outward behaviors between the two parties, it stands to reason that some thoughts or actions preceded these behaviors. In Pondy's (1967) model, resolution strategies modified the manifest conflict stage. Additionally, Schul, Pride, and Little (1983) stated "...channel members who experience intrachannel conflict initially enter a cognitive or affective stage of conflict before exhibiting any conflict related behavior. It is in this early stage that the channel member's feelings of stress, tension, and animosity form toward the offending party (p. 23)." <u>Conflict Management Styles Defined.</u> If functional conflict is so important in improving/maintaining relationship quality, what are the determinants of it? How should conflictful situations be managed to ensure the outcome is positive? Based on Thomas' (1976) work in conflict resolution strategies, Rahim (1983) developed and tested measures to identify and evaluate five different strategies or management styles, which include

- 1. Integrating
- 2. Compromising
- 3. Avoiding
- 4. Obliging
- 5. Dominating

Integrating conflict resolution strategies involve high concern for self and high concern for other. Based on the ideals of Mary Parker Follett, integration encompasses the best solution for all parties involved (Rahim and Wagner 1995). In today's language, it results in a win-win situation. This conflict management style is assumed to increase the level of functional conflict and decrease the level of dysfunctional conflict.

The compromising style of conflict management involves moderate concern for self as well as for the other party involved in the conflict incident. It refers to a give-and-take method of resolving the problem, with neither party getting exactly what he/she wants, but both getting some of what they want (Rahim and Magner 1995). The compromising style is thought to increase levels of functional conflict and decrease levels of dysfunctional conflict.

The *avoiding* style of conflict management involves low concern for self and low concern for other. It occurs when the parties in the conflict choose to ignore the

conflict. This can happen as a deliberate withdrawal from the negotiations with the intent to confound the resolution process (Deutsch 1972), to refuse to accept any responsibility for the situation (Rahim and Magner 1995), or just to avoid the tension and unpleasantness of the situation. The avoiding style is thought to increase levels of dysfunctional conflict and decrease levels of functional conflict.

The *obliging* style of conflict management styles, also called an accommodating strategy (van de Vliert et al. 1995), involves low concern for self and high concern for the others involved in the conflict (Rahim & Magner 1995). One of the conflicting parties suppresses their own desires and goals in order to satisfy those of the other party. The obliging style is thought to increase levels of dysfunctional conflict and decrease levels of functional conflict.

The *dominating* style of conflict management style involves high concern for self and low concern for others (Rahim & Magner 1983). This strategy has also been termed aggression (Deutsch 1973) and threats (Stern 1969). It involves one higher-powered individual or firm choosing a solution and forcing the other party to accept it. The dominating style is thought to increase levels of dysfunctional conflict and decrease levels of functional conflict.

Quality of Relationship Defined. Much of the research in marketing relationship quality has also been in the channels of distribution area. Some of the determinant theories have been introduced by Dabholkar, Johnston, and Cathey (1994), Frazier and Antia (1995), and Morgan and Hunt (1994), Boyle, Dwyer, Robicheaux, and Simpson (1992), Celly and Frazier (1996), Heide and John (1992), Mohr and Nevin (1990), Mohr, Fisher, and Nevin (1996) and others. In the buyer/seller arena, the quality of the relationship has been measured using many of the same constructs as in the channels literature. Some of these include trust and satisfaction (Crosby, Evans, and Cowles 1990; Boles, Johnson, and Barksdale 2000), age of the relationship and increasing or decreasing importance of the relationship (Steinman, Deshpande, and Farley 2000), and frequency of contact with salesperson, extent of social interaction with salesperson, and trust of the salesperson (Doney and Cannon 1997).

Trust and satisfaction have been used both as separate constructs and combined to measure relationship quality in interorganizational studies and buyer/seller studies more than any other constructs. The two constructs together combine an emotional state that represents historical, present, and anticipated interactions between the buyer and the seller, and therefore represents relationship quality.

Research Questions

This research seeks to answer the following questions: (1) Is the conflict management strategy chosen by a salesperson associated with the levels of functional and dysfunctional conflict that are manifested in a conflict incident? (2) Do the levels of the types of conflict manifested in a conflict incident have a correlation with the quality of relationship between a salesperson and a buyer/client? (3) Does manifest conflict mediate the relationship between the conflict management strategy and the relationship quality?

CHAPTER 2

LITERATURE REVIEW AND THEORY DEVELOPMENT

Introduction

This dissertation research examines relationships between conflict management strategies and types of manifest conflict in a particular conflict incident within a buyer/seller setting. It also investigates the effect of that manifest conflict in the incident on the quality of the buyer/seller relationship. Finally, it considers the mediating effects of manifest conflict between conflict management strategies and the relationship quality of a buyer/seller relationship.

This chapter will 1) introduce the proposed model, its components and relationships, 2) examine the existing literature, 3) identify the gaps in the research that this study seeks to address, and 4) provide theoretical development for the proposed model and hypotheses.

Examination of Constructs

In marketing literature, early research on conflict and its effect on relationships began when Mallen (1963) proposed that the marketing concept was applicable in channels of distribution. Although the nature of the exchange act often leads to

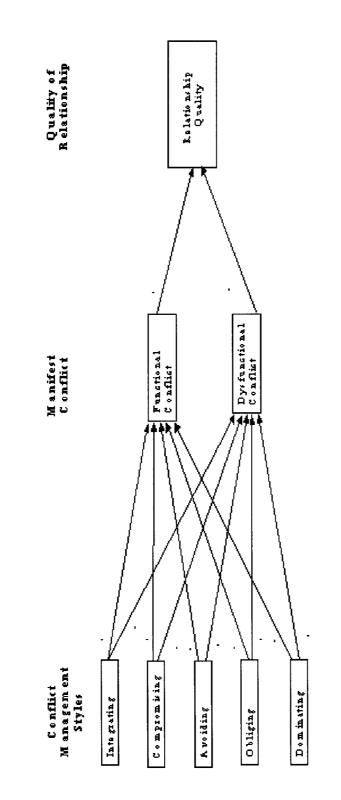


FIGURE 2.1. Proposed Model

conflict, conflict must be viewed as an unavoidable part of business that can be managed, but not eliminated. Channel members who view suppliers and clients as partners who are an extension of his or her business recognize that cooperation may produce a significantly more efficient and productive relationship than one that is fraught with conflict. This "organizational extension concept" led to studies seeking to understand the antecedents and consequences of conflict, as well as conflict itself and how it may be managed.

Manifest Conflict

Conflict is explained using two types of models (Thomas 1976). The structural model seeks to understand conflict through examining the underlying structure and conditions that shape the construct, and it assumes that the conditions are somewhat fixed or slow to change (Thomas 1976).

The process model seeks to distinguish the stages or events within a conflict episode, and to determine how each stage feeds into or relates to other stages. The process model assumes that conflict is a continuous, unavoidable process, with each incident affecting the next incident. The proposed model is a process model, with roots in process models proposed by Pondy (1967) and Thomas (1976).

<u>Structural or Organizational Model of Conflict</u>. Two categories of constructs that have been examined within the organizational model are the antecedents and consequences of conflict. Since conflict has been examined assuming a mostly negative connotation, it stands to reason that a majority of the research has been concerned with the conditions, attitudes, and behaviors that may have contributed to conflict occurring. Two major categories of antecedents, structural and attitudinal (Etgar 1979) are examined within the organizational model.

Structural antecedents is the term chosen to describe all relationship, organizational, and interorganizational structural conditions that may contribute to some level of conflict. One structural cause of conflict is goal divergence. Parties in a personal relationship, as well as those in an intraorganizational or interorganizational relationship, will almost certainly have some differences in the goals they choose to pursue. These differing goals are often used as criteria for decisions (Rosenberg and Stern 1970, 1971), and those decisions can adversely affect the achievement of another party's goals, thus increasing the chance of conflict (Frazier 1983). Rosenberg and Stern (1971) found that goal incompatibility was a cause of conflict between the manufacturers and distributors of a household durable good.

Some of the most highly examined structural antecedents of conflict are the theories of power, sources of power or influence strategies, and balance of power. Gaski (1983) differentiated between power sources, which he defined as activity seeking to alter another's behavior, and exercised power, or the actual altering of another's behavior or an outcome. Frazier (1983) used a different term for power sources, influence strategies, which he stated are the "means of communication used in applying a firm's power (p. 71)." The term "influence strategy" has been more widely used in the literature and will be used in this discussion as well.

Lusch (1976) classifies the two major categories of influence strategies as coercive and noncoercive. A coercive influence strategy differs from noncoercive influence strategy in that it involves the threat of some type of punishment.

14

The noncoercive influence strategies can be identified as reward, legitimate, referent, and expert influence strategies (Lusch 1976). Reward is based on the perception that one party can "mediate rewards" for another party. Rewards include financial rewards, such as allowances and better credit terms, as well as non-financial rewards such as awards and social favors. Legitimate strategies occur in two forms. The first, traditional legitimate, occurs when a company is felt to be the market leader (Brown, et al 1983). The legal legitimate strategy is based on contractual agreements. Referent influence exists when one party desires to be linked to another in order to be identified with them. This may be because of social or political clout, or it may be because of the financial benefits of being associated with that individual or organization. When it is perceived that a particular individual or group is knowledgeable about or skilled in a certain area, that individual or group often has expert power. This knowledge or skill must be apparent and recognized by others in order for power to exist.

Frazier and Rody (1991), in contrast, identified noncoercive influence strategies as information exchange, discussion of business strategy, requests, and recommendations. Three coercive strategies - promises, threats, and legalistic pleas – were also identified. Regardless of the names for the influence strategy, it is more important to note that whatever type of influence strategy is used, that behavior is very likely to be reciprocated by the partner in the relationship (Frazier and Rody 1991 and Kim 2000). Frazier and Rody (1991) found that both types of strategies are related positively to the level of manifest conflict in industrial products channel relationships. Geyskens, Steenkamp, and Kumar (1999), however found that of all the coercive and

noncoercive influence strategies, only the threats strategy empirically increased the perception of conflict in similar channel relationships.

Gaski (1984) described power as "the ability to evoke a change in another's behavior (p. 669)." He also proposed that both influence strategies and power could be either exercised or unexercised, with differing affects on manifest conflict. A decrease in conflict can be caused by exercised noncoercive influence strategies, unexercised coercive influence strategies, and unexercised power. An increase in conflict can be caused by unexercised noncoercive influence strategies, exercised coercive influence strategies, and exercised power. In a study of retail store managers and assistant managers, Brown, Lusch, and Mueling (1983) found that the nonceoercive power source reward, as well as the coercive power source, had a direct relationship with an increased perception of conflict. Referent influence strategies, expert influence strategies, and legitimate influence strategies have an inverse relationship with an increased perception of conflict. Brown, et al did not specify either the influence strategies or the conflict as an antecedent. Similarly, Gaski (1983) proposed that either of the constructs power or conflict could be the antecedent of the other. Morgan and Hunt (1994), in a study of independent tire dealers, found that coercive power is a direct antecedent of dysfunctional conflict, however.

Another dimension of power that has been examined as an antecedent of conflict is the balance of power in a relationship. If one party in the relationship holds an unequal amount of power, the level of conflict will increase. However, if both or all parties have an equal amount of power, the level of conflict will decrease (Gaski 1984, Jap and Weitz 1995, Stern and Reve 1980, Young and Wilkinson 1996).

16

Gaski (1984) proposed that countervailing power also causes an increase in conflict in a relationship. Countervailing power is the ability of one party to get a second party to *not* exercise the second party's power. This is different than power, remembering that power is the ability to get another party to do something or change a course of action.

Balance of power is closely aligned with another antecedent, dependence. Dependence exists if a party in the relationship relies on another party for the achievement of the original party's goals. In a channel relationship, a firm who has more dependence is thought to have less power. Less power leads to less control over the other channel member, and thus to more conflict (Robicheaux and El Ansary 1975-76).

While dependence is seen somewhat negatively, total interdependence, or the total amount that firms depend upon each other for survival and prosperity, has been shown to decrease the amount of conflict in the relationship. Conversely, though, conflict increases when the interdependence asymmetry increases, which means one party has more at stake because of the relationship than does the other party (Kumar, Scheer, and Steenkamp 1995).

Other structural antecedents of conflict include competition for scarce resources (Deutsch 1973, Etgar 1979), drive for autonomy (Etgar 1979), age of the relationship (Young & Wilkinson 1989), formality of the contractual relationship (Young & Wilkinson 1989), shared values (Jehn and Mannux 2001), and the presence of reverse marketing (Plank and Francis 2001).

Attitudinal antecedents is the term used to describe the attitudes, predispositions, outlooks, and reactions of the individuals and organizations involved in a relationship in which there is conflict. Attitudinal antecedents are the second type of organizational antecedents to conflict. One attitudinal source of conflict has to do with the roles played by the relationship members, including organizations or firms involved in an alliance. A role is a set of expected behaviors each member should exhibit (Etgar 1979). Conflict may occur when conduct or activities transpire that are incongruent with the role expectations (Rosenberg and Stern 1970 and 1971, Etgar 1979), when the relationship participants are not certain of their roles (Etgar 1979), or when one or more participants are not satisfied with their roles (Frazier 1983).

Another attitudinal source of conflict can be termed perception. Rosenberg and Stern (1971) found that differing perceptions of reality leads to intrachannel conflict. These differences in perception may be caused by subjective interpretations of information (Rosenberg and Stern 1970), disparate business cultures, and differences in communication style. Perception can also be interpreted to mean the various points of view caused by the conditions in which businesses operate. For example, a retailer may be located in an economically depressed neighborhood and perceives that products should be marked down early in the season. The supplier of those same products may perceive a national economic expansion that is providing for healthy sales nationally. The supplier would resist early markdowns, and this could lead to conflict.

Thomas (1976) examined both an organizational model, which he termed "structural model," and a process model of conflict. In his organizational model, all of

18

the antecedents are attitudinal in nature. First each party in the dyad has two variables that he or she brings to the relationship. The first is behavior predispositions, which is the personality and hierarchy of responses each individual possesses. This variable will cause a party to have a preferred strategy for dealing with conflict. If that strategy does not seem to be effective, however, the party will advance to a different strategy. The second variable that each party has is the social pressure exerted on him or her by surrounding individuals and groups. There is constituent pressure, which includes the norms in effective within and the sanctions used by those with whom the party is closely related. There is also ambient social pressure, which includes the expectations of formal authorities, the demands of public opinion, and the norms of Western civilization that frowns upon any "aggressive" behavior.

An additional antecedent of conflict in Thomas' model is the incentive structure in place in the relationship. The incentive structure includes the level of the stakes involved in the relationship, or how much risk is involved in the conflict being managed efficiently. Also included in the incentive structure is the extent to which there is a "conflict of interest between the concerns of the parties (p. 197)." This is similar to goal divergence discussed earlier.

The final variable in Thomas' model is the rules and procedures that must be observed in any conflict incident. This includes the restraints of decision rules by which each party must abide and negotiation procedures that must be followed and the arbitration and mediation means that are available to the dyad if a conflict incident occurs. Each of these four variables determines the behavior that each party in the dyad will exhibit in conflict incidents. Also, the behavior that is exhibited by one party also affects the behavior of the other party, and vice versa.

Consequences of conflict are another aspect of the organizational model. The outcomes that have been studied can be categorized into two broad categories, operational and relational.

One *operational outcome* that has been studied has been termed efficiency of operation. Rosenbloom (1973) proposed that conflict could affect the efficiency of a channel of distribution with four different outcomes. The first outcome examined was the decline of efficiency because of an intensifying level of conflict. The description of conflict given as an example of what could cause this outcome alludes to dysfunctional conflict in which both parties consider only the goals of their own firms. Another possible outcome of conflict in this model is that it has no effect on channel efficiency. This could only occur if the members of the channel were so dependent upon each other that one could not survive without the other, thus causing conflict to be ignored. Thirdly, conflict might cause channel efficiency to improve. This outcome was considered possible when both parties realized the conflict was occurring because neither had lived up to their role expectations. The final outcome was a combination of the first three consequences. At the beginning, the conflict was ignored, and thus had no effect on efficiency. However, as the level of conflict continued to increase, efficiency first improved, and then declined.

Other types of operational outcomes include quantifiable market and financial measures. Conflict has been shown to reduce the return on assets and asset turnover of

dealers (Lusch 1976b), affect the amount of repeat business salespeople receive (Plank and Francis 2001), have an effect on "market performance," which includes market share, market share gains, and sales growth of firms (Menon, Bharadwaj, and Howell 1996) and to affect net profit (Dabholkar, Johnston, and Cathey 1994 and Menon et al 1996).

The second broad category of consequences is *relational outcomes*. Any relationship in which there is conflict cannot remain unchanged. The most obvious relational outcome of conflict is that the relationship ceases to exist (Walters 1974 and Day 1995). The alternative outcome is that the relationship continues to exist. While Stern (1969) called this consequence "unification," he does not propose that this is a single state of existence. Instead, it is a continuum of degrees of conflict resolution. Walters (1974) proposed that besides the state of disintegration, post-conflict relationships could take two forms. The form "Armed Truce" exists when the relationship is intact and functioning at a minimal level, but no coordination or positive attitudes exist. Frustration and/or indifference are at a high level. While this condition can exist for an extended period of time, the relationship must eventually move toward disintegration or the other form proposed, "Coordination." This form is the post-conflict relationship that is the result of functional conflict. It is characterized by greater cooperation, less frequent disagreements and greater trust. Walters saw the consequences of conflict as falling into one of these three separate categories.

More recently, the focus of research has shifted to the effect of conflict on specific aspects of the relationship. As will be mentioned later in the discussion on relationships, no consensus has been reached on the most effective way to represent or measure the quality of relationships; so several constructs and combination of constructs have been used.

Early researchers proposed that conflict and how it was managed determined in part the level of cooperation two parties exerted in the relationship thereafter (Frazier 1983). Cooperation exhibits the relationship members' willingness to work together to achieve their individual goals. Robicheaux and El-Ansary (1975-1976), however, saw cooperative behavior and functional conflict as occurring simultaneously, just as noncooperative behavior and dysfunctional conflict would do so.

Another relationship outcome that has been considered is trust. In a metaanalysis of 70 studies of conflict, Geyskens, et al (1999) determined that conflict has an inverse relationship with trust. Young and Wilkinson (1996) also reported that the "level of trust seemed to be generally lower when conflict was present (p. 118)." However, trust has also been considered a determinant of conflict (Anderson and Narus 1990, Morgan and Hunt 1994).

Any healthy-relationship must have a long-term orientation. A history of disagreement and conflict can cause one relationship member to perceive that the other member is less committed to the relationship (Anderson and Weitz 1992). Whether this lower commitment is a direct outcome of conflict, or whether it is a result of conflict affecting another variable has not been determined. One possibility is that commitment is lowered when trust is lowered because of conflict or other causes (Geyskens et al 1999).

The final relational outcome considered is satisfaction of the relationship members. Satisfaction may be a direct outcome of conflict (Gaski 1984, Geyskens et al 1999), but, more logically, it would seem that the way conflict is managed determines the level of satisfaction (Robicheaux and El Answary 1975-1976, Dabholkar et al 1994). Rosenberg and Stern (1971), however, suggested that causal relationship might actually be that the level of conflict is an outcome of the level of satisfaction.

<u>Process Models of Conflict.</u> Conflict can also be perceived as a process in which there are two or more parties, and differing thought processes, actions and reactions to a situation, referred to as a conflict incident (Pondy 1967; Thomas 1976).

Pondy's (1967) *Process Model* was proposed to be one in which a conflict incident occurs and could possibly contain five incidents. The first stage is latent conflict, which is a point at which parties are not aware that conflict even exists; yet the conditions that are conducive to conflict exist. These conditions might include lingering doubts over previous conflict incidents, changing environmental factors, reactions to changes both in the environment and within the relationship.

The second stage of conflict is perceived conflict, which may begin at the time one or both parties conceptualize the conditions that exist in latent conflict. However, perceived conflict also can exist without conditions of latent conflict existing, which happens when the parties misunderstand the others' true position. In contrast, latent conflict can exist and not move forward into the perceived stage. This happens through a suppression mechanism, which often occurs when the conflicts are only mildly threatening and are ignored. It can also happen through an attention-focus mechanism, which occurs when parties focus their attention on those matters that are easily resolved. The third stage is felt conflict. This stage occurs simultaneously with perceived conflict. Perceived conflict is an awareness that the differences exist; felt conflict is a personalization of conflict. Conflict incidents can move back and forth between the felt and perceived conflict without progressing to the next stage of manifest conflict, or can move from either directly to manifest conflict.

The fourth stage of conflict is manifest conflict, which is the presence of conflictful behavior. Behavior is defined as conflictful if some or all of the participants perceive that behavior to be conflictful, and in the mind of the other party, that behavior is impeding the achievement of goals. Manifest conflict is more likely to occur when the parties do not value the relationship or if conflict is strategic in the pursuit of individual or subunit goals. Also, if manifest conflict occurs, it is likely to spread and grow to include more latent, perceived, or felt conflict that was previously suppressed. Manifest conflict is modified by the availability of conflict resolution mechanisms.

Conflict aftermath is the fifth and final stage of conflict, and it is in the stage that the consequences of manifest conflict occur. If the conflict incident has been resolved to the mutual satisfaction of all parties, the aftermath may include a strengthened relationship. If any party perceives that he or she has a worsened situation than before the incident, the relationship may be weakened or threatened. The conflict aftermath stage is an antecedent of the next conflict incident through the latent conflict stage of that next incident. Thus, the process of each conflict incident is an antecedent, and perhaps even a predictor, of the next conflict incident.

24

Thomas' Process Model also includes a five-stage model of conflict. Frustration is the initial stage of a conflict episode. This stage occurs when one relationship member perceives that some behavior of another relationship member is causing the prevention of a goal.

The second stage, conceptualization, is the way a party chooses to characterize the entire issue at the heart of the conflict and his or her emotional or rational reaction to it. The issue can be defined according to one's own wishes, according the other party's wishes, or according to underlying concerns that may have caused the problem. Conceptualization also involves how aware one party is of the alternatives that are available to him and the outcomes of each alternative. This leads to the third stage, which is termed behavior.

Behavior is the outward reaction of one party to his or her conceptualization of the conflict issue. Behavior has three components - orientation, strategic objectives, and tactics. The orientation component is of particular interest to this model. The five orientations occur along two dimensions, desire to satisfy one's own concerns and desire to satisfy other party's concerns. The five include collaborative or integration, which has high levels of both dimensions. The competitive or domination orientation has high concern for self and low concern for others. The sharing or compromise orientation has moderate levels of both dimensions. The accommodative or appeasement orientation has high concern for others, but low concern for self. Finally, the avoidant or neglect orientation has a low level of both concerns. These orientations will be discussed in greater depth in the Conflict Management Style section of this paper below. The fourth stage is labeled interaction. It flows from behavior and back to the second stage, conceptualization. It is understood that one party's behavior initiates a progression of interactions between the two parties. Obviously, one party's behavior will influence the other's behavior, which will in turn influence the first party's conceptualization of the conflict incident. Behaviors are then altered because of the changing conceptualization. Thomas notes that communication is the medium of interaction, in other words how the behavior is explained or verbally reinforced.

The final phase of the conflict incident is the outcome, which includes either the terms of agreement or the understanding that the issue is being avoided. The outcome has both short-term and long-term effects. The short-term effects, called conflict aftermath, includes the agreement or lack of agreement, and lingering emotions. Of all of the orientations, only an agreement reached under an integrative orientation leaves positive or neutral emotions (Follett 1941). The long-term effects include the effect of conflict on trust, attainment of personal objectives, satisfaction, and attainment of organizational objectives.

Manifest Conflict: Unidimensional, Continuum or Separate

<u>Constructs</u>. In addition to the complete conflict construct being examined from either a structural or process perspective, the construct of manifest conflict has also been considered in several ways. First it has been seen as a unidimensional construct. It has also been examined as occurring along a continuum with functional and dysfunctional conflict as the anchors. Finally, functional and dysfunctional conflict have been considered as two distinct constructs.

Those who viewed manifest conflict as a unidimensional construct, include Mallen (1963), who saw conflict simply as a struggle for power. Lusch (1967) defined channel conflict as "a situation in which one member perceives another channel member to be engaged in behavior that is preventing or impeding him from achieving his goals (p. 283)." Etgar (1979) stated that conflict is present "when a component (channel member) perceives the behavior of another component to be impeding the attainment of its goals or the effective performance of its instrumental behavior patterns (p. 61-62)." These definitions are typical of early studies that viewed manifest conflict as a construct with mostly negative consequences. Lusch (1976), Brown, Lusch and Muehling (1983), and Frazier and Rody (1991) operationalized manifest conflict in their studies by measuring the frequency of disagreements. Brown and Day (1981) and Eliashberg and Michie (1984) also used frequency of disagreement to measure manifest conflict, but they added an additional dimension, intensity of the disagreement. These measures emphasize early researchers' view of conflict as an event that is destructive: more conflict is harmful to the relationship; less conflict is helpful to the relationship.

While many researchers considered the negative or dysfunctional side of conflict, Assael (1969) was one of the first to discuss the possibility of functional manifest conflict. He offered one of the first definitions of constructive or functional conflict, which he gleaned from the sociology literature. He stated conflict is "potentially beneficial to the system when it brings about a more equitable allocation of political power and economic resources by the formation of new countervailing forces, and greater balance and stability within the system (p. 573)."

One concept view of functional and dysfunctional conflict is a *continuum of conflict* that is centered upon an imaginary line (Rosenberg and Stern 1970, 1971). This continuum represents the level or amount of conflict that exists in a relationship. Any level of conflict below the line results in favorable outcomes and is therefore considered functional. Greater amounts or levels of conflict that fall above the imaginary line result in destructive outcomes and are therefore considered dysfunctional. Robicheaux and El-Ansary (1975-76) also viewed conflict as occurring along a continuum. Functional conflict occurs simultaneously with cooperative behavior, while dysfunctional conflict and non-cooperative behavior would happen together in the worst situation.

A more recent view of manifest conflict considers *functional and dysfunctional conflict as separate constructs,* which means that one or both types could occur in a conflict incident. The determination of which type occurs is based on the outcomes of the conflict incident. When the relationship deteriorates and disintegrates as a result of conflict, dysfunctional conflict has occurred. When the relationship improves after a conflict incident, functional conflict has occurred.

This concept of conflict was tested in a study of intrafirm conflict (Menon, et al 1996). Dysfunctional conflict and functional conflict were tested as individual constructs, with separate antecedents and consequences. The findings supported the existence of the two types of conflict and indicated that the two types are negatively correlated.

Amason (1996) also hypothesized that dysfunctional and functional conflict are separate constructs. Unlike the results of Menon, et al's (1996) study, however, the results of this study indicated that the while the two constructs are correlated, they are not always negatively correlated. There are times when high levels of both functional and dysfunctional conflict exist. An example of this phenomenon would be a conflict incident that resulted in an excellent decision being made, but the process of reaching that decision was so stressful that the lingering emotions are negative.

Plank and Francis (2001) also found that there are two distinct types of conflict, and tried to determine a causal order between the two. The rationale is that high levels of functional conflict would eventually lead to dysfunctional conflict, but no evidence was found to support that hypothesis.

<u>Chosen View of Manifest Conflict</u>. Recalling the definitions of the structural and process models, the concept of the structural model is that conflict occurs within an environment with fairly stable antecedents and consequences. The process model, in contrast, views each conflict incident separately. It seems probable that both models are accurate. As single conflict incidents occur (process model), over time each one will affect the environment in which the relationship abides.

Given the rapidly changing environment of business including increased levels of competition, each conflict incident may be the crucial one that determines the success or failure of the relationship with the customer. Weitz and Bradford (1999) contend that one of the main activities of modern salespeople is the management of conflict with customers. This activity must occur often, perhaps as often as each contact with some customers. According to Thomas, the process model "is particularly useful when one is faced with the need to understand and intervene directly into the stream of events of an ongoing (conflict) episode (p. 926)." The model used in this study, therefore, has been designed to be a process model. The measurement of the constructs will be attempted through asking questions regarding a particular conflict incident. The proposed model will also adopt the view of manifest conflict occurring as two separate constructs – dysfunctional and functional – based on the recent studies discussed earlier.

Conflict Management Style

While it has been widely accepted that conflict is inherent in marketing exchanges (Mallen 1963, Assael 1969, Pondy 1969, Frazier 1983), it has been as frequently discussed that conflict must be dealt with in some way or it will spiral out of control. Conflict resolution methods or strategies have been considered as mechanisms to reduce manifest conflict (Dant and Schul 1992), which corresponds with the concept that conflict is negative and the only way to improve it is to diminish the occurrences of it. The mostly widely accepted view, however, is that policies and behaviors exhibited before and during conflict will have an effect on the nature of the conflict itself (Assael 1969, Pondy 1969, Rosenberg and Stern 1970 and 1971, Follett 1940, Thomas 1976, Rahim 1983, Rahim and Magner 1995, Dabholkar *et al* 1994, and Maltz and Kohli 2000). If the goal of the relationship members is to produce functional conflict, which seems logical, then the antecedents to, causes of, and behaviors concerning conflict must be managed effectively (Robicheaux and El-Ansary 1975-76).

Organizational Conflict Management Strategies. Just as conflict can be studied from either an organizational, long-term perspective or from a process,

30

incident-oriented perspective, the methods chosen to deal with conflict can be discussed from an organizational or behavioral point of view. Institutionalized or structural conflict management strategies would include any formal contract, policy, or procedure that is aimed at increasing interaction and improving communication between the two relationship parties (Dant and Schul 1992), thereby hoping to improve the circumstances that would lead to functional conflict and circumvent any situations that might lead to dysfunctional conflict. A brief discussion of organizational conflict management strategies follows. However, since the proposed model deals with a process orientation of conflict and conflict management, no proposals regarding the effect of structural conflict management strategies on conflict will be made.

The definitions of structural conflict management strategies and structural conflict antecedents often have been blurred and even been used interchangeably. For example, coercive and noncoercive influence strategies have been shown as structural antecedents to conflict (Gaski 1983, Lusch 1976, Frazier and Rody 1991) but also as a resolution strategy to conflict (Kim 2000). Therefore it must be understood that one type of organizational conflict management strategy would be a decision *to change the antecedents or circumstances that lead to conflict*.

The second type of organizational conflict management involves *choosing all aspects of formal communication between the relationship parties.* Certain communication behaviors have been identified as being collaborative (Mohr and Nevin 1990; Mohr, Fisher and Nevin 1996). While the effect these behaviors have on conflict has never been tested specifically, they have been shown to have a direct

association with the quality of relationship that exists between two organizations. It stands to reason, however, that the communication strategies chosen by relationship members would have a direct effect on conflict in the relationship.

The first of the collaborative communication behaviors involves the noncoercive nature of the content of the messages and is another example of antecedents and management strategies being interrelated. Remembering that influence strategies are also known as sources of power and also generally accepted to be antecedents of conflict, it is unclear if this particular communication behavior is also a conflict management strategy. Since this point is not vital to the hypothesized model, it will be left for other research.

The second collaborative communication behavior is the formality of communication between two relationship members. If communication is structured, allows planned opportunities for interaction between the parties, and is explicit and detailed in nature, it is considered formal (Mohr, Fisher, and Nevin 1996).

The third and fourth collaborative communication behaviors are bidirectionality and frequency of communication. If communication is bi-directional, both parties are participating actively in discussions. Frequency is simply the number of times communication occurs in a given time period (Mohr, Fisher, and Nevin 1996).

Assael's (1969) study of the conflict and relationships between automobile manufacturers and dealers in the 1950's and 1960's is an illustration of the two types of organizational conflict management strategies. The author identified five organizational requirements necessary for functional conflict to occur. Three of the

five organizational requirements identified as increasing the likelihood of functional conflict occurring include a critical review of past actions, a more equitable distribution of system resources, and creation of a balance of power within the system. These are changes in organizational antecedents, which is the first type of organizational conflict management discussed above. The remaining two requirements involve more frequent and effective communications between disputants and the establishment of outlets to express grievances, as well as the standardization of modes of conflict resolution, which obviously are the second type of organizational conflict management strategies.

<u>Behavioral or Process Conflict Management Strategies</u>. Behavioral or process conflict management strategies are those initiated during a particular conflict incident to manage the outcome of that particular incident (Dant and Schul 1992). These strategies differ in that the structural tactics is the long-term stance chosen by the parties, similar to organizational culture, while a behavioral strategy is the way that a given party chooses to behave in a given incident. It is the chosen behavior of the individual.

Early research saw conflict resolution as occurring along a single dimension. The manner in which conflict incidents were managed were either completely cooperative or completely uncooperative, or somewhere in between (Robicheaux and El-Ansary 1975-76). Realizing this perspective as limited in explaining behaviors, others looked for additional perspectives. Dabholkar, *et al* (1995) proposed that resolution behaviors occurred along two dimensions. First, behaviors exhibited will fall somewhere on a continuum between maximizing individual gain, and maximizing joint gain. Second, behaviors will also fall along a continuum between a short-term perspective and a long-term perspective. Four behaviors are discussed and include cooperative, which has a short-term time perspective and a "maximize joint gain" perspective. Coordinative behaviors have a long-term time perspective and a "maximize joint gain" perspective. The competitive behavior occurs when there is a short-term time perspective and a "maximize individual gain" perspective. Finally, the command behavior occurs when there is long-term time perspective and a "maximize individual gain" perspective. While the authors call this model a "behavioral" approach, the behaviors are proposed as occurring in an interorganizational relationship over a long period of time. Thus, the model seems to be a hybrid of behavioral and structural conflict management strategies.

A more widely accepted model of process or behavior-oriented conflict management is based on the work of Thomas (1976). In a process model of conflict, behavior, as well as the other party's reaction to that behavior, is shown to lead directly to the outcome of a conflict incident, as discussed earlier. Five distinct behaviors or management strategies are proposed to occur along two dimensions, which are concern for self and concern for the other party (Rahim 1983).

The management strategy that is exhibited when a party has high concern for self as well as high concern for others is integration. When integration occurs, both parties feel that the conflict has been resolved at the optimally best level (Rahim 1983). Neither party has given up any aspect of a solution that would bring satisfaction, and the solution may even bring about a certain synergy. Compromise is the conflict management strategy that occurs when a party has a moderate amount of concern for self and a moderate amount of concern for others (Thomas 1976). Both parties are expected to give and take when this method is used. Neither are completely satisfied since they have given in on some point, but both parties receive some portion of a solution that was important to them.

The accommodation conflict management strategy occurs when a party has a low level of concern for self and a high level of concern for others. One party chooses to give in on all issues in conflict, allowing the other party to gain his/her wishes on every point in conflict. This may occur out of generosity, out of desire to appease a relationship partner, or out of a desire to continue the relationship (Thomas 1976).

When an individual has a low amount of concern for self and a low amount of concern for others, he/she will simply evade the issue in conflict, demonstrating the avoidance style of conflict management (Thomas 1976). This may occur because neither party considers the issue important, to avoid displays of anger, or in hopes that the conflict will simply "go away."

The final management style, domination, occurs when a party has a high level of concern for self and a low level of concern for others. One party tries to force his/her own desires on the other party, regardless of the outcome for the second party.

<u>Chosen View of Conflict Management Styles</u>. Since the proposed model involves a single conflict incident between a salesperson and a buyer, the view of conflict management style chosen is the behavioral model. Although some have argued that the five-disposition model is a redundancy (Morris, Williams, Leung, and Larrick 1998) of an avoiding/competing behavioral model, it has been tested and accepted as a valid, comprehensive model of interpersonal conflict management behavior (Rahim 1983, Rahim and Magner 1996).

Quality of Relationship

The last construct to be examined is the quality of relationship that exists between a buyer and a seller. As in any type of relationship, buyer/seller relationships must evolve from the first encounter or exchange that is emerging. Much of the research regarding relationships in marketing has been in interorganizational studies. Since organizations per se cannot develop relationships without the interaction of individuals (Weitz and Jap 1995), both buyer/seller relationship quality theories and interorganizational relationship quality theories are intertwined and will be reviewed here simultaneously. In order to understand relationship quality, a brief description of relationship types and how relationships develop will be addressed first.

<u>Types of Buyer/Seller Relationships</u>. Interorganizational relationships, including those between buyer and seller, are initiated because one party perceives that it will accomplish an increase in value, which occurs when there is a net benefit (Dwyer, Schurr, and Oh 1987). Net benefit is defined as benefits less costs. While it might be assumed that these net benefits are economic, in fact there are both economic and non-economic types of benefits (Jap 2001) and costs, and therefore net benefits that are a mixture of the two types.

Along with the benefits of increased profits and reduced costs, economic benefits of a relationship can include the ability to enter new markets, to protect a competitive position at home and to broaden the product line or fill in product line gaps (Varadarajna and Cunningham 1995). The non-economic benefits of a relationship can include reduced uncertainty in a competitive environment, managed dependence on a supplier/distributor, social satisfaction (Dwyer *et al* 1987), and a prevention of proprietary knowledge leakage (Day 1995).

The type of relationship that is actually not a relationship is the *market exchange* or *discrete exchange*, which is assumed to be a one-time event. The discrete exchange occurs when a product or service is traded for an agreed-upon price, governed by the economic laws of the market (Heide 1994) as well as by social norms, rules, and etiquette (Dwyer *et* al 1987).

Even though the discrete exchange is a one-time event, it is obvious that a single interaction must be the beginning of any marketing relationship. The individuals involved in the exchange, therefore, particularly the salesperson, must not assume that any behavior will do. He or she must treat each customer or potential customer as a prospective relationship partner.

The second type of relationship is the *relational exchange* (Dwyer, *et al* 1987). Relational exchange differs from the discrete exchange in that it develops over time, as transactions fold one upon the other. Each transaction is performed based on previous interactions and looking forward to future exchanges. Relational exchange participants "can be expected to derive complex, personal, non-economic satisfactions and engage in social exchange" (Dwyer *et al* 1987 p.12).

The discrete exchange and the relational exchange are the anchors of a relationship-type continuum upon which all buyer/seller relationships fall (Dwyer, *et al* 1987). The position on the continuum where the relationship falls may depend on

characteristics of the organizations the buyer and seller represent, on the behavior of the buyer and seller, or on the stage at which the relationship is in the development process.

Stages or Patterns of Relationship Development. There are several views of the stages that occur as marketing relationship develops. Heide (1994) suggests that there are three: initiation, maintenance and termination, while Dwyer and his coauthors (1987) propose five: awareness, exploration, expansion, commitment, and dissolution. Wilson (1995) suggests five states as well: search and selection of a partner, defining the purpose of the relationship, setting the boundaries of the relationship, value creation, and hybrid stability. Jap (2001) discusses four stages: exploratory, build up, maturity, and decline. For the purpose of this discussion, the latter three models will be addressed within the context of Heide's model.

Initiation - Heide (1994) delineates the differences in the initiation process according to the type of behavior or relationship that is being formed. The market exchange behavior of a single transaction does not need an initiation state because the expectation is that the interaction is short-termed and the needs of the participants are met by the exchange itself. However, any other lasting type of relationship requires a very stringent initiation process. Considering that the partners in a relational exchange relationship expect it to be mutually beneficial and long-term, much investigation must be conducted to ensure that partners are similar in attitude, abilities, and goals. The initiation stage itself may process through several stages.

Weitz and Jap (1995) state that "These relationships may start with a chance interaction between boundary-spanning employees, preexisting friendships, or an active search to locate a firm possessing needed resources (p. 313)." Dwyer *et al* (1987) term this awareness. Each potential partner must first be cognitive that the other potential partner exists in the context of entering a relationship. This awareness often occurs as a result of an initial interaction between a buyer and a seller.

If the initiation stages progresses beyond awareness, one partner must then judge the other potential partner according to some criterion to establish if indeed this firm has the characteristics sought for the relationship. First, the potential partner must have the resources available to fulfill the intents and purposes of the possible alliance (Varadarajan and Cunningham 1995). In terms of discrete exchange, the firm must have the desired benefit or benefits. Then, the costs of collecting these resources must not outweigh the benefits provided by them (Dwyer *et al* 1987). Just as importantly, and sometimes more importantly, there must be a fit between the prospective partners. Shared values and communication can lead to trust, while the possibility of opportunistic behavior detracts from the trust in a relationship and may prevent the partnership from forming (Morgan and Hunt 1994).

Van De Ven and Walker (1984) identify five steps in creating or initiating an interorganizational relationship. They are discussed below.

1. Domain similarity increases. When two organizations in some way occupy the same domain either through resources demanded/supplied or through serving different needs of a client base, they often fine their paths crossing more and more frequently.

2. Awareness increases. As the potential partners become more aware of each other, there may be more potential for disputes and the competition between

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them or other organizations may increase. In contrast, the possibility of increased value through association with the potential partner may be noted. Either of these may cause more dialogue between the two individuals or organizations.

3. Communication increases. As communication increases, the organizations judge others on the ideals, goals, and culture that personify the organizations. If it is obvious that a potential relationship partner does not share goals or values, communication may be terminated.

4. Collective meanings develop. If through the communication process, individuals or organizations find others that share goals or who can provide a net benefit, those involved develop a common understanding of their situation. This understanding makes transactions possible.

5. Transactions occur. If these steps occur, the relationship has been established and will transition into the maintenance stage.

Maintenance – The maintenance stage is the second of the three stages of relationship develop and can be further divided into three substages – early maintenance, intermediate maintenance, and mature maintenance. Distinct processes occur in each of the three.

Once the relationship has been established, it must receive attention and care if it is to evolve and grow. The first of this attention occurs during the *early maintenance* period. Dwyer *et al* (1987) term this the "exploration" stage between buyers and sellers, and discuss the five subprocesses that occur during early maintenance. *Attraction* is the first subprocess and is similar to the honeymoon period of a marriage. The partners are exploring the relationship, including the net benefits of the arrangement, which are being realized for the first time.

The terms of the partnership are established through *communication and bargaining*, which is the second subprocess in the early maintenance stage. The tone of the communication and bargaining may be indicative of the future strength of the relationship and the satisfaction that will be derived from it. While the communication subprocess in the initiation stage is dedicated to fact finding, the communication that occurs in early maintenance lays the groundwork for the future of the relationship. It is during this time that the partners must define the purpose of the relationship. The goals, strategies, roles and sanctioning that will govern the partnership must be understood clearly if the alliance is to succeed (Wilson 1995).

As the early maintenance stage progresses, the relationship partners begin to feel the effects of the *power and justice* subprocess. Reviewing the previous discussion of power, it must be noted that power is the ability to change a relationship partner's behavior. Justice refers to "just" and "unjust" sanctions (Dwyer *et al* 1987), which are parallels with exercised and unexercised coercive and noncoercive influence strategies.

Pfeiffer and Salancik (1978) and Van deVen and Walker (1984) view the interorganizational relationship as a necessary evil which should be developed only when needed. Under this assumption, relationship partners will behave opportunistically. If this occurs, or if one partner tries to coerce the other into some type of behavior without providing the appropriate rewards, the unwilling partner may

choose to terminate the relationship at this point. Obviously, the behavior chosen by the partners affects the relationship at all developmental stages, but if conflict is not managed during the early maintenance stage, the relationship may never progress out of its infancy.

As the relationship progresses, *norm development*, which is the fourth subprocess of early maintenance occurs. Norms are the behaviors and consequences that grow to be expected, or are "normal" in a given situation. As the partners continue to interact, each develops a sense of what will be acceptable behavior in this relationship. If the relationship is likely to long-term and cooperative, the partners are less likely to exercise any power advantage, and the more dependent firm will not anticipate losing control (Provan and Gassenheimer 1994). The norms that are developed in this stage are one of several mechanisms that determine the nature of the relationship (Heide and John 1992).

Finally, the partners will process through the *expectation development* stage of early maintenance (Dwyer *et al* 1987). It is during this time that the partners internalize their opinion of the relationship and what behaviors they anticipate from their partners. The concept of trust is extremely important during stage, since trust of a partner may determine the expectations of the relationship. Trust will be addressed at length later in the section on composition of quality of buyer/seller relationships, but one point is important to this particular discussion. Trust cannot be developed without direct experience with the relationship partner, and it is built over time. It is important to reiterate that as the relationship progresses through the maintenance stage, each interaction between the buyer and seller will layer upon the last. Just as trust will

determine the expectations of the partners for the adolescent relationship, it will eventually help determine what type of relationship actually exists.

If the relationship survives to enter *the intermediate maintenance stage*, the subprocesses that occurred during the early maintenance stage will continue (Dwyer *et al* 1987). Additionally, several changes will occur during the intermediate maintenance stage (Heide 1994).

There will be an increased level of planning between the relationship partners. Where the individual's plan or goal was more important before the relationship reached this level, now the joint plans of the partnership are considered essential. Also, depending on the type of relationship that exists, plans may be contractual and difficult to change or flexible and subject to change (Heide 1994). Buyer/seller relationships low on the discrete exchange/relational exchange continuum are thought to exhibit plans similar to the prior type, and relationships high on the continuum are thought to be more flexible.

While it is assumed that value is expected to be created by the mere existence of the relationship, it becomes a primary objective during the intermediate maintenance stage. "Value creation is the process by which the competitive abilities of the (relationship) and the partners are enhanced by being in the relationship" (Wilson 1995 p. 342). Value can be an element as evident as increased profits and decreased costs or as intangible as knowledge dissemination. It does not have to be unequally or equally received by the partners and the partners perceive differing components of value as having disparate values. However, in order for the partnership to continue successfully, both partners must perceive that additional value has been created and received by their firm.

During the *mature maintenance* phase, the relationship becomes established. The ultimate goal of any marketing relationship is that it be institutionalized so that it will outlast the individuals who created it (Weitz and Jap 1995). This level of commitment most probably occurs during the mature maintenance phase. When it does occur, the participants are achieving a level of satisfaction that "virtually precludes other primary exchanges partners who could provide similar benefits" (Dwyer *et al* 1987 p. 19).

Three factors are key in bringing the relationship to this level and maintaining it (Weitz and Jap 1995). First, conflict exists in every relationship. How healthy the association becomes and/or remains is dependent upon how that conflict is managed. This, of course, is the main focus of the model proposed in this work. Second, there must be continued open and active communication. Lastly, if there is a trusting personal relationship between the individuals representing the organizations, the relationship has a better chance to be healthy (Weitz and Jap 1995).

Termination – A marketing relationship may be terminated at any point in the development process. There are two types of termination. The first type, "contractual termination" occurs when a relationship has been created for a specified period of time or for a specified purpose and is terminated upon completion of that time or purpose (Heide 1994).

The second type of termination, "noncontractual terminations" occur when a relationship is terminated because of a low level of satisfaction experienced by one or

both partners. Even though noncontractual terminations are sometimes mutually agreed upon, there are many situations in which one partner is forced out of the relationship. The use of the word "forced" does not connote that blame is placed on either party for the dissolution, but that it is the result of dissatisfaction caused by some determining factor discussed earlier.

In order for a partner to choose to terminate the relationship, one or more of three situations must exist. First, there must be alternative partners available if the separating partner intends to maintain the situation for which the relationship was created. Examples are the availability of different suppliers or distributors of a product, willingness of new venture capital investors, or the existence of other machinery necessary for production (Heide 1994). Second, if the partner is not satisfied because of a power imbalance, he or she will terminate the relationship if the costs of switching to a new relationship are low (Dabholkar *et al* 1994). Finally, if the net benefits of the relationship are negative (total costs outweigh total benefits), the dissatisfaction may reach a level that is so intense that a partner chooses to dissolve the partnership regardless of available partners or separation costs.

The termination of a relationship will occur through four stages (Dwyer *et al* 1987). During the first, the interpsychic stage, one of the partners begins to evaluate the dissatisfaction felt about the relationship.

During the interactive stage, which occurs next, the dissatisfied partner decides to dissolve the partnership and begins to negotiate the unbounding. This may occur in two ways. The partner may state explicitly to the other partner his or her intention to leave the alliance. However, if the dissolving partner perceives that the unbounding will cause pain to the partner and this is unpleasant, he or she may choose indirect strategies to attain the dissolution (Dwyer *et al* 1987).

It is during the third stage that the dissolution is presented publicly. The intention of the participants of the relationship to terminate the association becomes public knowledge (Dwyer *et al* 1987).

The final stage is "grave dressing" and recovery. The former partners seek to rectify any negative situations caused by the termination. However, there is no recovery to the point of the pre-relationship stage (Dwyer *et al* 1987).

Components of Relationship Quality. While it has been established that the point at which a relationship falls on the relationship-type continuum will signal the type of relationship that exists between a buyer and a seller, the components of relationship quality have not been examined. It is these components that cause the relationship to occupy a particular position on the continuum. As mentioned earlier, the construct of relationship quality has been examined from both an interorganizational and a buyer/seller perspective. While some studies have been specifically interested in interorganizational relationships (Mohr, Fisher and Nevin 1996, Morgan and Hunt 1994, Boyle *et al* 1992, Mohr and Nevin 1990), and some investigated only relationships between buyers and sellers (Crosby, Evans, and Cowles 1990, Boles, Johnson, and Barskdale 2000, Doney and Cannon 1997), there have also been some studies that encompassed both (Dwyer, Schurr and Oh 1987, Plank, Reid, and Pullins 1999, Geyskens *et al* 1999).

The component parts of relationship quality that have been the most widely accepted include trust, satisfaction, and commitment. Although the direction of relationship between or among these constructs has not been established, one, two, or all have been included in almost every model involving relationship quality.

Trust – The most widely discussed component of relationship quality is trust. Trust of a salesperson by a customer has been defined as a belief or expectation that the salesperson will behave in the long-term best interest of the customer (Crosby *et al* 1990, Boles *et al* 2000, Parsons 2001). Trust, itself, has been proposed to have different components, including honesty or integrity (Anderson and Narus 1990, Boles *et al* 2000, Crosby *et al* 1990, Geyskens *et al* 1999, Jap 2001, Kumar *et al* 1995, and Morgan and Hunt 1994), benevolence (Geyskens 1999, Jap 2001, Kumar *et al* 1995), competence or capability (Jap 2001, Kennedy, Farrell, and LeClair 2001, Plank, Reid, and Pullins 1999), as well as consistency, low-pressure selling tactics, service quality, and others. Perhaps the best way to understand the development of trust is to examine the five processes by which trust develops (Doney and Cannon 1997).

Trust develops through the *calculative process* when an individual or organization calculates the costs and/or benefits of another party staying in the relationship (Doney and Cannon 1997). The calculating party considers the possibility that the other party is receiving such a net benefit, or benefits less costs, that he or she would cheat or lie to maintain the relationship. If this does not seem likely, then trust will develop (Morgan and Hunt 1994).

In examining buyer-seller relationships in business markets, Cannon and Perrault (1999) sought to identify the differing types of relationships that develop and the characteristics that are displayed in each. The type of relationship that was found to have the lowest level of trust was one in which heavy investments had been made and switching costs were prohibitive. Because of these conditions, the relationship partners may have calculated that they or their partners were trapped and had no choice but to stay in the relationship. Because of the lack of alternatives, the customer might perceive that the salesperson would pursue benefits or profit at the customer's expense, and trust would not develop.

Trust also develops through the *prediction process* (Doney and Cannon 1997). If one party perceives that he or she has the ability to predict another's behavior, and that behavior is beneficial to the first party, trust will develop. This process requires experience and history with the other party that comes through repeated interactions. Predictability is particularly important in relationships in which "uncertainty and risk are inherent, and contracts and warranties are absent (Crosby *et al* 1990 p. 70)."

Cannon and Perrault (1999) found trust to be high in relationships in which customers could rely on the salesperson and the supplier he or she represented to adapt to the buyers needs. Annual expenditures with these suppliers were among the highest compared to expenditures with suppliers with whom the buyer had other types of relationships. This would lead to an assumption that trust in a salesperson built through the prediction process may lead a buyer to make greater expenditures from that salesperson.

The *capability process* occurs when trust is built by determining another's ability to meet its obligations (Doney and Cannon 1997). This ability involves the salesperson's reputation (Cannon and Perrault 1999), knowledge of his product and industry (Crosby *et al* 1990, Boles *et al* 2000, Kennedy *et al* 2001), service quality (Kennedy *et al* 2001), and capacity to persuade others in his or her firm to

occasionally go beyond the call of duty to satisfy a customer (Cannon and Perrault 2001). In short, it is the ability of the salesperson to satisfy a customer's needs on a repeated basis.

Relationships between firms that have close operational links are the type that has the highest level of trust (Cannon and Perrault 2001). These links are not mandated by contract or even by relationship-specific investments, but by the desire of both parties to find the most efficient way for the relationship to operate. The knowledge that both parties are fully capable to improving operations seems to build trust.

Trust is also built through the *intentionality process* (Doney and Cannon 1997). This process considers the motive of the relationship partner. If one party believes the other has the best interests of the relationship at heart, trust develops. Kumar, Scheer, and Steencamp (1995) included benevolence, or "the belief that the partner is interested in the firm's welfare (p. 350)," as a component of trust when attempting to measure the construct. The perception that a manufacturer has a benevolent attitude towards consumers has also been found to have a positive relationship with the consumer's trust of the salesperson representing that manufacturer (Kennedy *et al* 2001).

In contrast, opportunistic behavior by a salesperson or the firm he or she represents has been shown to have a negative impact on trust (Morgan and Hunt 1994). However, even if the outcome of a particular transaction does not benefit the customer, trust is maintained if the customer believes that forces outside of the salesperson's control caused the negative result (Anderson and Narus 1990). Finally, trust is developed through a *transference process* (Doney and Cannon 1997). Transference occurs when a customer trusts an unfamiliar salesperson because the customer has trust in the company the salesperson represents. It can also occur in the reverse order, with the customer trusting the company or product because he or she has faith in the salesperson representing them. Trust developed through the transference process may offer something of a safeguard for a company (Jap 2001). A trusting relationship with a salesperson may help a supplying company keep a customer's business even during time of uncertainty. This concept was echoed by Plank, Reid and Pullins (1999), who suggested that trust in a marketing relationship actually has three components - trust in the salesperson, trust in the product/service, and trust in the company. High levels of the three types were proposed to lead to salesperson effectiveness, and high levels of one type would initially lead to higher levels of the other two types. However, if one of the three components, the product for example, proved to be untrustworthy, then high levels of the other two components could not compensate and effectiveness would eventually fall.

Satisfaction - A second component of relationship quality that has been explored is the satisfaction of the partners with the relationship and each interaction that has helped form it. Satisfaction has been defined as "an emotional state that occurs in response to an evaluation of these interaction experiences (Crosby *et al* 1990 p. 70)." Channel member satisfaction is "defined most frequently as a positive affective state resulting from the appraisal of all aspects of a firm's working relationship with another firm (Geyskens *et al* 1999 p. 224)." In a business setting, satisfaction of the customer can be viewed as having two aspects, economic satisfaction and non-economic satisfaction (Geyskens *et al* 1999). Economic satisfaction includes the contentment that a customer has with the economic value he or she feels has been received from the products or services purchased from the salesperson (Jap 2001). This may include the quality of the product in relationship to the price paid, how well the product performed the function expected of it, and the expectation that this performance will be repeated. Another aspect of economic satisfaction is satisfaction with the margins provided by the relationship (Jap 2001). This involves the customer's satisfaction with the financial returns afforded because of the products or service purchased from the salesperson.

Non-economic satisfaction is a customer's positive affective response to the interactions that he or she has with the relationship partner. Termed *relationship satisfaction* by Jap (2001), non-economic satisfaction reflects a customer's "overall attitude toward its relationship with a seller (Jap 2001 p. 97)," including the extent to which the interactions are fulfilling, gratifying, and easy (Geyskens *et al* 1999). While trust seems to indicate a belief that things will go well in the future, satisfaction reflects contentment with the way things have gone in the past.

Commitment – Another construct that has been proposed as a component of relationship quality is commitment of one or both parties to the relationship. Relationship commitment is defined as "an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it (Morgan and Hunt 1994 p. 23)."

Commitment to a relationship is not made light-heartedly. Dwyer, Schurr, and Oh (1987) propose that commitment is the fourth stage or phase that occurs in a relationship. It comes only after many interactions during which norms have been developed and expectations have been met.

Commitment has three components (Kumar, *et al* 1995, Mohr and Nevin 1990). The first, *affective commitment* is the extent to which a partner wishes to continue the relationship because of the good feelings he or she has towards the other partner. The second component, *expectation of continuity* includes the perception that both of the partners wish to maintain the relationship. The final component, *willingness to invest*, indicates a desire to not only continue the relationship, but to "become more deeply involved in the relationship through investments of capital and effort (Kumar *et al* 1995 p. 351)."

<u>Chosen View of Relationship Quality</u>. The types of relationships have been discussed, with an understanding that a salesperson wishing a profitable and long-term association with a customer would seek to develop a relationship that exhibited the characteristics of relational exchange, even though this will probably take many interactions occurring over time. If the proper behaviors are exhibited as the relationship is initiated and processes through the appropriate stages, the quality of relationship will improve and move down the continuum from market exchange to relational exchange.

The components of relationship quality that have been discussed include trust, satisfaction, and commitment. While each of these three has in multiple studies as components of relationship quality, the exact combination of the components has not been determined. Trust has been proposed as a determinant of satisfaction (Geyskens *et al* 1998 and 1999, Jap 2001, Smith and Barclay 1999), as an antecedent of commitment (Morgan and Hunt 1994), as a co-component with commitment in determining relationship quality (Kumar *et al* 1995), and as a co-component with satisfaction in determining relationship quality (Crosby *et al* 1990, Boles *et al* 2000, Parsons 2002). Satisfaction has been proposed as a determinant of trust (Geyskens *et al* 1999) and as an outcome of quality of relationship (Mohr and Nevin 1990, Mohr, Fisher, and Nevin 1996). Commitment has been proposed as an outcome of trust (Geyskens *et al* 1998 and 1999, and as an antecedent of relationship quality (Parsons 2002).

For the purposes of this study, relationship quality will be viewed as a combination of the components trust and satisfaction. When used as components of relationship quality between life insurance salespeople and their customers, trust and satisfaction explained 72% of variance (Crosby *et al* 1990). This concept of relationship quality has also been used in business-to-business buyer/seller settings (Bole *et al* 2000, Parsons 2002). Given the previous discussion of commitment, it seems probable that commitment is an outcome of quality of relationship. If trust and satisfaction exist in the partnership, commitment will follow at some degree. That proposed correlation is outside the scope of this study, however.

Theoretical Development

Prior to providing support for the hypotheses, the following is a review of the research questions to be answered in this dissertation. (1) Is the conflict management style chosen by a salesperson associated with the type of conflict, functional or

dysfunctional, which is manifested in a conflict incident? (2) Is the type of conflict manifested in a conflict incident associated with the quality of relationship between a salesperson and a customer? (3) Is the conflict management style chosen by a salesperson associated with the quality of relationship between a salesperson and his or her customer?

Theoretical Support for the Overall Model

Before considering the theoretical and empirical support for the individual hypotheses, it is important to understand that scholars in interorganizational, intraorganizational, and buyer/seller research have concluded that conflict has similar characteristics and tendencies, including the antecedents and outcomes of conflict behavior. After assimilating 44 major models of conflict, negotiation, and third party intervention, Lewicki, Weiss, and Lewin (1992) identified several assumptions regarding conflict. Supporting this model in its entirety is the assumption that "lessons from particular models of conflict dynamics and conflict resolution can be readily generalized across various actors, issues, and settings (p. 218)." While some of the works cited in the discussion that follows have been conducted in interorganizational environments and may in fact be elements of a organizational model, the theories and empirical findings can be generalized to the buyer/seller arena and to a process model.

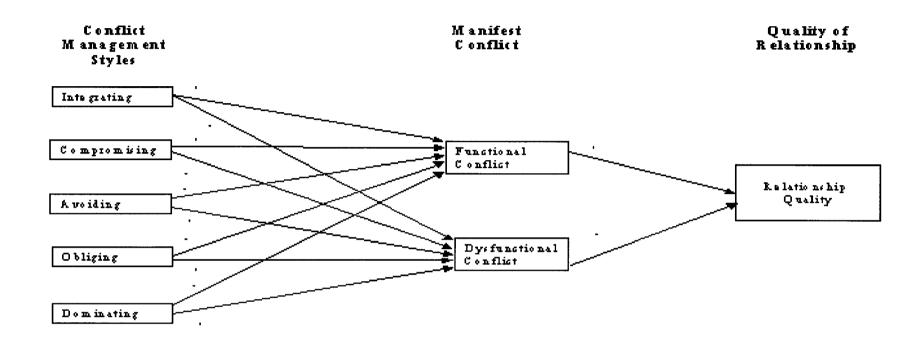


FIGURE 2.2. Proposed Model

Even though the early theories regarding conflict and relationships centered on the concept of the sociopolitical structure, or power structure, of the parties to the conflict, the type of communication chosen was thought to affect conflict and relationships even then. Lusch (1976) proposed that the type and amount of power influenced the kind of relationship that existed or evolved through the way these were communicated. Coercive influences strategies and noncoercive influence strategies (Lusch 1976, Frazier 1983) were thought to be the method by which power was communicated, and therefore these strategies would be a determinant of the type of relationship that developed. Both types of influences strategies were thought to have the capacity to be exercised or unexercised and any of these choices of action has a separate effect on conflict (Gaski 1984). Both types of influences strategies and the resulting conflict were thought to affect the satisfaction of the channel members (Gaski 1984).

As models of communication strategy for marketing relationships continued to be developed by scholars (Mohr and Nevin 1990, Frazier and Rody 1991, and Mohr, Fisher, and Nevin 1996), it became obvious that a relationship partner will most often reciprocate the strategy or tone of any communication received from the other partner (Frazier and Rody 1991, Thomas 1976). Additionally, the choice of communication strategy has a relationship to the other party's attitude toward conflict resolution, which is mirrored as well (Frazier and Rody 1991). This choice to reciprocate the communication strategy of a relationship partner seem to negate the theories that power and the exercise of power are primary determinants of the relationship that develops between individuals or businesses. If one party worried that his or her relationship partner had more power, and that the partner would exercise this power to govern the relationship, it seems that party would always choose communication strategies that would not provoke the partner. The partner with less power would be hesitant to meet an angry comment with an angry comment in fear of damaging or destroying the relationship. This has not proven to be the case, however. Kim (2000) found no significant evidence that an increase in power asymmetry is positively related to a decrease in noncoercive strategies. Thus it is not the power that determines relationships, but the influence strategies chosen and the reciprocation of those strategies by the relationship partner that drives the relationship and the solidarity of it.

The principle of reciprocity may explain in part the difference between influence strategies and conflict management strategies. By connotation influence strategies are an attempt by one party to sway the thoughts or actions of another party through communication. In contrast, conflict management strategies are an attempt by one party to affect the way that conflict is manifested in the relationship, understanding that the other party will react to the method and attitude which is displayed by the first party, and this reaction will also affect the manifest conflict. Menon, Bharadwaj, and Howell (1996) found that greater communication barriers led to higher levels of dysfunctional conflict and lower levels of functional conflict. Thus it seems reasonable that not only does communication affect relationships, it also affects the manner in which conflict is manifested. If communication in general has this effect, then conflict management strategies in particular must also affect manifest conflict and relationships.

If conflict management strategies influence manifest conflict and relationships, it stands to reason that manifest conflict also affects relationships where it is present.

57

From the earliest theories and studies, it is evident that conflict was an issue of concern because of the effect it had on those involved in the conflict and their relationship (Mallen 1963, Pondy 1967, Assael 1969, Stern and Heskett 1969, Rosenberg and Stern 1970 and 1971, Rosenbloom 1973, Robicheaux and El-Ansary 1975-76, etc.). Even the definitions of functional conflict and dysfunctional conflict involve the effect of each on the relationship. Functional conflict is defined as differences of opinion that foster open communication, innovative thinking, cooperative solutions, and higher levels of commitment to the group or organization (Amason 1996). Dysfunctional conflict involves interactions that erode from a legitimate issue into either stony silence or personal attack (Amason *et al* 1995). In one of the few and most recent studies of conflict in the buyer/seller relationship, Plank and Francis (2001) found that buyers prefer to do business with people who generate less perceived conflict. Given the general acceptance of the concept that manifest conflict affects the quality of a buyer/seller relationship, as well as the Plank and Francis (2001) study, it is reasonable to assume that this association exists.

In review, it is proposed that within a particular conflict incident, the conflict management style chosen by a buyer or seller will be associated with the type of conflict that is manifested as well as with the quality of relationship that exists. Additionally, it is proposed that the type of conflict manifested within a conflict incident will be associated with the quality of relationship that exists between the buyer and seller.

Support for the Association of Conflict Management Strategies with Manifest Conflict

The proposed model is a process model, which serves to examine behaviors and outcomes in a particular conflict incident. In hypothesizing that conflict management strategies, or resolution strategies as some researchers term them, determine the type of manifest conflict that is exhibited, this model corresponds in theory with the two process models discussed earlier (Pondy 1967, Thomas 1976), as well as being mentioned in several of the organizational models (Assael 1967, Etgar 1979)

Pondy(1967), in his process model of conflict, proposes that manifest conflict is modified by the availability of conflict resolution mechanisms. In a study of automobile manufacturers and dealers, Assael (1967) sought to identify conditions that would lead to constructive conflict. He found that one of five basic requirements for constructive conflict is the standardization of modes of conflict resolution. Etgar (1979) in his model of intrachannel conflict processes also shows conflict resolution. However, he also showed manifest conflict affecting conflict resolution.

In a much-quoted theoretical work, Thomas (1976) also proposes a process model of conflict. In review, the stages in this model include *frustration*, or the first perception that another party is frustrating the satisfaction of one of its concerns. Frustrating behavior can include disagreements, insults, denial of a request, or violation of an agreement. *Conceptualization* is the second stage. At this point both parties interpret the frustrating behavior and begin to think of the possible outcomes of any corresponding action that might be taken. *Behavior* is the third stage. It is in this

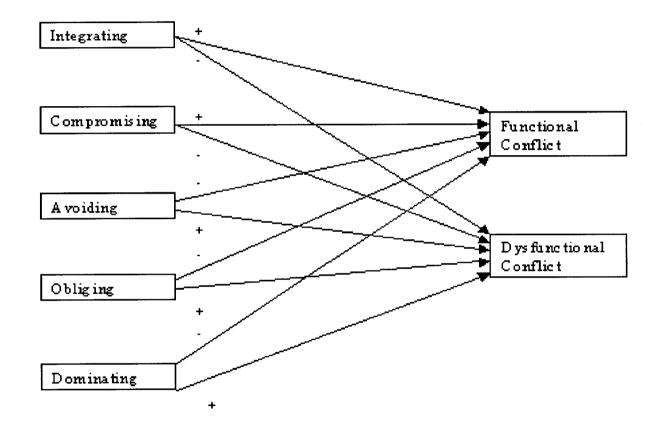


FIGURE 2.3. Proposed Associations of Conflict Management Strategies with Manifest Conflict

stage that one of the five resolution strategies discussed earlier is determined and implemented. This strategy feeds back into a stage call *other's reactions*, which feeds back into *conceptualization*, which illustrates well the principle of reciprocity. The last stage in the process is *outcomes*. Within this stage the perception of the conflict incident outcome is formed. The parties determine if the conflict was resolved according to their satisfaction or if they are dissatisfied. Given that the definitions of function and dysfunctional conflict are based on outcomes of the conflict incident, it seems logical the conflict resolution strategies precede manifest conflict.

Whether in an interorganizational environment, an intraorganization environment, or a buyer/seller arena, it seems obvious that the behavior chosen by individuals involved in a conflict incident will determine in part the manner in which conflict is manifested. The manner in which conflict is managed has been deemed important for decades (Mallen 1963, Pondy 1967, Robicheaux and El-Ansary 1975-76, Thomas 1976, Weitz and Bradford 1999). Thus the individual strategies for managing conflict are important to the study of conflict.

For added ease in understanding the conflict management styles presented below, the original party responding within the conflict incident will be referred to as the seller, with the party reacting to the first response being referred to as the buyer. This is not meant to insinuate in any way that this is always the case, but just illustrating what seems most likely to happen. Integrating Management Strategy and Manifest Conflict. Recalling that at the beginning of a conflict incident, at the end of a preceding conflict incident, or perhaps because of the ending of a preceding conflict incident conditions of latent conflict may exist (Pondy 1967, Thomas 1976). At the introduction of some stimulus, latent conflict may move into an active conflict incident. The stimulus may be a misperception on the part of one or both parties (Thomas 1976), an action by one of the parties, or some change in the environment, such as a change in the market conditions. As the conflict incident becomes active, each party must conceptualize the conditions that exist (Thomas 1976), and decide what behavior seems appropriate.

One of the behaviors that can be chosen is the integrating strategy of conflict management, which is defined as that behavior which exhibits high concern for self and high concern for others (Rahim 1983, Rahim and Magner 1995). The term integration is based on the work of Mary Parker Follett (Rahim and Magner 1995) which states that there is a possible resolution to conflict that finds an ultimate solution for both parties. True integration leads to an outcome in which neither party gives up anything, and both gain from the interaction.

In a buyer/seller environment, the nature of the sales process, as well as the other stimuli mentioned above, can quickly and easily lead to active conflict. However, if the seller desires for the incident to be concluded in such a way that both parties are satisfied with the outcome, he or she may look for and offer suggestions or recommendations that would lead to that outcome. Any such proposals will focus on the issue at hand as well as future ramifications of the proposed solution, and not on personal or personality issues. As the buyer observes that the seller is interested in

creative solutions that will benefit both the buyer and seller, as well as their firms, the buyer may feel less threatened by the situation and reciprocate with similar behavior (Thomas 1976). Integration is the only conflict management strategy in which the buyer or seller do not seek to gain a bigger piece of the pie at the expense of the relationship partner, but seek to gain by increasing the size of the pie (Weitz and Bradford 1999).

The effect of the conflict management styles has seldom been considered in a buyer/seller environment. Integrative-like behaviors have been proposed to reduce role conflict, increase profit, increase satisfaction (Dabholkar, Johnston, and Cathey 1994), decrease misperceptions, and improve communication (Thomas 1976).

Thus, as the integrative style is utilized and reciprocated, communication should become more open and it is likely that innovative solutions will be discovered. This constructive interaction should cause the buyer and seller to have a positive perception of the outcome of the conflict incident.

The following hypotheses are therefore offered.

H1a: The conflict management strategy *integrating* is positively associated with functional conflict in a buyer/seller environment. H1b: The conflict management strategy *integrating* is negatively associated with dysfunctional conflict in a buyer/seller environment.

Compromising Management Strategy and Manifest Conflict. The

conflict management style *compromising* is one in which concessions are made by both parties (Rahim and Magner 1996, Thomas 1976, Weitz and Bradford 1999). Each of the parties gains some part of what he or she considers the best possible outcome, while giving up another part of that possible outcome. Referred to as "horse-trading" or "splitting the difference" (Thomas 1976), this style does not allow for an "enlarged pie," as does the *integrating* style, nor does it mean that either party will necessarily have a larger or smaller piece of the pie. What may actually happen is that the size of the pie piece stays the same, but the composition of it may change.

Dant and Schul (1992) found that *integrating* and *compromising* styles produced similar outcomes in conflict incidents in a franchisee/franchiser environment. Dabholkar, Cathey, and Johnston (1994), however, proposed that the *integrating* style is used when a long-term relationship is being developed, but the *compromising* style leads to a more short-term relationship, although both outcomes were beneficial to those involved. Thomas (1976), however proposes that only the *integrating* style leads to a true resolution of the conflict issue. Since neither the buyer or seller gain everything that was desired, the *compromising* style may create some additional latent conflict issues or sources of frustration between the parties. However, the immediate association with functional conflict should be positive, while the immediate association with dysfunctional conflict should be negative.

When a conflict incident arises and the seller chooses to employ a compromising style to manage it, he or she would compare his or her best possible outcome with the buyer's best possible outcome. Realizing that both cannot be attained, the seller might prioritize the elements of the outcome and communicate what is most important to the customer. The buyer, seeing that the seller is willing to concede some points, would reciprocate and communicate which of his or her outcome elements that are most important. Both the buyer and the seller should eventually gain something of value, while giving up some other element that may have

been of equal or lesser value. Because of these gains, both parties should exit the conflict incident having a positive perception of the outcome.

Therefore,

H2a: The conflict management strategy of *compromising* is positively associated with functional conflict in a buyer/seller environment. H2b: The conflict management strategy of *compromising* negatively associated with dysfunctional conflict in a buyer/seller environment.

Avoiding Management Strategy and Manifest Conflict. The conflict

management style *avoiding* is one in which a party exhibits no concern for either one self or the other party (Rahim and Magner 1995). An individual may avoid conflict instinctively or deliberately. The instinctive withdrawal may come because an individual has an aversion to confrontation. The deliberate withdrawal may be an effort to maintain the relationship by avoiding conflict, or it may be a quiet rebellion demonstrated by a refusal to communicate with the relationship partner.

When supervisors in human resource relationships used the avoiding strategy, subordinates perceived that conflict incidents were settled less satisfactorily (Burke 1970). Similarly, van de Vliert, Euweman, and Huismans (1995) found that when police sergeants removed avoiding strategies from their management style, they were more effective in dealing with their supervisors. Thomas (1976) found similar results when researching interdepartmental conflict.

When relationship partners feel that they are powerless to change anything in the relationship, frustration often builds (Deutsch 1973). Avoiding behavior usually stems from this frustration, an emotion that is unlikely to disappear. As the conditions surrounding the conflict incident continue or intensify, the frustration grows and eventually erupts, often in an emotional outburst. This outburst would not seem conducive to positive outcomes associated with functional conflict, but is instead more likely to lead to dysfunctional conflict. Therefore, the following hypotheses are offered.

> H3a: The conflict management strategy *avoiding* is negatively associated with functional conflict in a buyer/seller environment. H3b: The conflict management strategy *avoiding* is positively associated with dysfunctional conflict in a buyer/seller environment.

The Obliging Management Strategy and Manifest Conflict. The

obliging conflict management strategy occurs when one party has little concern for their own interests, but high concern for the other party's interests (Rahim and Magner 1995). Termed the *accommodative* or *appeasement* style by Thomas (1976), this style may be used when the obliging party desires the continuation of the relationship above all else, or if the individual is just "mushy" during negotiations (Thomas 1976). A conflict incident in which the *obliging* strategy is used is a win/lose situation, with the understanding that one party has the "I let you win because I need you" attitude. Using the pie analogy, someone's pie piece gets smaller, and the other party's piece gets larger.

The few studies (Thomas 1976, Weitz and Bradford 1999) that have theorized with regarding to this particular style of managing conflict have seemed to assume that a buyer using an *obliging* management strategy does so in response to a seller using the *dominating* strategy. Since the definition of *obliging* indicates a low level of assertiveness or concern for self, and a high level of cooperation or concern for others, (Weitz and Bradford 1999), this does not seem logical.

When a conflict incident arises, a seller may realize that if he or she does not concede on all of the issues a buyer has, that buyer may take his or her valuable order elsewhere. If the buyer is a key account because of large volume or because the firm the buyer represents is an industry leader, the seller may make continual concessions to the buyer. This could cause the seller to resent the buyer's attitude, as well as resent that his or her earnings may reduced because price cuts have eaten into his or her commissions. Also, the seller may receive pressure from his or her firm to satisfy the customer yet keep the price at the listed price. As the buyer receives the concession from the seller, he or she may remember past reductions the salesperson has made or compare the current concessions. This could cause additional stress on the salesperson, and resentment from the buyer when the concessions are not made. As the conflict incident concludes, communication may be strained and both parties may be wishing for other outcomes.

Therefore, the following hypotheses are offered:

H4a: The conflict management strategy *obliging* is negatively associated with functional conflict in a buyer/seller environment. H4b: The conflict management strategy *obliging* is positively associated with dysfunctional conflict in a buyer/seller environment.

<u>The Dominating Management Strategy and Manifest Conflict.</u> The conflict management strategy *dominating* is one in which one party attempts to force his wishes or will on the other party in the conflict incident (Weitz and Bradford 1999). The party using the *dominating* strategy has a low concern for others and a high concern for self (Rahim and Magner 1995). Deutsch (1973) identified the competitive

relationship process as a "situation when a participant behaves in such a way as to increase his own chances of goal attainment, (and) he decreases the changes of the others (p. 22)." A suspicious and hostile attitude as well as a win/lose perspective are demonstrated by the individual using the *dominating* strategy.

Dabholkar, Cathey, and Johnston (1994) proposed that *dominating* behavior, or command behavior, exists when one party has more strength or a dominant position in the negotiation process. This strength can be because of factors that make the dominant company strong such as size or market share. It can also be because of environmental factors such as market structure or scarcity of resources. However, some individuals may simply seek to satisfy his needs at the expense of another's needs. If this is the situation, the actual outcome of the conflict incident may be become less important while the prospect of winning for winning's sake becomes more important (Thomas 1976). In contrast, in an empirical study of the effectiveness of the management styles, van de Vliert, Euweman, and Huismans (1995) found that police sergeants were considered more effective by both their subordinates and their supervisors when they no longer tried to dominate in conflict incidents.

If a seller may enter a conflict incident with a need to satisfy his or her ego, with anger over a previous conflict incident or over something totally unrelated to the current situation, or with pressure from his or her manager to resolve this situation in a given way. The communication used by the seller may be abrupt or rude, or the salesperson may even resort to lying to the buyer to ensure that the conflict is settled in the seller's best interest. If the buyer perceives the communication as negative, he or she could respond first with reason, then dissolve into angry terms in reciprocation to the seller. As it becomes obvious that the conflict issues will not be resolved, previously latent conflict issues may erupt into active conflict. Personal feelings and accusations may soon be involved (Thomas 1976).

Therefore the following hypotheses are offered:

H5a: The conflict management strategy *dominating* is negatively associated with functional conflict. H5b: The conflict management strategy *dominating* is positively associated with dysfunctional conflict.

Support for the Association of Manifest Conflict with Relationship Quality

Manifest conflict is the outward behavior exhibited by the individuals involved in a conflict incident and is evidence that conflict is occurring or has occurred (Pondy 1967). Functional conflict is the type of manifest conflict that leads to improved communication, positive impressions of the conflict incident, and greater cooperation (Amason, Thompson, Hockwarter, and Harrison 1995, Amason 1996, Assael 1969). The most frequently researched type of manifest conflict is dysfunctional conflict. It is said to exist when one relationship partner perceives that another relationship partner is attempting in some way to impede his own goal achievement (Stern and El-Ansary 1977) and is characterized by negative communication and even personally disparaging remarks (Amason 1996).

Early theorists proposed that manifest conflict had effects on the quality of relationships. Even though Mallen (1963) proposed that the type of relationship that existed would lead to a certain level of conflict, he did recognize that there was an

association between the two. Pondy (1967) stated that manifest conflict led to another stage, conflict aftermath.

Each conflict episode is but one of a sequence of such episodes that constitute the relationships among organization participants. If the conflict is genuinely resolved to the satisfaction of all participants, the basis for a more cooperative relationship may be laid...On the other hand, if the conflict is merely suppressed but not resolved, the latent conditions of conflict may be aggravated and explode in more serious form until they are rectified or until the relationship dissolves (p. 305).

Van deVen and Walker (1984) tried to determine what factors would lead to interorganizational coordination, or a partnership with high levels of trust and satisfaction. Their findings indicated that alliances are formed because of a resource or financial need. However, as the particulars are negotiated, conflicts about goals, policies, and the like begin to emerge and may cause the relationship to deteriorate or expire.

When dysfunctional conflict is manifested in a buyer seller relationship, it is characterized by damaging statements, disparaging remarks, and criticism. Either party may question the other's commitment to the relationship (Anderson and Weitz 1992).

Both parties may experience frustration, anger, and/or a desire to circumvent other such incidents. The relationship may deteriorate (van de Ven and Walker 1984) or even to expire (Day 1995).

In trying to understand why this may occur, it is important to remember that the components of relationship quality are trust and satisfaction. As the buyer experiences the unconstructive outcomes of dysfunctional conflict, he or she may perceive that the seller displayed an uncooperative attitude and may have even verbally attacked the buyer on a personal level. The buyer may realize that the nature of this conflict incident might have been different given different behavior by the seller. Perhaps this is the first time the seller has demonstrated such conduct, or perhaps he or she has gradually progressed from cooperative to uncooperative. With either situation, the buyer now has doubts about the seller's honesty and benevolence toward him. The level of trust has diminished. Additionally, the buyer may consider any gains he or she received from the conflict incident not worth the stress produced by dealing with it. This disequilibrium may cause the buyer to reexamine previous interactions with the seller and question those dealings as well. The buyer's satisfaction level with the relationship may be lower because of a changed perception of the relationship caused by the current conflict incident.

In contrast, as a buyer experiences the outcomes related to functional conflict, the open communication about valid issues may cause him or her to experience feelings of accomplishment and control that progress has been made in resolving the issues without an emotional outburst. These feelings, as well as a sense that the seller truly attempted to settle the real issues may cause the buyer to feel more connected to the seller, almost as if the two are on a team. The buyer may now feel that the seller does care about the buyer and his or her concerns, which should cause the level of trust to increase (Plank and Francis 2001). This again might cause the buyer to review past interactions with the seller in a more favorable light, which should cause the level of satisfaction to increase as well. Therefore the following hypotheses are offered.

H6: Functional conflict will have a positive association with relationship quality in a buyer/seller environment.

H7: Dysfunctional conflict will have a negative association with relationship quality in a buyer/seller environment.

CHAPTER 3

RESEARCH METHOD

Introduction

This chapter discusses the research method for this dissertation research. The scales that will be used to measure the model's constructs will be discussed and the research instrument will be presented. The methods used to collect the data will also be addressed, including sample issues, distribution and collection procedures, and follow-up procedures. Next, the data analysis tools to be used will be presented.

Construct Measurement

Conflict Management Strategies

Rahim (1983) developed a scale to measure the five conflict management strategies that are based on Thomas' (1976) work. After generating items for the scale, testing them, and purifying them, 28 items remained in the scale. The percent of variance explained by all five styles is 89.3%. The following is a replica of the analysis of reliability of the scale that was published when the scale was first published (Rahim 1983). These reliability estimates indicate that the scale has an acceptable level of reliability.

TABLE 3.1

	Test-Retest	Cronbach Alpha	Spearman- Brown Reliability	Guttman Lambda	Kristof's Unbiased Reliability
Integrating	.83	.77	.73	.77	.77
Obliging	.81	.72	.71	.73	.72
Dominating	.76	.72	.71	.73	.72
Avoiding	.79	.75	.71	.76	.76
Compromising	.60	.72	.67	.73	.73

Reliability Scale Analysis

Rahim and Magner (1995) tested the instrument again using five different samples. The goodness-of-fit index and adjusted goodness-of-fit index provided by structural equation modeling ranged from .82 to .89 and .78 to .87, respectively. Confirmatory factor analysis provided evidence of both the convergent and discriminant validities of the subscales in diverse samples.

This scale has been used by Psenicka and Rahim (1989). Song, Xile, and Dyer (2000) used the avoiding and integrating scales, while Morris, William, Lueng, and Larrick (1998) used the dominating scale. In a study of conflict management strategies in five different cultures, Ting-Toomey –Toomey, Gao, Trubisky, Yank, Kim, Lin, and Nishida (1991) found exploratory factor analytic properties similar to those found when Rahim and Magner (1995) used the ROC I-II scale.

No other scales that measure conflict management strategies could be found. Other constructs of conflict management have been proposed and/or measured, (e.g., Dant and Schul 1992; Dabholkar, Johnston, and Cathey 1994) but guided interviews and non-replicated scales were used. The 28 items used for the scale are listed below. INTER 1 - I tried to investigate an issue with this salesperson to find a solution acceptable to us.

INTER2 – I tried to integrate my ideas with those of this salesperson to come up with a decision jointly.

INTER3 - I tried to work with this salesperson to find solutions to a problem which satisfied our expectations.

INTER4 – I exchanged accurate information with this salesperson.

INTER5 - I try to bring all our concerns out in the open so that the issues can be resolved in the best possible way.

INTER6 - I collaborate with this salesperson to come up with decisions acceptable to us.

INTER7 – I try to work with this salesperson for a proper understanding of a problem.

OBLIG1 – I generally try to satisfy the needs of this salesperson.

OBLIG2 – I usually accommodate the wishes of this salesperson

OBLIG3 – I gave in to the wishes of this salesperson.

OBLIG4 – I accommodated the wishes of this salesperson.

OBLIG5 – I often go along with the suggestions of this salesperson

OBLIG6 – I try to satisfy the expectations of this salesperson.

AVOID1 – I attempted to avoid being "put on the spot" and tried to keep my conflict with this salesperson to myself.

AVOID2 – I usually avoid open discussion of my differences with this salesperson.

AVOID3 – I try to stay away from disagreement with this salesperson.

AVOID4 – I avoid an encounter with this salesperson.

AVOID5 – I try to keep my disagreement with this salesperson to myself in order to avoid hard feelings.

AVOID6 – I try to avoid unpleasant exchanges with this salesperson.

DOMIN1 - I used my influence to get my ideas accepted.

DOMIN2 – I used my authority to make a decision in my favor.

DOMIN3 – I use my expertise to make a decision in my favor.

DOMIN4 – I am generally firm in pursuing my side of the issue.

DOMIN5 – I sometimes use my power to win a competitive situation.

COMP1 – I tried to find a middle course to resolve an impasse.

COMP2 – I usually propose a middle ground for breaking deadlocks.

COMP3 - I negotiate with this salesperson so that a compromise can be reached.

COMP4 – I use "give and take" so that a compromise can be made.

Manifest Conflict

The construct of manifest conflict has been measured for decades, but the

method or even definition used to measure it has seldom been the same. For example,

Brown, Lusch, and Mehling (1983) measured conflict in retailer/supplier channels of distribution using a series of statements about the frequency of disagreements that occurred within the channel.

Another scale used to measure conflict in channels of distribution was developed by Schul for his dissertation research and used by Schul, Pride, and Little (1983) and by Schul (1987). In these studies franchisers and franchisees were asked to respond to a series of statements regarding administrative conflict, which involves the legalities of the franchise, and service conflict, which involves the services provided by the franchiser. These two constructs were operationalized by asking respondents how much disagreement was experienced in their interactions with the other party.

Gaski and Nevin (1985) also developed a scale that measures conflict in channels of distribution. Dealers were asked to respond to ten questions involving the manufacturers' policies and goals and their potential to harm the dealer's business, as well as the dealer's attitudes toward the manufacturers.

Maltz and Kohli (2000) developed a scale that measured conflict between the different functional areas of an organization. Members of certain functional areas of a business, such as marketing, were asked to consider their interaction with members of other functional areas, such as sales. Statements regarding problems with coordinating work activities, competition for resources, performance, goals, and management were presented.

Jehn (1995, 2001) and Shah and Jehn (1993) developed a scale to measure conflict in a group setting. The scale attempted to measure three types of conflict, including relationship conflict, which is the emotional conflict between the members of a group. The second type of conflict that the scale sought to measure was task conflict, which is disagreement about the work the group is trying to perform. The third type of conflict is process conflict, which is disagreement over the method by which the work is completed, including work division and responsibility.

The scales discussed above have attempted to measure conflict in the interorganizational environments of franchisers and franchisees, as well as manufacturers and dealers, in an intraorganizational setting, and in a group setting. Yet each scale has something in common. Each seems to define manifest conflict from a dysfunctional aspect only. These definitions do not correspond with the recent findings (Amason 1996; Menon, Beharadwaj, and Howell 1996) that indicate that manifest conflict is comprised of two separate constructs, functional conflict and dysfunctional conflict.

A scale developed by Jehn (1992) for her doctoral dissertation research measures both functional and dysfunctional conflict. Four items attempt to measure dysfunctional conflict and reflect the understanding that dysfunctional conflict becomes personal and negative very quickly. Three items attempt to measure functional conflict and indicate the awareness that functional conflict involves disagreement about the conflict issue and remains impersonal. Jehn (1994) used the scale in a study of group conflict. The coefficient alpha for the dysfunctional conflict scale in the Jehn (1994) study was .89 and the coefficient alpha for the functional conflict scale was .85. Amason (1996) also used the scale in study of group conflict. He assessed the scale using exploratory factor analysis and found that the four dysfunctional conflict items produced a reliability coefficient of .86, while the three functional conflict items produced a reliability coefficient of .79. The two factors

together explained over 70 percent of the total variation in the seven items. Plank and

Francis (2001) used this scale in their study of conflict in buyer/seller relations, but no

psychometric properties were reported.

The Jehn (1993) scale measures both functional and dysfunctional conflict and

has been shown to be sufficiently reliable. This seven-item scale is the only scale

found that measured both, and will be used in therefore be used in this study. The

seven items used to measure manifest conflict are listed below.

FCON1 – How many disagreements over different ideas were there between you and the salesperson during the negotiation?

FCON2 – How many differences about the content of the decision were there between you and the salesperson during the negotiation?

FCON3 - How much tension was there between you and the salesperson during this negotiation?

FCON4 – How many general differences of opinion were there between you and the salesperson during this negotiation?

DYCON1 – How much anger was there between you and the salesperson during the course of this negotiation?

DYCON2 – How much person friction was there between you and the salesperson during this negotiation?

DYCON3 – How much of a personality clash was there between you and the salesperson during this negotiation?

Relationship Quality

Most of the scales used to measure relationship quality have been developed for use in interorganizational studies. One of the first of these was developed by Gaski (1986) and adapted by Dwyer and Oh (1987), who attempted to measure relationship quality through a four-item scale regarding satisfaction. Boyle, Dwyer, Robicheaux, and Simpson (1992) indicated that relationship quality can be measured by determining the levels of solidarity, flexibility, and mutuality that exists in an interorganization relationship. Morgan and Hunt (1994) developed scales measuring trust and commitment in an attempt to determine relationship quality in channels of distribution. Kumar, Scheer, and Steenkamp (1995) also developed scales measuring trust and commitment as indicators of relationship quality. Mohr, Fisher and Nevin (1996) also sought to measure relationship quality in interorganizational relationships by with scales measuring satisfaction, commitment, and coordination as indicators of relationship quality.

In the sales environment, trust is one of the most frequently researched and discussed constructs in studies of relationships. Doney and Cannon (1997) developed a seven-item scale to measure trust of salespeople, as did Plank, Reid, and Pullins (1999) and Smith and Barclay. Each of these scales was concerned with trust as a construct and not as an indicator of relationship quality.

In contrast, Crosby, Evans and Cowles (1990) developed a scale to specifically measure relationship quality in a buyer/seller environment through items measuring levels of satisfaction and trust. The reliability and validity indicators of these scales are given in Table 3.2. This scale was also used in buyer/seller studies by Boles, Johnson, and Barksdale (2000) and by Parsons (2002). Since the chosen view of relationship quality indicates that trust and satisfaction are the components of relationship quality, the Crosby, Evans, and Cowles (1990) scale will be used in this study. The twelve items used to measure relationship quality are listed below.

TRUST1 – My salesperson can be relied upon to keep his/her promises. TRUST2 – There are times when I find this salesperson to be a bit insincere. (reverse) TRUST3 – I find it necessary to be cautious in dealing with this salesperson. (reverse) TRUST4 – This salesperson is trustworthy. TRUST5 – My salesperson and I are in competition – he/she is trying to sell me a lot of his/her products and I am trying to avoid buy it. (reverse) TRUST6 – This salesperson puts the customer's interests before his/her own. TRUST7 – Some people, including this salesperson, are not above "bending the facts" to crease the impression they want. (reverse) TRUST8 – This salesperson is dishonest. (reverse) TRUST9 – I suspect this salesperson has sometimes withheld certain pieces of critical information that might have affected my decision-making. SATIS1 – When I think of this salesperson, I feel (dissatisfied to satisfied). SATIS2 – When n I think of this salesperson, I feel (displeased to pleased). SATIS3 – When I think of this salesperson, I feel (unfavorable to favorable). Some of the demographic items are as follows.

AGECOMP – How old is your organization?

EMPCOMP – What is your estimate of the number of employees your organization has?

YRSPURCH – How many years have you worked in purchasing?

YRSCOMP – How many years have you worked for your current company? MNKNOWN – How long have you known this salesperson? (months)

PURCH\$ - In the recent negotiation experience you were considering, what was the dollar amount of the purchase?

TYPICAL\$ - Please estimate the dollar amount of the typical purchase you make from this sales person.

YEARLY\$ - On average, how much money has been spent with the salesperson's firm per year over the last three years?

TIME-MIN - Please estimate the amount of time you spend with this salesperson in a typical sales interaction. (minutes)

AGE – Your age.

Collection of Data

The Sample

<u>Unit of Analysis.</u> The unit of analysis for this study will be purchasing managers who interact with industrial salespeople. The business-to-business sales setting was chosen because much of the literature on conflict and relationships has its origins in channels of distribution studies and interorganizational research. Recently, the extension of constructs studied in these environments has been made to the sales (Smith and Barclay 1999; Weitz and Bradford 1999; Kennedy, Ferrell, and LeClair

TABLE 3.2

Scales Considered to Measure Constructs

Construct	Scale Author(s)	Year	Article Title	Journal/Vol/ Issue Pages	Validity	Reliability	Sample	Scale also used by
Manifest Conflict	Jehn	1994	Enhancing effectiveness: An Investigation of Advantages and Disadvantages of Value-Based Intragroup Conflict	International Journal of Conflict Management n.s. (5): 223-238		α = .892 for dysfunctional scale and .853 for functional scale		Plank and Francis (2001) Amason (1993 and 1996) Jehn (1992 and Francis (1995)
Conflict	Schul, Pride and Little	1983	The Impact of Channel Leadership Behavior on Intrachannel Conflict	JM, 47(Summer): 21-34.	Loadings above .60 using confirmatory factor analysis	α=.78	real estate franchisee	Schul (1987)
Conflict	Jehn and Mannix	2001	The Dynamic nature of conflict: A longitudinal study of intragroup conflict and group performance	AMJ 44(2): 238-251	Confirmatory factor analysis resulted in three factors consistent within all uses of this scale	α=.94, .94 , and .93	groups	Jehn (1995) and Shah and Jehn (1993)

Conflict	Maltz and Kohli	2000	Reducing Marketing's conflict with Other Functions: The Differential Effects of Integrating Mechanisms	JAMS 28(4): 479-492.			interfunctional in an organization	
Conflict Management Strategies	Rahim	1983	A Measure of Styles of Handling Interpersonal Conflict	AMJ 26(2): 368-376.	see table in chapter 3	see table in chapter 3		Rahim and Magner (1995); Levy (1989) Wardlaw (1988) Lee (1990) Psenicka & Rahim (1989; Song, Xile, and Dyer (2000 Morris, Williams, Leung, and Larrick (1998) Tin-Toomey e
Quality of Relationship	Boyle, Dwyer, Robicheaux, and Simpson	1992	Influence Strategies in Marketing Channels: Measures and Use in Different Structures	JMR 29(November) : 462-473.	χ^2 =815 (443 d.f.), p<.05; GFI=.77; AFGI=.72; CFI=.84;RMS R=.09	α=.769 for composite reliability for three scales	auto dealers	al (1991)
Quality of Relationship (satisfaction)	Dwyer and Oh	1987	Suucluics	JMR	Checked for face validity, item correlations and residual analysis	α=.91		

82

TABLE 3.2 Continued

Quality of	Plank, Reid,	1999	Perceived Trust	JPS 19(3):				
Relationship (trust)	and Pullins		in Business to Business Sales:	61-71				
, ,			A New Measure					
Quality of Relationship (trust and commitment)	Kumar, Scheer, and Steenkamp	1995	The Effects of Perceived Interdependence on Dealer Attitudes	JMR 32(August): 348-356	All first order and second order factor loadings were significant (mint-value was 6.88,	α=.91 for trust and .82 for commitment	dealers	
					<i>p</i> <.0001) and greater than .40			
Quality of Relationship (Trust and Commitment)	Morgan and Hunt	1994	The Commitment- Trust Theory of Relationship Marketing	JM 58(July): 20-38	$\lambda = .74$ for commitment items and .85 for trust items	Reliability = .895 for commitment scale and .949 for trust scale α =.895 for commitment and .947 for trust	Independent tire dealers	
Quality of Relationship (cooperation and mutual trust)	Smith and Barclay	1999	Selling Partner Relationships: The Role of Interdependence and Relative Influence	JPS 19(Fall): 21-40	given beside each item	α = .78 for cooperation scale and .92 for mutual trust scale	buyers and sellers	

Quality of relationship (outcomes)	Mohr, Fisher, and Nevin	1996	Collaborative Communication in Interfirm Relationships: Moderating Effects of Integration and Control	JM 60(July):103- 115 JM 61(April) 35-51.	χ^2 =1.98 (2 d.f, p=.371; GFI=.992; AGFI=.962	α= .85 for satisfaction, .80 for commitment, and .75 for coordination	computer store owners/mgrs as customers of computer manufacturers	
Quality of relationship (trust)	Doney and Cannon	1997	An Examination of the Nature of Trust in Buyer- Seller Relationships		χ^2 =444 (d.f.211) <i>p</i> <.01; GFI=.89, CFI=.93, IFI=.93)	α=.90	678 members of NAPM with SIC Codes 33- 37 (industrial manufacturers) Response rate was 210 completed for 31% response rate	
Relationship Quality (Trust and Satisfaction)	Crosby, Evans, and Cowles	1990	Relationship Quality in Services Selling: An Interpersonal Influence Perspective	JM 54(July): 68-81	λ= 1.00 for trust index and 1.68 for satisfaction index	α =.99 for satisfaction subscale, .89 for trust subscale. Overall construct reliability = .76	Consumer head of households ages 25 to 44 who owned whole life insurance	Boles, Johnson, and Barksdale (2000); Parsons (2002)

TABLE 3.2 Continued

2001) and intraorganizational environments (Song, Xile, and Dyer 2000; Maltz and Kohli 2000; Jehn and Mannix 2001).

Because this study considers the conflict and the quality of relationships between salespeople and purchasing managers, both of these dyad members could have been chosen as the sample frame. The selection of purchasing managers as customers is supported by the literature, however, in both the conflict area and the relationship quality area, as indicated in the discussion below.

Much of the work in the conflict area, as well as the conflict management area, was performed using either manufacturer/dealer or franchiser/franchisee dyads or by using the customer as the sample frame. For example, Rosenberg and Stern (1971) used a dyad, as did Eliasbert and Michie (1984), Anderson and Weitz (1992), and Dant and Schul (1992). Schul, Pride, and Little (1983) used real estate franchisees. Etgar (1979), Brown, Lusch, and Meuhling (1983), and Frazier and Rody (1991) also used only the customer side of the dyad. There were no studies in either the conflict or conflict management areas that used only salespeople as a sample.

In studying relationship quality, the buyer side of the relationship was used as a sample by Crosby, Evans, and Cowles (1990), Morgan and Hunt (1994), Mohr, Fisher, and Nevin (1996), Doney and Cannon (1997), Plank, Reid, and Pullins (1999), Boles, Johnson, and Barksdale (2000), Sengupta, Krapfel, and Pusateri (2000), and Kennedy, Ferrell, and LeClair (2001). Jap (1999) and Smith and Barclay (1999) used supplier/customer dyads in their research. No research could be found in which suppliers or their salespeople were used as the complete sample in studying relationship quality. In addition to this record of using purchasing managers, the understanding of the current business environment helps to illustrate why the customer is the more critical member of the buyer/seller dyad. Globalization and technology have led to increased competition at every level. Buyers who once routinely purchased products from the sales representative of an area or regional company now have the option of ordering on-line from vendors around the world. To counteract this trend and other risks inherent in a dynamic business environment, many suppliers have sought to partner with their customers in order to better meet their needs and to achieve a higher level of customer loyalty. Conflict between companies, and particularly between the individual buyers and sellers, is a direct threat to customer satisfaction and loyalty. Thus, it is critical to understand the buyer's perception of conflict management strategies and their effect on manifest conflict and relationship quality.

<u>Sample Frame</u>. The sample frame will be provided by the Institute for Supply Management (Formerly the National Association for Purchasing Managers). The Institute for Supply Management is an international umbrella organization for 180 affiliate organizations. In addition to education, training, and certification purposes, the ISM has an affiliation with the *Journal of Supply Chain Management* which publishes academic research. The sample will be chosen from members who work in industries that are categorized by SIC codes 20-39, which represents all manufacturing, 50-51 which represents wholesale trade of both durable and nondurable goods, 53-54 which represents general merchandise and food stores, and 56-57 which represents apparel and accessory stores as well as furniture and home furnishings firms. The sample will be further stratified by limiting respondents to senior buyer, or vice-president/director of purchasing. Since the respondents will be questioned regarding a particular conflict incident, it is imperative that each one have regular contact with salespeople, and the individuals included in the sample should have that interaction.

When determining the sample size, the response rates of similar studies must be considered. A brief review of research using the ISM (NAPM) database in a mail survey and the corresponding response rates are shown in Table 3.3.

TABLE 3.3

Author(s)	Journal	Issue	Sample Size	Response and Response Rate	Method of distribution (if noted)
Krause & Scanelli (2002)	Journal of Supply Chain Management (JSCM)	38:2	1504	527 (35%)	Dillman's
Parsons (2002)	JSCM	38:2	2000	368 (18.4%)	8 waves
Simpson, Siguaw, et al	JSCM	38:1	2001	299 (14.3%)	unnoted
Tan (2002)	JSCM	38:1	1000 - Director level or higher - 76 unusable	246 (26.8%)	Dillman's
Detter- Schmelz, et al	JSCM	37:1	1000	232 (23.2%)	Dillman's - first two waves only
Doney and Cannon	ЈМ	61: April	678 of SIC codes 33-37	210 (31%)	Dillman's

Review of Research Using ISM as Sample Frame

As noted, the response rate ranged from 14.3% to 35%. The three highest response rates utilized Dillman's (1978) method, which will be utilized for this study. This method specifies the systematic distribution of the questionnaire in three separate mailings. First, the entire sample will be mailed a cover letter and questionnaire. One

to two weeks after the first mailing, a reminder post card is mailed to the entire sample. Three weeks after the initial mailing another letter and questionnaire are sent to nonrespondents. As the responses are received, they are dated to determine the percentage of responses received from each mailing. In order to receive approximately 300-400 usable responses and achieve suitable statistical power, and estimating a 20 percent response rate, a sample size of 2,000 will be used.

Analysis of Data

Diagnostic Tests

Before analyzing the expected data set, it must be examined. Some diagnostic tests are discussed below.

<u>Normality</u>. Normality can be assessed graphically using a histogram or a normal probability plot. These are simple, non-statistical methods. Statistical tests to assess normality include the Shapiro-Wilks test and a modification of the Kolmogorov-Smirnov test. These tests calculate the level of significance for the differences from a normal distribution.

<u>Multicollinearity.</u> Two methods can be used to test for multicollinearity. First the tolerance and variance inflation factors (VIF) values can be calculated. The tolerance value is determined by subtracting the proportion of the variable's variance that is explained by the other predictors from one. The VIF is the reciprocal of the tolerance (Hair *et al* 1995). A lack of multicollinearity will be represented by a high reciprocal value and a low VIF. The second method is computing a regression coefficient variance-decomposition matrix (Hair *et al* 1995). Once the matrix is composed, all indices with a threshold value of 30 are identified. If a condition index is .90 or above, multicollinearity is indicated.

<u>Independence of Error.</u> A test of randomness in the least square residuals is the Durbin-Watsin test. An acceptable test statistic value will be between 1.5 and 2.5. A test statistic closer to 0 indicates a strong positive correlation between successive residuals, while one closer to 4 indicates a negative correlation.

<u>Homoscedasticity.</u> A test for the constant variance of error terms is a graphical plotting of the studentized residuals against the predicted criterion values and comparing them to the null plot (Hair, Anderson, Tatham, and Black 1995). A statistical test used to assess this is the Levene test for homogeneity of variance and the Breusch-Pagan test.

Scale Assessment

The scales used in this study will be assessed using some of the methods below.

Internal Consistency or Reliability. A commonly used measure of reliability is the Cronbach alpha coefficient. This value ranges between 0 and 1.0. A higher value indicates higher reliability. A minimum level for exploratory research is .6 (Nunnally 1979), while the acceptable range of coefficient alpha in marketing is above .70 (Nunnally 1978). Internal consistency can also be measured using inter-item

correlations, which should be greater than .30, and item-to-item correlations, which should be .50 or above (Bearden, Metemeyer, and Teel 1989).

<u>Unidimensionality.</u> Unidimensionality is assessed through exploratory factor analysis. This approach examines interrelationships among a large number of variables and seeks to explain these variables in terms of their common underlying dimensions (Hair *et al* 1995). It is commonly accepted that a factor loading greater than .8, an eigenvalue greater than 1, and an average variance extracted greater than .5 are acceptable.

<u>Validity</u>. Validity is the degree to which a measure or set of measures accurately represents the construct of interest (Hair *et al* 1995). Discriminant validity is the degree to which constructs that should differ have an observed lack of association. Convergent validity is the degree of correlation among different measurements that claim to measure the same construct. A correlation table showing the simple coefficients of correlation between the dependent variable and each of the independent variables, as well as among the independent variables, can be used to measure validity. The absolute value of the correlation is not considered in this instance; instead the significance of the correlations.

Method of Analysis

This study seeks to examine the relationship between the independent variables and one dependent variable at a time. A statistical technique that fits the testing of the proposed hypotheses is multiple regression analysis. There will be four separate regression models. Additionally, the model will be tested to determine if functional conflict and dysfunctional conflict serve as mediating variables for conflict management strategies and relationship quality (Baron and Kenny 1986).

The first dependent variable to be tested is functional conflict. The regression equation is expressed as:

 $C_{1} = \beta + \beta_{1}X_{1} + \beta_{2}X_{2} + \beta_{3}X_{3} + \beta_{4}X_{4} + \beta_{5}X_{5} + e$

where C_I = functional conflict

 X_1 = integrative conflict management style X_2 = compromising conflict management style

 X_3 = avoiding conflict management style

 X_4 = obliging conflict management style

 X_5 = dominating conflict management style

The second regression model has dysfunctional conflict as the dependent

variable. The regression equation is expressed as:

 $C_2 = \beta + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$

where C_2 = dysfunctional conflict

 X_1 = integrative conflict management style X_2 = compromising conflict management style X_3 = avoiding conflict management style X_4 = obliging conflict management style X_5 = dominating conflict management style

The dependent variable of the third regression model is quality of relationship.

The regressions equation is expressed as:

 $Y_1 = \beta + \beta_6 C_1 + \beta_7 C_2 + e$

where Y_1 = quality of relationship (relationalism)

 C_I = functional conflict

 C_2 = dysfunctional conflict

The final regression model also has quality of relationship has the dependent variable and seeks to determine the relationship between it all of the previously mentioned independent variables. The regression model is expressed as follows:

 $Y_{1} = \beta + \beta_{1}X_{1} + \beta_{2}X_{2} + \beta_{3}X_{3} + \beta_{4}X_{4} + \beta_{5}X_{5} + \beta_{6}C_{1} + \beta_{7}C_{2} + e$

CHAPTER 4

RESULTS

Introduction

Chapter Four will present the results of the study discussed in chapters one, two, and three. First, the data collection process will be reviewed. Then, the collected data will be assessed using diagnostic testing and scale assessment. Finally, the results of the multiple regression analysis examining the relationship between the independent variables and the dependent variables will be examined.

Examination of Data

One thousand nine hundred and fifty questionnaires were mailed to members of the Institute of Supply Management (formerly the National Association of Purchasing Managers) on Friday, February 13, 2004. The original sample obtained from the ISM included 2,000 names, however 50 of them were located internationally. Because of the expense and time involved in getting a reply from those, they were eliminated from the sample. Each remaining sample member received an introductory letter from the author of this dissertation, an introductory letter from Mr. Paul Novak, Chief Executive Officer of the ISM, the questionnaire, and a self-addressed, postage paid reply envelope. A second packet was mailed to the 1,950 sample members on February 27, 2004. Each packet contained a reminder letter, an additional questionnaire, and a postage paid reply envelope.

Two hundred eighty-eight responses were received for a 14.8% response rate. Of those, 273 (14%) were valid. Table 4.1 presents the time line of the return response.

The valid responses were divided into two groups of 136 and 137 to test for non-response bias. Using multivariate analysis of variance (MANOVA), no significant difference was found between the two groups. The Wilks' Lambda was .823, the Pillai's Trace figure was .177, with the F value of .869 significant at the p<.01 level. There is therefore no indication of non-response bias.

TABLE 4.1

Date Received	Frequency	Percentage(%)	Cumulative %
February 26	9	3.3	3.3
February 27	9	3.3	6.6
March 1	39	14.3	20.9
March 2	49	17.9	38.8
March 4	38	13.9	52.7
March 5	39	14.3	67
March 10	46	16.8	83.8
March 11	8	2.9	86.7
March 12	1	.36	87.1
March 15	12	4.4	91.5
March 16	4	1.5	93
March 17	10	3.7	96.7
March 23	6	2.2	98.9
March 24	3	1.1	100
Total	273	100%	

Date of Received Responses

The data collected from the 273 valid responses are described in Table 4.2(a) and Table 4.2(b) below. The tables include statistics for each item used to test the model. Table 4.2(a) includes those items for which a computed mean is appropriate, with Table 4.2(b) reported the frequencies for those items where a mean is not appropriate. The item labels are described in Chapter 3.

TABLE 4.2(a):

Variables	Mean	Standard Deviation	Median	Skewness	S.E. Skewness	Kurtosis	S.E. Kurtosis
INTER1	5.88	1.27	6.0	-1.958	.147	4.566	.294
INTER2	5.68	1.16	6.0	-1.329	.147	2.221	.294
INTER3	5.97	1.05	6.0	-2.056	.147	6.055	.294
INTER4	6.07	1.13	6.0	-1.999	.147	4.831	.294
INTER5	6.03	.97	6.0	-1.553	.147	3.676	.294
INTER6	5.68	1.05	6.0	-1.208	.147	2.504	.294
INTER7	5.96	.95	6.0	-1.683	.147	4.526	.294
COMP1	5.01	1.41	5.0	740	.147	074	.294
COMP2	4.87	1.41	5.0	580	.147	340	.294
COMP3	5.44	1.32	6.0	-1.286	.147	1.43	.294
COMP4	5.29	1.14	5.0	760	.147	.403	.294
AVOID1	4.12	1.67	4.0	030	.147	-1.029	.294
AVOID2	3.19	1.78	3.0	.574	.147	870	.294
AVOID3	3.30	1.67	3.0	.419	.147	701	.294
AVOID4	2.67	1.63	2.0	1.029	.147	.310	.294
AVOID5	3.45	1.60	3.0	.416	.147	737	.294
AVOID6	4.04	1.82	4.0	021	.147	-1.258	.294
OBLIG1	4.65	1.46	5.0	490	.147	171	.294
OBLIG2	3.56	1.36	4.0	019	.147	288	.294
OBLIG3	2.42	1.37	2.0	1.30	.147	1.775	.294
OBLIG4	3.37	1.47	3.0	.156	.147	610	.294
OBLIG5	3.98	1.33	4.0	214	.147	225	.294
OBLIG6	4.05	1.39	4.0	269	.147	294	.294
DOMIN1	4.87	1.46	5.0	823	.147	010	.294
DOMIN2	4.07	1.60	4.0	288	.147	768	.294
DOMIN3	4.89	1.46	5.0	797	.147	.069	.294
DOMIN4	5.42	1.16	6	925	.147	1.0	.294
DOMIN5	6.03	.97	6	-1.553	.147	3.676	.294
FCON1	3.8	1.35	4	.003	.147	469	.294

Sample Descriptions

TABLE 4.2 (a) Continued

							_
FCON2	3.88	1.35	4	065	.147	480	.294
FCON3	3.9	1.35	4	.064	.147	439	.294
DYCON1	2.77	1.55	2	.582	.147	495	.294
DYCON2	2.55	1.47	2	.735	.147	270	.294
DYCON3	2.37	1.44	2	1.029	.147	.290	.294
DYCON4	3.25	1.47	3	.347	.147	439	.294
TRUST1	5.41	1.44	6	-1.196	.147	1.009	.294
TRUST2	3.19	1.65	3	.356	.147	849	.294
TRUST3	3.56	1.81	4	.187	.147	-1.127	.294
TRUST4	5.29	1.45	6	-1.008	.147	.723	.294
TRUST5	2.76	1.57	2	.699	.147	274	.294
TRUST6	4.16	1.54	4	188	.147	686	.294
TRUST7	3.70	1.69	4	.057	.147	-1.064	.294
TRUST8	1.89	1.30	1	1.731	.147	2.885	.294
TRUST9	3.29	1.70	3	.375	.147	773	.294
SATIS1	5.03	1.48	5	845	.147	.226	.294
SATIS2	4.89	1.50	5	679	.147	.002	.294
SATIS3	4.99	1.44	5	837	.147	.337	.294
AGECO	57.55	36.7	50	.618	.192	616	.383
MP							
EMPCO	7939.9	26359.25	500	6.446	.192	50.07	.383
MP	2						
YRSPUR	16.1	8.48	17	.168	.192	894	.383
CH							
YRSCOM	11.47	9.8	8	.990	.192	.098	.383
Р							
MNKNO	68.01	61.04	48	1.575	.192	2.185	.383
WN							
PURCH\$	54386	36583089	250000	11.564	.192	140.394	.383
	20.1						
TYPICAL	29571	12527114	40000	6.383	.192	46.794	.383
\$	59.4						
YEARLY	29655	2.424e+08	1000000	11.878	.192	145.676	.383
\$	357						
TIME-	491.95	4757.01	60	12.548	.192	157.933	.383
MIN							
AGE	48.6	7.59	49	333	.192	482	.383

As indicated in Table 4.2(a), the means of the 28 Conflict Management Strategy items range from 2.42 to 6.07. The means for the seven Manifest Conflict items range from 2.37 to 3.90. The means for the 12 Relationship Quality items range from 1.89 to 5.41. In general, most of the predictor variables have medium to slight negative skewness, which indicates bundling on the right and a long tail on the left. However, most of the dependent variables have positive skewness, which indicates bundling on the left and a long tail on the right. From the kurtosis statistics, it can be said that the data is moderately to slightly concentrated in the tails, as opposed to in the center. Even though the data does not appear normal, normality is not required for the theory.

TABLE 4.2(b):

Variable	Variable reported	Frequency	Percent
Industry	food and kindred products	23	8.4
-	apparel/other fabric products	4	1.5
	paper and allied products	16	5.9
	petroleum refining and related industries	16	5.9
	stone, clay, glad, and concrete products	3	1.1
	industrial commercial and computer	16	5.9
	eo9iquipment		
	tobacco products	3	1.1
	Lumber, wood products, not furniture	1	.4
	Printing, publishing and allied industries	6	2.2
	Rubber and plastic products	13	4.8
	Primary metal industries	12	4.4
	Electronic and other electrical equipment	31	11.4
	except computers		
	Textile mill products	3	1.1
	Furniture and fixtures	3	1.1
	Chemicals and allied products	26	9.5
	Leather and leather products	1	.4
	Fabricated metal products	24	8.8
	Transportation equipment	8	2.9
	Other	59	21.6

Sample Descriptions – Frequencies

TABLE 4.2 (b) Continued

Title	Purchasing	108	39.56
	agent/manager/administrator/director/		
	supervisor/coordinator		
	Buyer/sr. buyer/corporate buyer/	52	19.04
	Supply Chain mgr/coordinator/specialist	9	3.30
	Commodities manager	9	3.30
	Procurement agent/manager/planner/specialist	17	9.52
	Materials manager/analyst/control	23	8.42
	manager/director		
	Vice-President	7	2.56
	President	2	.733
	Agronomist	1	.366
	Contracts/Sub-contracts	9	3.30
	manager/administrator		
	Director/director of materials/transportation	5	1.83
	Compliance assistant	1	.366
	Manager/category manager/operations	14	5.13
	manager/sourcing mgr./acquisition manager		
	Government compliance manager	1	.366
	Quality engineer	1	.366
	Strategic agreements manager	2	.733
	Senior sourcing specialist	2	.366
	Supervisor	1	.733
	Site controller	1	.366
	Cost reduction team leader	1	.366
	Master black belt	1	.366
	Mgr. W/w/Chem/Pharm	1	.366
	Senior acquisition manager	1	.366
	Blank	4	1.47
		273	100
Interaction	No	217	79.5
	Yes	54	19.8
	Blank	2	.7
Gender	Molo	201	72.6
Uchuer	Male Female	201 71	73.6 26.0
	Blank	/1 1	26.0 .4
	DIAIIK	I	.4
Ethnicity	White	252	92.3
	African American	9	3.3
	Hispanic	3	1.1
	Other	4	1.5
	Blank	5	1.8

TABLE 4.2 (b) Continued

Education	High School	11	4.0
	Some college	54	19.8
	Bachelor's degree	122	44.7
	Master's degree	70	25.6
	Post-Master's level work	10	3.7
	Missing	6	2.2
	141105111B	0	<i>L</i> . <i>L</i>
State of			<u> </u>
Response			
Origin			
	AL	4	1.5
	AR	3	1.1
	AZ	2	.73
	CA	15	5.5
	CO	2	.73
	СТ	5	1.8
	DE	4	1.5
	FL	1	.37
	GA	8	2.9
	IA	3	1.1
	ID	1	.37
	IL	11	4.0
	IN	6	2.2
	KS	2	.73
	KY	3	1.1
	LA	5	1.8
	MA	9	3.3
	ME	3	1.1
	MI	9	3.3
	MN	9	3.3
	МО	7	2.6
	MS	1	.37
	MT	- 1	.37
	NC	13	4.8
	ND	1	.37
	NE	3	1.1
	NH	1	.37
	NJ	8	2.9
	NV	1	.37
	NY	8	2.9
	ОН	19	7.0
	OK	1	.37
	OR	2	.73

PA	13	4.8
RI	1	.37
SC	1	.37
SD	1	.37
TN	3	1.1
TX	13	4.8
UT	1	.37
VA	4	1.5
VT	2	.73
WA	2	.73
WI	10	3.7
not available	51	18.7

As indicated in Table 4.2(b), the respondents represent a variety of industries. No single industry is dominantly represented. From the distribution of the titles, it is obvious that most of the respondents are involved in purchasing, with over 50% indicating their title includes either the word purchasing or buyer. Less than twenty percent (19.8%) of the buyers had any interaction with the salesperson they were considering outside of the work place. Most of those responding were male (73.6%) and white (92.3%). Seventy-four percent had an education level of bachelor's degree or higher. The responses were mailed from 44 different states. Given the above, the sample appears suitable for the study.

Reliability Measures

TABLE 4.2 (b) Continued

To assess the reliability of the scales used to measure the constructs in the proposed model, factor analysis was employed. In order for factor analysis to be effective, however, the sample must be of an adequate size. According to Bartlett's Test of Sphericity, the sample size of 273 was large enough to perform factor analysis.

Reliability was measured using factor loadings, coefficient alpha, and item-tototal correlations. Table 4.3 below reports the results of each. The Cronbach's alpha for each scale is acceptable, ranging from .72 to .89. The factor loading for each item that remained after factor analysis is reported as well. One item attempting to measure the conflict management strategy compromising, and one item attempting to measure the conflict management strategy dominating had low factor loadings and were dropped from the model. The factor loadings provide evidence for the presence of construct validity. The item-to-total correlations ranged from .39 to .88, with all items falling within the acceptable range of >.3.

TABLE 4.3

Variable	factor loadings	Cronbach's Alpha	Item-to-Total Correlation
CONFLICT			
MANAGEMENT			
STRATEGIES			
Integrating		.88	
INTER1	.656		.6295
INTER2	.626		.6036
INTER3	.781		.7605
INTER4	.730		.5656
INTER5	.777		.7257
INTER6	.738		.6763
INTER7	.767		.7180
Compromising		.7249	
COMP1	.690		.5130
COMP2	.765		.6279
COMP4	.643		.5171
Avoiding		.7631	
AVOID1	.588		.4577
AVOID2	.669		.4517
AVOID3	.628		.5579
AVOID4	.493		.4176

Reliability Measures/Results

TABLE 4.3 Continued

AVOID5	.840		.6518	
AVOID6	.706		.5092	
Obliging		.7571		
OBLIG1	.526		.4174	
OBLIG2	.651		.5513	
OBLIG3	.518		.3909	
OBLIG4	.788		.6123	
OBLIG5	.630		.4448	
OBLIG6	.753		.5760	
Dominating		.7728		
DOMIN1	.839		.6420	
DOMIN2	.864		.6815	
DOMIN3	.508		.3972	
DOMIN5	.774		.5941	
MANIFEST				
CONFLICT				
Functional		.8436		
Conflict				
FCON1	.814		.7107	
FCON2	.864		.6936	
FCON3	.868		.7230	
Dysfunctional		.8497		
Conflict				
DCON1	.801		.6692	
DCON2	.864		.7522	
DCON3	.851		.6847	
DCON4	.645		.6517	
RELATIONSHI	Р			
QUALITY				
Trust		.7895		
TRUST2	.635		.5774	
TRUST3	.625		.5932	
TRUST5	.581		.3639	
TRUST7	.730		.5644	
TRUST8	.625		.5556	
TRUST9	.682			
Satisfaction	_	.8954	_	
SATIS1	.896		.8775	
SATIS2	.877		.8390	
SATIS3	.886		.8627	
TRUST1	.718		.6425	
TRUST4	.644		.6345	
TRUST6	.559		.4881	

<u>Regression Analysis – Functional</u> <u>Conflict</u>

Multiple regression analysis was used to test the proposed hypotheses. Four separate regression models were tested hierarchically. Additionally, the model was tested to determine if functional conflict and dysfunctional conflict serve as mediating variables for conflict management strategies and relationship quality (Baron and Kenny 1986).

The first set of regression model tests the association of the conflict management strategies with functional manifest conflict. The first model uses functional conflict as the criterion variable and demographics (control variables) as the predictor variable. Then the conflict management strategy variables were added. Table 4.4 reports the unstandardized coefficients and standardized coefficients of the regression models that contain both the control variables and the predictor variables, as well as the summary model statistics for both models. After these values have been presented for both the functional and dysfunctional conflict models, the support or lack of support for the corresponding hypotheses will be discussed.

<u>Diagnostic Tests – Functional</u> <u>Conflict</u>

Several diagnostic tests were performed to examine the normality, multicollinearity, and homoscedasticity.

<u>Normality.</u> Normality was examined using two graphical representations. After examining Figure 4.1, the histogram of the standardized residuals and Figure

TABLE 4.4

	Model	One	Model	Two
	Unstandardized Coefficients	Standardized Coefficient	Unstandardized Coefficient	Standardized Coefficient
Constant	2.267**	(beta)	.376	(beta)
Control Variables	2.207		.570	
	8.62	.048	1 20	077
Industry type			1.39	.077
Age of Company	2.52	.080 175**	3.34	.105
Number of Employees	-7.66		-8.01	183**
Years in Purchasing	-8.73	064	-1.47	-1.08
Years at Company	-8.53	072	-7.47	108
Time salesperson known	-2.07	-107	-2.41	063
Amount of purchase	3.74	.119	1.76	.056
Amount of typical purchase	-3.08	034	-5.77	063
Annual purchase	-3.89	169	-2.41	.105
Time spent in sales call	2.92	.121	2.817	.047
Socialize with salesperson	.146	.050	.260	149
Gender	124	047	198	075.0
Age	2.26	.149	2.71	.178***
Ethnicity	.45	.164**	.394	.144***
Education	6.57	.092	4.90	.069
Conflict Management				
Strategies-Main effects				
Integrating			9.04	.063
Obliging			084	067
Avoiding			.224	.207**
Dominating			.220	.223*
Compromising			051	045
Model Summary				
F		1.151		1.625***
F Change		1.151		2.821**
R^2		.110		.195
Adjusted R ²		.014		.075
*p<.01 **p<.05 ***p<.1				

Results of Regression Analysis for Conflict Management Strategies and Functional Conflict with Demographic Control Variables

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4.2, the Normal P-P plot shown below, the residuals did not exhibit major deviations from normality.

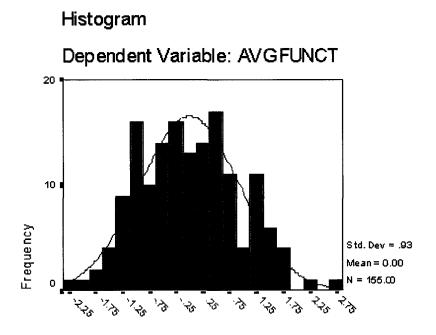


FIGURE 4.1. Regression Standardized Residual

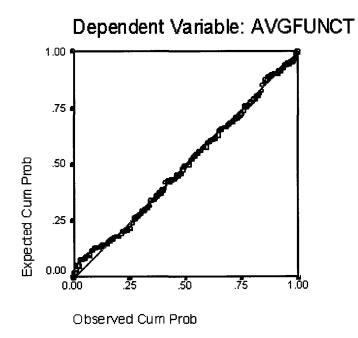
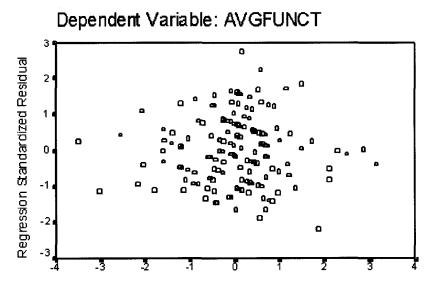


FIGURE 4.2. Normal P-Plot of Regression Standard

<u>Multicollinearity.</u> The presence of multicollinearity is indicated when Variance Inflation Factor (VIF) values are above 10 or the tolerance value is very small. All VIF values are below 10 for this model, ranging from 1.073 to 5.791. The tolerance values range from .173 to .932. Therefore, there is no indication of multicollinearity.

<u>Homoscedasticity.</u> After visual examination of a scatterplot of the nonstandardized residuals, Figure 4.3 shown below, no pattern was found. Therefore, the assumption of homoscedasticity was met.



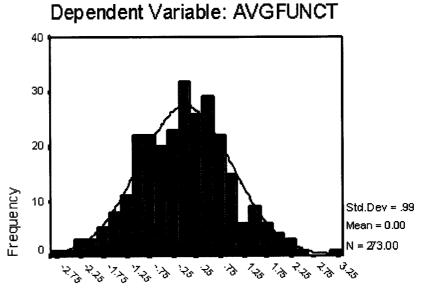
Regression Standardized Predicted Value

FIGURE 4.3. Scatterplot

Because of missing data in the demographic control variables, the degrees of freedom for this model were 155. Because of this, the model was also estimated using only the predictor variables, which increased the degrees of freedom to 272. The diagnostic tests are examined for the new model, then Table 4.4 presents unstandarized coefficients and standardized coefficient for this model.

Diagnostic Tests- Functional Conflict – Reduced Model

<u>Normality.</u> Normality was examined using two graphical representations. After examining Figure 4.4 and Figure 4.5, the residuals did not display large departures from normality.



Regression Standardized Residual



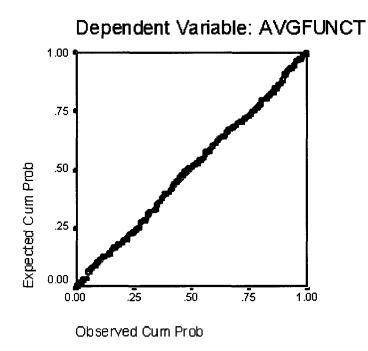
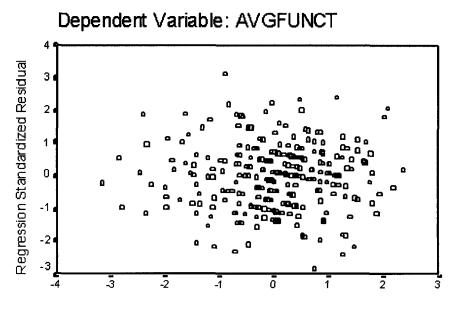


FIGURE 4.5. Normal P-P Plot of Regression Standard

<u>Multicollinearity.</u> The presence of multicollinearity is indicated when Variance Inflation Factor (VIF) values are above 10 or the tolerance value is very small. All VIF values are below 10 for this model, ranging from 1.078 to 1.522. The tolerance values range from .657 to .927. Therefore, there is no indication of multicollinearity.

<u>Homoscedasticity.</u> After visual examination of Figure 4.6, shown below, no pattern was found. Therefore, the assumption of homoscedasticity was met.



Regression Standardized Predicted Value

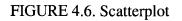


TABLE 4.5

Results of Regression Analysis for Functional Conflict and Conflict Management Strategies

	Unstandardized Coefficient	Standardized Coefficient (beta)
Constant	2.229*	
Integrating	.096	.067
Obliging	016	012
Avoiding	.036	.035
Dominating	.315	.312*
Compromising	089	081
F Change		6.775*
R^2		.113
Adjusted R ²		.096

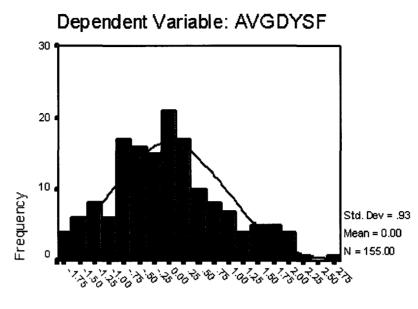
<u>Regression Analysis – Dysfunctional</u> <u>Conflict</u>

The second set of regression models test the association of the conflict management strategies with dysfunctional manifest conflict. In the first set, functional conflict was the dependent variable and demographics (control variables) were the independent variables. Table 4.6 reports the unstandardized coefficients and standardized coefficients of the regression models that contain both the control variables and the predictor variables, as well as the summary model statistics.

<u>Diagnostic Tests – Dysfunctional</u> <u>Conflict</u>

Several diagnostic tests were performed to examine the normality, multicollinearity, and homoscedasticity.

<u>Normality.</u> Normality was examined using two graphical representations. After examining the Figure 4.7 and 4.8, the residuals did not exhibit major anomalies from normality.



Regression Standardized Residual

FIGURE 4.7. Histogram

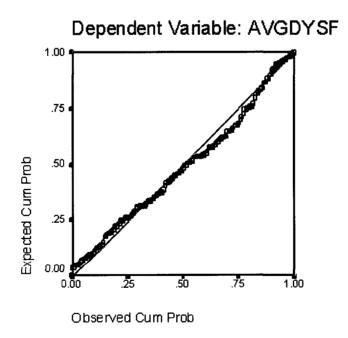
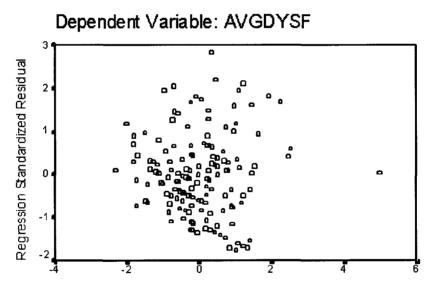


FIGURE 4.8. Normal P-P Plot of Regression Standard

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<u>Multicollinearity.</u> The presence of multicollinearity is indicated when Variance Inflation Factor (VIF) values are above 10 or the tolerance value is very small. All VIF values are below 10 for this model, ranging from 1.073 to 5.791. The tolerance values range from .173 to .932. Therefore, there is no indication of multicollinearity.

<u>Homoscedasticity.</u> After visual examination of a Figure 4.9, a scatterplot of the unstandardized residuals, shown below, no pattern was found. Therefore, the assumption of homoscedasticity was met.



Regression Standardized Predicted Value

FIGURE 4.9. Scatterplot

TABLE 4.6

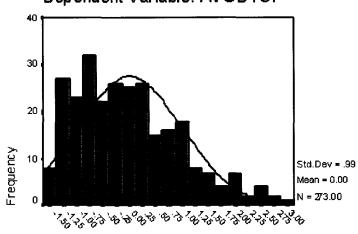
	Mode	One	Model	
	Unstandardized Coefficient	Standardized Coefficient (beta)	Unstandardized Coefficient	Standardized Coefficient (beta)
Constant	1.374		.453	
Control Variables				
Industry type	-1.65	083	-1.16	06
Age of Company	-2.14	062	-1.55	05
Number of	-1.07	022	-1.24	03
Employees				
Years in Purchasing	-2.83	189***	-3.49	23**
Years at Company	2.75	.021	3.98	.03
Time salesperson known	1.60	.075	1.55	.07
Amount of purchase	3.57	.104	1.96	.057
Amount of typical purchase	1.04	.104	8.85	.088
Annual purchase	-5.17	205	-3.85	152
Time spent in sales call	3.96	.150***	4.391	.166*
Socialize with salesperson	.331	.104	.426	.134
Gender	1.37	.005	3.79	.013
Age	2.01	.120	2.27	.136
Ethnicity	.379	.126	.321	.107
Education	8.217	.105	6.90	.088
Conflict				
Management Strategies – Main effects				
Integrating			.0698	.044
Obliging			097	071
Avoiding			.101	.085
Dominating			.194	.18**
Compromising			105	085
Model Summary				
F-model		1.083		1.167
F Change		1.083		1.374
R^2		.105		.148
Adjusted R ²		.008		.021
*p<.01			<u></u>	
**p<.05				
***p<.1				

Results of Regression Analysis for Conflict Management Strategies and Dysfunctional Conflict with Demographic Control Variables

Because of missing data in the demographic control variables, the degrees of freedom for this model were 155. Because of this, the model was also estimated using only the predictor variables, which increased the degrees of freedom to 272. The diagnostic tests are examined for the new model, then Table 4.7 presents unstandarized coefficients and standardized coefficient for this model. The model with the control variables will be referred to as the full model, while the model using only the predictor variables will be called the reduced model.

<u>Diagnostic Tests for Reduced Model</u> <u>– Dysfunctional Conflict</u>

<u>Normality.</u> Normality was examined using two graphical representations. After examining Figures 4.10 and 4.11, the histogram of the standardized residuals and the Normal P-P plot shown below, the residuals did not exhibit major deviations from normality.



Dependent Variable: AVGDYSF

Regression Standardized Residual

FIGURE 4.10 Histogram

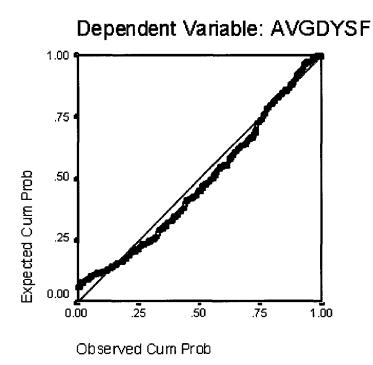
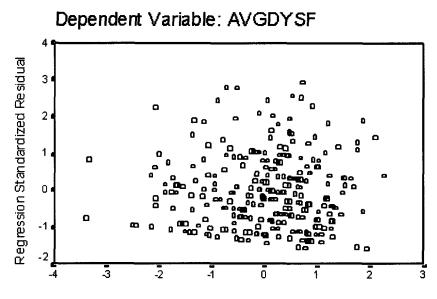


FIGURE 4.11. Normal P-P Plot of Regression Standard

<u>Multicollinearity.</u> The presence of multicollinearity is indicated when Variance Inflation Factor (VIF) values are above 10 or the tolerance value is very small. All VIF values are below 10 for this model, ranging from 1.078 to 1.522. The tolerance values range from .657 to .927. Therefore, there is no indication of multicollinearity.

<u>Homoscedasticity.</u> After visual examination of Figure 4.12, shown below, no pattern was found. Therefore, the assumption of homoscedasticity was met.



Regression Standardized Predicted Value

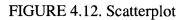


TABLE 4.7

Results of Regression Analysis for Dysfunctional Conflict and Conflict Management Strategies

	Unstandardized Coefficient	Standardized Coefficient (beta)		
Constant	2.237*			
Integrating	067	045		
Obliging	032	025		
Avoiding	.028	.026		
Dominating	.203	.193*		
Compromising	042	004		
F Change		2.011***		
\mathbb{R}^2		.036		
Adjusted R ²		.018		

Discussion of Regression Models and Hypotheses 1-5

Integrating CMS and Manifest Conflict. The first five hypotheses of the proposed model predicted the effect of conflict management strategies on manifest conflict. As seen in Tables 4.4 and 4.5, the direction of the *integrating* strategy with functional conflict was positive as predicted. However, these findings were not significant in either the full model or the reduced model with its additional degrees of freedom. The direction of *integrating* strategy with dysfunctional conflict was positive in the reduced model, as predicted. However, these findings were not significant, so H1(a) and H1(b) are not supported. There is no significant association between the conflict management strategy *integrating* and manifest conflict.

<u>Compromising CMS and Manifest Conflict.</u> As seen in Tables 4.4 and 4.5, the direction of the *integrating* strategy with functional conflict was negative, which was not as predicted. However, these findings were not significant in either the full model or the reduced model with its additional degrees of freedom. The direction of *compromising* strategy with dysfunctional conflict was also negative in both the full model and the reduced model, as predicted. Since none of these findings were significant, neither H2(a) and H2(b) are supported. There is no significant association between the conflict management strategy *compromising* and manifest conflict.

<u>Avoiding CMS and Manifest Conflict.</u> As seen in Tables 4.4 and 4.5, the direction of the *avoiding* strategy with functional conflict was positive, which is not as predicted. However, these findings were significant in the full model at the p < .05 level. In the reduced model with its additional degrees of freedom; however, this association was not significant. The direction of the *avoiding strategy* with dysfunctional conflict was also positive in both the full model and the reduced model, which is as predicted. However, since none of these findings were significant, neither H3(a) and H3(b) are supported. There is no significant association between the conflict management strategy *avoiding* and manifest conflict.

<u>Obliging CMS and Manifest Conflict.</u> As seen in Tables 4.4 and 4.5, the direction of the *obliging* strategy with functional conflict was negative, which was as predicted. However, these findings were not significant in either the full model or the reduced model with its additional degrees of freedom. The direction of *obliging* strategy with dysfunctional conflict was also negative in both the full model and the reduced model, as predicted. Since none of these findings were significant, neither H4(a) and H4(b) are supported. There is no significant association between the conflict management strategy *obliging* and manifest conflict.

<u>Dominating CMS and Manifest Conflict.</u> As seen in Tables 4.4 and 4.5, the direction of the *dominating* strategy with functional conflict was positive, which was not as predicted. However, these findings were significant in the full model at the p<.01 level, and at the p<.05 level for the reduced model with its additional degrees of freedom. The direction of the *dominating* strategy with dysfunctional conflict was also

positive in both the full model and the reduced model, as predicted. These findings were significant at the p<.01 level in both models. Therefore, H5(a) is not supported, but H5(b) is supported. There is a significant positive association between the conflict management strategy *dominating* and dysfunctional manifest conflict. There is also a significant positive association between the conflict management strategy *dominating* and dysfunctional manifest conflict. There is also a significant positive association between the conflict management strategy *dominating* and functional manifest conflict.

The F statistic for the full model of conflict management strategies with functional manifest conflict was 1.625, which was significant at the p<.1 level. The change in the F value when the conflict management strategies were added to the model was 2.82, which was significant at the p<.05 level. In the reduced model, the F value was 6.775, which was significant at the p<.01 level. Thus, the introduction of conflict management strategies did add a slight, significant predictive value to the model.

The F statistic for the full model of conflict management strategies with dysfunctional conflict was 1.167 and was not significant. The change in the F value when the conflict management strategies were added was only 1.374 and was not significant. In the reduced model, the F statistic was 2.011, which was significant at the p<.1 level. Thus, the introduction of the conflict management strategies in the model of dysfunctional conflict produced a predictive ability that is marginal at best.

<u>Regression Analysis – Relationship</u> <u>Quality – Trust</u>

The third set of regression models tested the association of functional manifest conflict with the relationship quality construct trust. The model tested trust as the

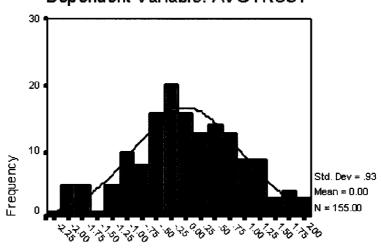
119

criterion variable with the demographics (control variables) as predictors. Then the conflict management strategy variables were added. Finally the manifest conflict variables were added. Table 4.8 reports the unstandardized coefficients and standardized coefficients of the regression models that contain the control variables alone, then with the control variables and the predictor variables, as well as the summary model statistics for all models.

<u>Diagnostic Tests – Relationship</u> <u>Quality – Trust</u>

Several diagnostic tests were performed to examine the normality, multicollinearity, and homoscedasticity.

<u>Normality.</u> Normality was examined using two graphical representations. After examining the Figure 4.13 and Figure 4.14, the residuals did not display sizeable differences from normality.



Dependent Variable: AVGTRUST

Regression Standardized Residual

FIGURE 4.13. Histogram

TABLE 4.8

Results of Regression Analysis for Trust with Control Variables and Manifest Conflict

	Model One		Model Two		Model Three	
	Unstandardize d Coefficient	Standardized Coefficient	Unstandardize d Coefficient	Standardized Coefficient	Unstandardize d Coefficient	Standardized Coefficient
Constant	5.485*		4.22*		4.354	
Control Variables:						
Demographics						
Industry type	-2.855	017	-1.671	001	-2.032	012
Age of Company	-5.064	177**	-4.726	165***	-4.880	170**
Number of Employees	8.318	.021	-3.304	008	-1.157	029
Years in Purchasing	1.751	.141	2.332	.188***	1.397	.113
Years at Company	-3.943	037	-3.081	029	-2.619	025
Time salesperson known	2.000	.114	2.228	.127	2.441	.139
Amount of purchase	-6.802	239	-6.083	214	-5.496	193
Amount of typical purchase	-1.268	152	-1.37	165	-1.198	144
Annual purchase	8.809	.422**	8.161	.391**	7.078	.339**
Time spent in sales call	-4.057	185**	-4.89	223**	-3.650	167**
Socialize with salesperson	8.494	.032	4.817	.018	.168	.064
Gender	.155	.065	3.101	.013	2.705	.011
Age	-1.564	011	-1.074	078	-3.501	025
Ethnicity	607	245	466	188**	363	147***
Education	-5.963	092	-4.255	066	-2.276	035

TABLE 4.8 Continued

Conflict Management					
Strategies					
Integrating		.242	.185**	.0264	.203**
Obliging		.117	.103	.088	.078
Avoiding		107	109	068	069
Dominating		141	157**	079	089
Compromising		.141	.138	.113	.110
Main Effects					
Dysfunctional Conflict				240	290*
Functional Conflict				066	073
Model Summary					
F Model	2.414**		2.824*		3.812*
F Change	2.414**		3.423**		9.926*
R ²	.207		.297		.388
Adjusted R ²	.121		.192		.287

<u>Multicollinearity.</u> The presence of multicollinearity is indicated when Variance Inflation Factor (VIF) values are above 10 or the tolerance value is very small. All VIF values are below 10 for this model, ranging from 1.083 to 5.820. The tolerance values range from .172 to .923. Therefore, there is no indication of multicollinearity.

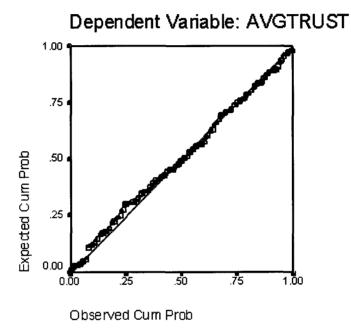
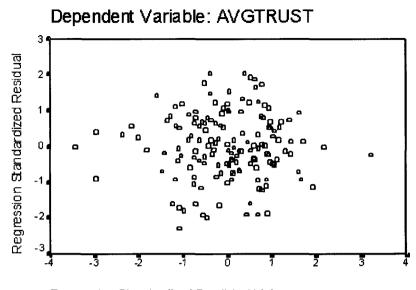


FIGURE 4.14. Normal P-P Plot of Regression Standard

<u>Homoscedasticity.</u> After visual examination of Figure 4.15, a scatterplot of the unstandardized residuals, shown below, no pattern was found. Therefore, the assumption of homoscedasticity was met.



Regression Standardized Predicted Value

FIGURE 4.15. Scatterplot

Because of missing data in the demographic control variables, the degrees of freedom for this model were 155. Because of this, the model was also estimated using only the predictor variables, which increased the degrees of freedom to 272. The diagnostic tests are examined for the new model, then Table 4.9 presents unstandarized coefficients and standardized coefficient for this model. The model with the control variables is referred to as the full model, while the model without the demographics is referred to as the reduced model.

Diagnostic Tests For Reduced Model – Trust

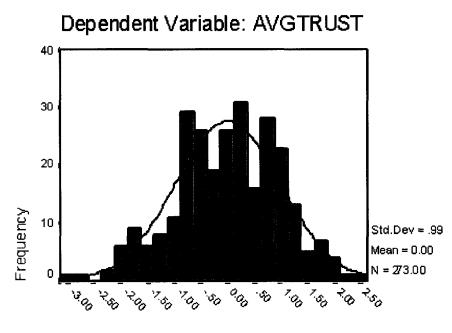
<u>Normality.</u> Normality was examined using two graphical representations. After examining Figure 4.16 and Figure 4.17, the residuals did not show large departures from normality.

TABLE 4.9

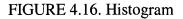
	Model 1		Model 2	
	Unstandardized	Standardized	Unstandardized	Standardized
	Coefficient	Coefficient	Coefficient	Coefficient
		(beta)		(beta)
Constant	3.894		4.689	
Conflict				
Management				
Strategies				
Integrating	.288	.209**	.273	.199**
Obliging	5.807	.048	.048	.039
Avoiding	149	151**	139	140**
Dominating	184	189**	105	-
_				.108***
	9.818	.092	.092	.086***
Compromising				
Main Effects				
Dysfunctional			298	323*
Conflict				
Functional			058	060
Conflict				
Model			<u></u>	
Summary				
F Model		6.550		11.273
F Change		6.550*		20.668*
R^2		.109		.093
Adjusted R ²		.093		.293

Results of Regression Analysis for Relationship Quality/Trust with Manifest Conflict and Conflict Management Strategies

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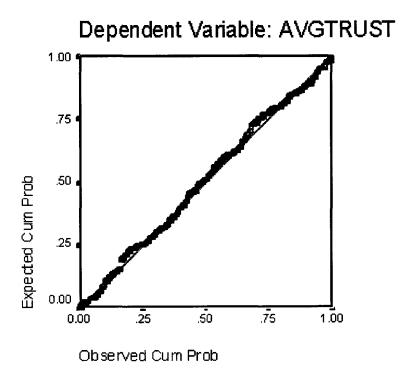
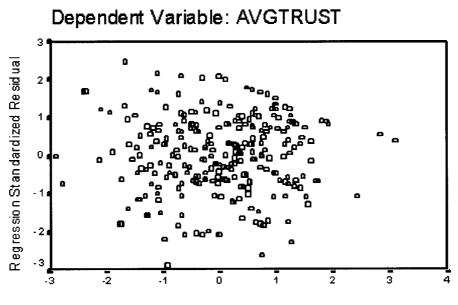


FIGURE 4.17. Normal P-P Plot of Regression Standard

126

<u>Multicollinearity.</u> The presence of multicollinearity is indicated when Variance Inflation Factor (VIF) values are above 10 or the tolerance value is very small. All VIF values are below 10 for this model, ranging from 1.178 to 1.530. The tolerance values range from .653 to .849. Therefore, there is no indication of multicollinearity.

<u>Homoscedasticity</u>. After visual examination of Figure 4.18, no pattern was found. Therefore, the assumption of homoscedasticity was met.



Regression Standardized Predicted Value

FIGURE 4.18. Scatterplot

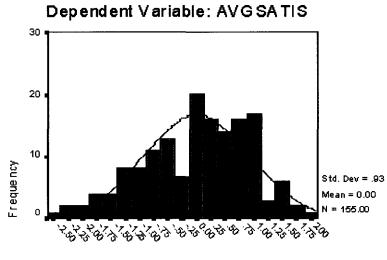
<u>Regression Analysis – Relationship</u> <u>Quality – Satisfaction</u>

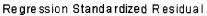
The fourth set of regression models test the association of functional manifest conflict with the relationship quality construct satisfaction. The test uses satisfaction as the dependent variable and demographics (control variables) as the predictor variables. Then the conflict management strategy variables were added. Finally the manifest conflict variables were added. Table 4.10 reports the unstandardized coefficients and standardized coefficients of the regression models that contain the control variables alone, then with the control variables and the predictor variables, as well as the summary model statistics for all models.

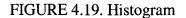
<u>Diagnostic Tests – Relationship</u> <u>Quality – Satisfaction</u>

Several diagnostic tests were performed to examine the normality, multicollinearity, and homoscedasticity of the set.

<u>Normality.</u> Normality was examined using two graphical representations, Figures 4.19 and 4.20. The residuals did not exhibit noteworthy departures from normality acceptable.







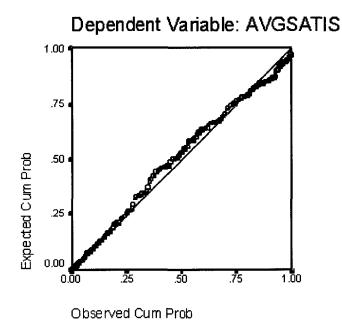


FIGURE 4.20. Normal P-Plot of Regression Standard

TABLE 4.10

Results of Regression Analysis for Satisfaction with Control Variables and Manifest Conflict

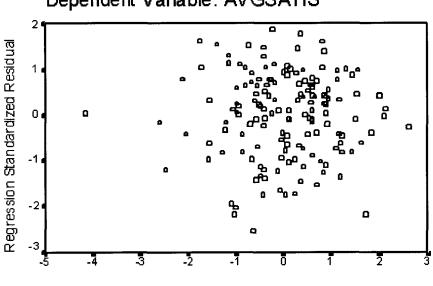
	Mod	el One	Mod	el Two	Mode	el Three
	Unstandardized Coefficient	Standardized Coefficient	Unstandardized Coefficient	Standardized Coefficient	Unstandardized Coefficient	Standardized Coefficient
Constant	4.722*		2.742**		2.896**	
Control Variables:						
Demographics						
Industry type	1.703	.10	5.762	.034	1.273	.008
Age of Company	-5.671	192**	-5.597	189**	-6.233	211**
Number of Employees	2.788	.068	1.818	.045	1.562	.038
Years in Purchasing	1.22	-6.4.09614	3.0931.893	.148	6.760	.053
Years at Company	-6.414	058	-1.975- 6.49	-4059	-4.886	044
Time salesperson known	3.093	.171***	3.564	.197**	4.176	.231**
Amount of purchase	-1.975	067	-1.105	038	-4.431	015
Amount of typical purchase	-4.043	047	6.002	070	-2.692	031
Annual purchase	4.097	.190	3.352	.156	2.030	.094
Time spent in sales call	-5.133	.227**	-6.554	290*	-5.047	224**
Socialize with salesperson	.473	.175**	.453	.167**	.599	.221**

Gender	.222	.090	2.76	.011	4.591	.019
Age	1.856	.001	-9.735	068	-2.242	016
Ethnicity	489	191**	372	146	266	-1.04
Education	3113	047	-2.112	032	2.445	.004
Conflict						
Management						
Strategies						
Integrating			.216	.161***	.239	.178**
Obliging			.198	.170***	.165	.141***
Avoiding			087	087	057	056
Dominating			043	046	.022	.024
Compromising			.179	.170***	.143	.135
Main Effects						
Dysfunctional					359	420*
Conflict						
Functional Conflict					.024	.025
Model Summary						
F Model		2.502**		2.934*		4.859*
F Change		2.502**		3.544**		17.067*
\mathbf{R}^2		.213		.305		.447
Adjusted R ²		.128		.201		.355

TABLE 4.10 Continued

<u>Multicollinearity.</u> The presence of multicollinearity is indicated when Variance Inflation Factor (VIF) values are above 10 or the tolerance value is very small. All VIF values are below 10 for this model, ranging from 1.083 to 5.820. The tolerance values range from .172 to .923. Therefore, there is no indication of multicollinearity.

<u>Homoscedasticity.</u> After visual examination of a scatterplot of the unstandardized residuals, shown below in Figure 4.21, no pattern was found. Therefore, the assumption of homoscedasticity was met.



Dependent Variable: AVGSATIS

FIGURE 4.21. Scatterplot

Regression Standardized Predicted Value

Because of missing data in the demographic control variables, the degrees of freedom for this model were 155. Because of this, the model was also estimated using only the predictor variables, which increased the degrees of freedom to 272. The

diagnostic tests are examined for the new model, then Table 4.11 presents unstandarized coefficients and standardized coefficient for this model.

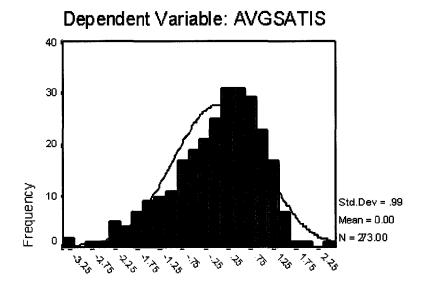
TABLE 4.11

· · · · · · · · · · · · · · · · · · ·	Мо	del 1	Mod	lel 2
	Unstandardized	Standardized	Unstandardized	Standardized
	Coefficient	Coefficient	Coefficient	Coefficient
		(beta)		(beta)
Constant	3.142*		4.011*	
Conflict				
Management				
Strategies				
Integrating	.389	.269*	.370	.256*
Obliging	.138	.108*	.126	.099***
Avoiding	102	098	091	087
Dominating	018	180**	1	-
-				.098***
	.044	.039	.3818	.034
Compromising				
Main Effects				
Dysfunctional			344	354*
Conflict				
Functional			045	044
Conflict				
Model				
Summary				
F Model		6.887*		12.620*
F Change		6.887*		23.988*
\mathbf{R}^2		.114		.250
Adjusted R ²		.098		.230

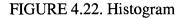
Results of Regression Analysis for Relationship Quality/Satisfaction with Manifest Conflict and Conflict Management Strategies

<u>Diagnostic Tests – Reduced Model</u> <u>- Satisfaction</u>

<u>Normality.</u> Normality was examined using two graphical representations. After examining the histogram of the standardized residuals and the Normal P-P plot shown below, the variables of functional conflict did not exhibit significant departures from normality. Additionally the skewness and kurtosis figures given in Table 4.2(a) are acceptable.



Regression Standardized Residual



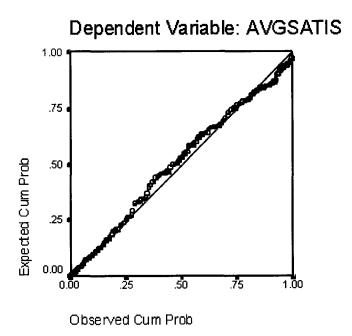


FIGURE 4.23. Normal P-P Plot of Regression Standard

134

<u>Multicollinearity.</u> The presence of multicollinearity is indicated when Variance Inflation Factor (VIF) values are below 10 or the tolerance value is very small. All VIF values are below 10 for this model, ranging from 1.178 to 1.530. The tolerance values range from .653 to .849. Therefore, there is no indication of multicollinearity.

<u>Homoscedasticity.</u> After visual examination of a scatterplot of the unstandardized residuals, shown below, no pattern was found. Therefore, the assumption of homoscedasticity was met.

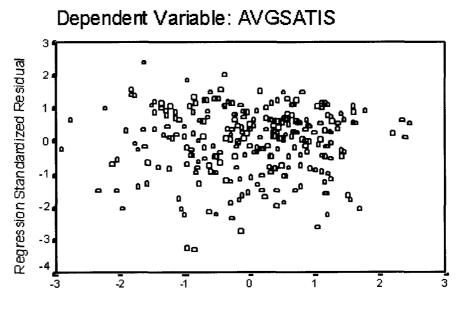




FIGURE 4.24. Scatterplot

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Discussion of Regression Results and Hypotheses 6 and 7

<u>Manifest Conflict and Trust.</u> The sixth and seventh hypotheses proposed an association between manifest conflict and relationship quality in the buyer/seller environment. Trust and satisfaction were the constructs chosen to measure relationship quality. To make the discussion more succinct, each of the models that contains the demographic variables, the conflict management strategy variables, and the manifest conflict predictor variables will be referred to as the "full model." The models without the demographic variables will be called the "reduced models."

In the proposed model, functional conflict was projected to have a positive association with relationship quality. In the full models, functional conflict had a negative association with trust and a positive association with satisfaction. However, neither of these associations was significant. In the reduced model, the association of functional conflict with both trust and satisfaction were negative, but these associations were not significant. Therefore, Hypothesis 6 is not supported. There is no evidence to support the positive association between functional conflict and relationship quality.

Dysfunctional conflict was projected to have a negative association with relationship quality in the proposed model. In both the full model and the reduced model, dysfunctional conflict had a negative association with both trust and satisfaction, and all associations were significant at the p<.01 level. Thus, Hypothesis 7 is supported. There is a significant, negative association between dysfunctional conflict and relationship quality.

The F statistic for the full regression model of manifest conflict with trust was 3.812, significant at the p<.01 level. The change in the F value when manifest conflict was added to the model was 9.926, significant at the p<.01 level. In the reduced model, the F statistic was 11.273 and the change in the F value when manifest conflict was added to the model was 20.668; both were significant at the p<.001 level. It can be deduced, therefore, that the presence of manifest conflict can be useful in predicting trust in a buyer/seller environment.

The F statistic for the full regression model of manifest conflict with satisfaction was 4.859, significant at the p<.01 level. The change in the F value when manifest conflict was added to the model was 17.067, significant at the p<.01 level. In the reduced model, the F statistic was 12.620 and the change in the F value when manifest conflict was added to the model was 23.988; both were significant at the p<.001 level. It can be induced, therefore, that the presence of manifest conflict can be useful in predicting satisfaction in a buyer/seller environment.

Manifest Conflict as Mediating Variables

In order to test if a variable serves as a mediator between an independent variable and a dependent variable, four steps must be performed (Baron and Kenny 1986). In the first step, it must be shown that the initial variable, conflict management strategies is correlated with the outcome variable, relationship quality in this model. Of the five conflict management strategies, *integrating, avoiding,* and *dominating* were shown to be associated with trust. *Integrating, obliging,* and *dominating* were shown to be associated with satisfaction, but the direction of *obliging* was not as

predicted. Step two requires that the initial variable be correlated with the mediator, which is manifest conflict in the proposed model. Of the conflict management strategies, only *dominating* was significantly associated with functional conflict, and only *dominating* was significantly associated with dysfunctional conflict. Step three requires that the mediator affect the outcome variable. Only dysfunctional conflict is shown to be significantly associated with both trust and satisfaction. Finally, the effect of the independent variable on the dependent variable, controlling for manifest conflict should be zero. This requirement is not met. Controlling for manifest conflict, *dominating*, the only conflict management that meets the other criteria, still shows a significant positive association with dysfunctional conflict. Thus, manifest conflict does not serve as a mediator between conflict management strategies and relationship quality in a buyer/seller environment.

CHAPTER 5

CONCLUSIONS AND FUTURE RESEARCH

Introduction

This study was conducted to determine the effect of conflict management strategies on manifest conflict and relationship quality in a buyer/seller environment. A survey instrument was mailed to a sample of 1,950 members of the Institute for Supply management to gather data to test the hypotheses proposed in Chapter 2. Two hundred seventy three (273) valid responses were received. The hypotheses were tested using multiple linear regression. While Chapter 4 presented the findings of this study, this Chapter 5 discusses the conclusions of this research and discusses the direction of future research in this area. First, the findings and their theoretical implications will be presented. Next, the managerial implications will be discussed. Finally, the limitations and future research will be explored.

Interpretation of Findings and Theoretical Implications

Answers to the research questions posited in the introduction of this dissertation were sought through this study, which focused on a process, or incident-oriented, model of conflict. While the results of the study were presented in Chapter 4,

an analysis of these findings and their corresponding theoretical implications will be set forth below.

One of the primary objectives of this study was to determine if certain methods of communicating in the early stages of a conflict incident would be associated with the outward behavior exhibited during the incident. The research question was posed:

Is the conflict management strategy chosen by a buyer associated with the levels of functional and dysfunctional conflict that are manifested in a conflict incident?

In the literature reviewed in relationship with this question, Pondy (1967) and Thomas' (1976) process models of conflict led to the assumption that within a conflict incident an individual will cognitively choose to communicate about a perceived problem via a conflict management strategy or orientation (Thomas 1976). In both models, this communication was thought to lead to or modify an outward behavior known as manifest conflict.

To explore this research question, hypotheses were stated that proposed associations between five conflict management strategies and the two forms of manifest conflict. Particularly, two of the conflict management strategies, *integrating* and *compromising* were hypothesized to be positively associated with functional conflict and negatively associated with dysfunctional conflict, while *obliging*, *dominating*, and *avoiding* were proposed to be positively associated with dysfunctional conflict and negatively associated with functional conflict. Of the proposed relationships, only *dominating* proved to have a significant association in the proposed direction with one form of manifest conflict, dysfunctional. However, *dominating*, which was hypothesized to have a negative association with functional conflict, had a significant positive relationship with functional conflict. In fact, the coefficient of the association between *dominating* and functional conflict was larger than the coefficient of the association between *dominating* and dysfunctional conflict. This corresponds with the findings of Guyskens, Steenkamp, and Kumar (1999), who found that only a threatening communication style empirically increased the perception of conflict. Morgan and Hunt (1994) also found a coercive communication style to be a direct antecedent of dysfunctional conflict.

There are several possible rationales to explain why most of the proposed associations between conflict management strategies and manifest conflict were not supported. First, as stated in Chapter 4, there was no support for the proposal that manifest conflict serves as a mediator between conflict management strategies and relationship quality. Instead, several of the conflict management strategies had a significant direct association with relationship quality components trust and satisfaction, and these associations were in the expected direction. First, the most pronounced of these are the significant positive associations of *integrating* with both trust (.199, p<.05) and satisfaction (.254, p<.01). Additionally, *dominating* was significantly, negatively associated with trust (-.108, p<.1) and satisfaction (-.098, p<.1). *Compromising* (.086, p<.1) and *avoiding* (-.140, p<.05) had significant relationships with trust. Of the five, only *obliging* had a significant association that was not in the expected direction, positive with satisfaction (.099, p<.1). These findings are in agreement with the proposals set forth by Weitz and Bradford (1999), who indicated that two of the main functions of sales people are to manage conflict

and build relationships with customers. These authors called for a study that sought to determine the effect of conflict management strategies with relationship quality. These findings suggest that such an association exists and that it can be measured.

The second rationale might be that conflict management strategies are not, as proposed, antecedents of manifest conflict, but are symptoms of functional or dysfunctional conflict, or communication styles chosen within the stage of manifest conflict to exhibit the perceptions of the parties in the incident. This possibility will be discussed further in the future research section of this chapter.

The negative perception of conflict in general by managers might be a third rationale. While functional conflict and dysfunctional conflict were operationalized as two separate constructs, and factor analysis indicated that they were perceived as such, managers might view even the "disagreements over content" that characterizes functional conflict as a negative event. This would explain the positive association between *dominating* and functional conflict. If this were true, it would also seem that the positive communication styles of *integrating* and *compromising* might not necessarily be perceived as being associated with even functional conflict.

The second research question of this study concerned the effect of manifest conflict on relationship quality in a buyer/seller environment. While much research has addressed conflict and relationships in interorganizational settings, very few have considered them in the environment of the personal relationship between industrial buyers and sellers. Thus research question number two stated:

Do the levels of the types of conflict manifested in a conflict incident have an association with the quality of relationship between a salesperson and a buyer?

Manifest conflict was defined as consisting of two types, functional conflict and dysfunctional conflict. Assael (1969) was one of the first to discuss the possibility of functional conflict, however it was not until recently that the two types were conceptualized as two separate constructs. Menon and his co-authors (1996) reported findings that supported the existence of the two types of conflict and indicated that the two types were negatively correlated. Amason (1996) also hypothesized that dysfunctional and functional conflict are separate constructs, but his findings indicated that they are not always negatively correlated. Plank and Francis (2001) also found that there are two distinct types of conflict and tried to determine a causal order between the two, rationalizing that high levels of functional conflict would lead to dysfunctional conflict. Their findings did not support this proposal, however.

The findings of this study lend further support to the theory that functional conflict and dysfunctional conflict are separate constructs, as evidenced by the results of the factor analysis reported in Chapter 4. In addition, the two constructs were not negatively correlated and causation was not tested.

As indicated in Chapter 4, there was significant support for the proposal that dysfunctional conflict has a negative effect on relationship quality. The construct was negatively associated with trust (-.323, p<.01) and satisfaction (-.354, p<.01). This supports previous findings of Van deVen and Walker (1984), which showed that dysfunctional conflict may cause the deterioration or disintegration of a channel relationship. A dysfunctional conflict incident experienced by a buyer may cause the buyer to perceive that the seller displayed an uncooperative attitude and may have even verbally attacked the buyer on a personal level. The buyer may realize that the

143

nature of this conflict incident might have been different given different behavior by the seller. The buyer now has doubts about the seller's honesty and benevolence toward him. The level of trust has diminished. Additionally, the buyer may consider any gains he or she received from the conflict incident not worth the stress produced by dealing with it. This disequilibria may cause the buyer to reexamine previous interactions with the seller and questions those dealings as well. The buyer's satisfaction level with the relationship may be lower because of a changed perception of the relationship caused by the current conflict incident.

Conversely, functional conflict showed no significant association with either trust or satisfaction. Even though the coefficients of functional conflict were not significant, they were relatively small and were negative in direction (-.060 with trust and -.044 with satisfaction). This might be attributed to the possible negative perception of even functional conflict, as mentioned above, but more likely it is indicative of the partnering era of sales in which we live.

As buyers have become more accustomed to salespeople who are committed to building and maintaining the relationships that are indicative of the partnering era, it may be possible that these better-educated, better-trained buyers have come to expect certain behaviors, including the positive conduct exhibited by a salesperson during a functional conflict incident. If this is true, then perhaps functional conflict serves to only maintain the current quality of relationship. Only when the experience does not live up to the expectation of functional conflict would relationship quality change, and that would be a negative change. If this is true and the presence of functional conflict cannot improve relationship quality, it is even more significant that the *integrating* conflict management strategy was the only variable in this model that had a significant positive relationship with both trust and satisfaction.

In summary, while only one of the conflict management strategies, *dominating*, had a significant relationship with manifest conflict, all five strategies had at least one significant relationship with a component of relationship quality. It stands to reason, then, that these communication strategies do have an effect on trust and satisfaction in a buyer/seller environment. This is the first study to provide empirical evidence of these relationships. Of the two types of manifest conflict, only dysfunctional conflict was shown to have an association with relationship quality. While this connection has been proposed and tested for decades, it is one of the first studies that has supported the relationship in a buyer/seller environment.

Managerial Implications

The findings of this study are relevant to marketing practitioners and managers, particularly salespeople, sales managers, and purchasing managers. First, the most straightforward and obvious finding is that dysfunctional conflict is detrimental to relationship quality, and that *dominating* conflict management strategies are associated with dysfunctional conflict. Given this fact, sales managers should consider the sales culture of their organizations as well as the corresponding policies and practices. If a manager wishes to retain current customers and produce positive word-of-mouth references from these customers, he or she should train his salespeople to eliminate any form of dominating-type communications from their negotiation repertoire. Also, the findings supporting the direct association between conflict management strategies lend further evidence that conflict must be managed (Weitz and Bradford 1999) and cannot be eliminated. While certain attributes such as assertiveness and tenacity have been valued in salespeople in the past, training in integrating communication strategies must be provided if the firm hopes to gain the advantages that a long-term relationship with a customer can provide.

Another somewhat amusing finding was produced in the full regression model estimating dysfunctional conflict. Of all of the demographics that were used as control variables, the time spent in the sales interaction being considered by the respondent had the largest and most significant association with dysfunctional conflict (-.166, p<.01). It would seem then that once a salesperson has conducted the necessary business with a buyer, it would be prudent to leave as soon as possible.

Limitations

There are several limitations that might influence the findings of this study. First, the missing data in the demographic variables caused the degrees of freedom in the full regression model to be lower than expected. This resulted in regression models being estimated without the demographic control variables.

Second, the instructions on the instrument asked the respondents to consider a particular conflict incident, then to answer the questions attempting to measure conflict management strategies. The items were worded to measure the conflict management strategies of the purchasing managers themselves. This seemed appropriate since the theory of reciprocation was the basis for the proposals that the conflict management strategies had associations with manifest conflict. However, the

purchasing manager's perception of the salesperson's chosen conflict management strategy might have proven to be a better predictor of manifest conflict.

Relationship quality was operationalized using trust and satisfaction as its primary components. These constructs were chosen because of their previous use in the buyer/seller environment (Crosby, Evans, and Cowles 1990). However, other studies have included commitment has a component of satisfaction. If this construct had been included, a more complete understanding of the relationships in the model might have been gained.

Finally, only one scale was found that operationalized the constructs of functional and dysfunctional conflict. While this scale proved to be reliable, the validity of the items attempting to measure functional conflict might be questionable. Not one of the hypotheses that included functional conflict was supported by the findings. Given the theoretical support for these hypotheses, it may be that the items did not adequately measure the construct of interest.

Future Research

There are several areas of future research that could be conducted using the current data set. First, as mentioned earlier, since manifest conflict was not shown to be a mediator of conflict management strategies and relationship quality and only one of the conflict management strategies had a significant association with manifest conflict, the possibility exists that conflict management strategies may be an outcome of manifest conflict.

Additionally, the survey instrument included two additional scales that were not reported because the constructs it sought to measure, commitment and collaborative communication behaviors, were not included in the proposed model. Morgan and Hunt (1994) as well as others included commitment as a component of relationship quality in interorganizational studies. The association of the conflict management strategies and manifest conflict with commitment might add to the theoretical implications of the model.

Collaborative communication behaviors have been shown to be associated with relationship quality in channel of distribution relationships (Mohr, Hunt, and Nevin 1996). This model could be extended to include manifest conflict, as well as to see if the associations hold true in a buyer/seller environment.

Outside of the current data set, several areas of future research might contribute to the body of knowledge in the area of buyer/seller conflict and relationship quality. First, an identical instrument could be administered to a sample of professional industrial salespeople. Along the same lines, a similar instrument could be administered to a sample similar to the one in the current study, only changing the perspective of the conflict management style items, as mentioned earlier. These two changes might give some indication of the differences in buyers and sellers' perceptions of conflict management strategies and their effects on relationship quality.

Another relevant addition to the understanding in the buyer/seller arena might include the effect of sales teams instead of individual salespeople on manifest conflict and relationship quality. Weitz and Bradford (1999) stated that one of the major functions of a salesperson in the partnering era was to serve as a member of a sales team. It would also prove interesting to see if the increasing use of web sites to facilitate routine repurchases has any effect on conflict management or relationship quality.

In conclusion, as the business environment becomes increasingly competitive, it becomes more imperative that relationships be built and maintained between the individuals who are the "faces" of the organizations. This study supported the concept that dysfunctional conflict has a negative effect on those relationships, and that conflict management strategies can be used to enhance those relationships.

APPENDIX A

SURVEY INSTRUMENT

.

Survey

We are conducting research on relationships between purchasing managers and salespeople. Your input on your experiences with salespeople is very important to us. Please take a few minutes to complete this survey.

- Please do not put your name on this questionnaire. All information that you provide will be anonymous.
- Note: there are no right or wrong answers----just your perceptions and ideas about your experiences with salespeople.
- Your participation in this important study is greatly appreciated. We thank you in advance for your input.

Section 1. In answering the questions below, please think of a particular regular basis. Now please think of the most recent negotiation experien there was conflict. Realizing that conflict is an inevitable element in no level of disagreement or agreement with the following statements:	ce you h	ad wi	រក្ខណ៍	2 A P	and approx	li li	fich
	STRONG Disagre			HER AG			TRONGLY AGREE
 I tried to investigate an issue with this salesperson to find a solution acceptable to us. 	۱D	2 🗖	30	40	5□	6 🗆	7
 I generally try to satisfy the needs of this salesperson. I attempted to avoid being "put on the spot" and tried to keep my 	10 10	2 0 2 0	3 □ 3□	4 □ 4□	5 □	6 □	7 7
 conflict with this salesperson to myself. 4. I tried to integrate my ideas with those of this salesperson to come up with a decision jointly. 	ال	2 D	Ъ.		د م.	6 □.	7 0
 I tried to work with this salesperson to find solutions to a problem which satisfied our expectations. I usually avoid open discussion of my differences with this 	ם: ס ו	2□ 2□	3⊔ 3 □	₄□ ≪4□≪	5⊔ • 5 □.	6□ 8 6 □	7□ 7□
salesperson.7. I tried to find a middle course to resolve an impasse.	יםי וח	2□ 2□, 2□,	3⊡ 3□	4□ 4□	5□ 5 □	6 []	70 70
 8. Lused my influence to get my ideas accepted. 9. Lused my authority to make a decision in my favor. 10. Lusually accommodate the wishes of this salesperson. 	יםי ה מנ	20 20 20	3□ 3□ 3□	40 40	50	°6□ ₀□ ∞6□♡	70 70 70
 I gave in to the wishes of this salesperson. I exchanged accurate information with this salesperson. I accommodated the wishes of this salesperson. 	0، _ iQ	2 🗖 2 🗖 2 🗖	30 30 30	40 40 40	50 50 50	6□ 6□ 6□	70 3 7 0 70
14. Lusually propose a middle ground for breaking deadlocks15. I negotiate with this salesperson so that a compromise can be reached.	اًם، 10	20 20	3□ 3□	₄ □ ₄□	5□	.6 □ 6□	70
 16. I try to stay away from disagreement with this salesperson. 17. I avoid an encounter with this salesperson. 18. Fuse my expertise to make a decision in my favor. 	םנ. ם: ם:	20 20 20	3□. 3□ 3□.	4⊔ 4□ 4□	50 50	6 🗆	70 70 70
 19. I often go along with the suggestions of this salesperson. 20. Luse "give and take" so that a compromise can be made. 		2 🗆 2 🗖	30 30	4 🖸	47.0 N AME	6 6 6	70 // 0
 I am generally firm in pursuing my side of the issue. I try to bring all our concerns out in the open so that the issues can be resolved in the best possible way. 		2 🗆 2 🗖	30 30	4 D 4 D	23 T	₀□ ∎	70 70 70
 23. I collaborate with this salesperson to come up with decisions acceptable to us. 24. I try to satisfy the expectations of this salesperson. 	1 0 ۵۰. ۱ ۵۵	2 🗆	3□ ≦⊓	₄□ ∞4⊓	5 🗆	₀□ 	70 30
 I sometimes use my power to win a competitive situation. I try to keep my disagreement with this salesperson to 	ا 10	2 🗆 2 🗖	3 🗆 3 🗖	4 D 4 D	5 🗆 • \$Q	6 🗆 6 🖵 -	7 . 7
 myself in order to avoid hard feelings. 27. I try to avoid unpleasant exchanges with this salesperson. 28. I try to work with this salesperson for a proper understanding of a problem. 	ں 1 D 1 D	2 □ 2 □	30 30	4 🗆 4 🗖	5 🗆 5 	6 □ 6 □	7□

	NONE]	A Little		GRE	A at Deal
How much anger was there between you and the salesperson during the course of this negotiation?	1	2 🗆	30	4 🗆	5 🗆	6 🗖	7 🗖
How many disagreements over different ideas were there between you and the salesperson during the negotiation?				40			7 0
How much personal friction was there between you and the salesperson during the course of the negotiation?		2 🗖	3	4 🗆	5 🔲	6 🗆	7 🗖
How much of a personality clash was there between you and the salesperson during this negotiation?	D t	2口	30	4 □	, 5D	6₽	10
How many differences about the content of the decision were there between you and the salesperson during the negotiation?	10	2 🗖	3 🗆	4 🗆	5 🗖	6 🗆	7 🗆
How much tension was there between you and the salesperson during this negotiation?	10	2 🗖	3₽	4□	1 0	6 🗆	70
How many general differences of opinion were there between	۱D	2 🗖	3 🗖	4 🗖	5 🗖	6 🗖	70

you and the salesperson during this negotiation?

Section 3. Again, please think of the salesperson and negotiation experience you have been considering. Please check the answer that best corresponds with the feelings you had about this person <u>after</u> the negotiation was completed.

<u> 25 - 26 -</u>		STRONG			THER A			RONGLY
		DISAGRE		R DISA			GREE	
1.	My salesperson can be relied upon to keep his/her promises.		2	3 🔲	4 🔲	5 🖸	6 🗆	70
2,	There are times when I find this salesperson to be a bit	лЦ	2 🗋	3口	4□	្ដា	6 🗖	7Ц
包約	insincere.		in stat	<u>- 19</u>			\$9 (ಜನೆಗಳು '- - ೧
3,	I find it necessary to be cautious in dealing with this salesperson.		2	3	4 🔲	50	6 🗌	70
	This salesperson is trustworthy.	1 □	2 🗖	30	4 🗖	5 D	64	70
5.	My salesperson and I are in competition – he /she is trying to sell me a lot of his/her products and I am trying to avoid buying it.		2	3	4 🗆	5 🖸	6 🗖	70
6.	This salesperson puts the customer's interests before his/her own.	10	2 🔲	3 🗖	4 🗖	5 🖸	60	70
7.	Some people, including this salesperson, are not above "bending the facts" to create the impression they want.		2 🗖	3 🗖	4 🛛	5 🗆	6 🗆	7
8.	This salesperson is dishonest.	10	2 🗖	3 🗖	4 🗖	5 🔲	6 🗖	7
9.	I suspect this salesperson has sometimes withheld certain pieces of critical information that might have affected my decision-making.		2 🗆	3□	4 🗆	5 🗖	6 🗆	7 🗖
		DISSATISF	IED				SA	TISFIED
10.	When I think of this salesperson, I feel	1 D DISPLEAS	2 🗖 ED	3 🗆	4.0	5 🗆	6 🗆 Pi	7 🗖 JEASED
11.	When I think of this salesperson, I feel	ı 🗖	2 🗖	3 🗖	4 🗖	5 🗆	6 🗆	7 🗖
		UNFAVOR	2.4.4				· · · · · · · · · · · · · · · · · · ·	ORABLE
12.	When I think of this salesperson, I feel		2 🔲	3 🗖			the second s	
		STRONGI					STRO	
	(P) the involution of the product of		20	30	DISAG	50		7
	The relationship that I have with this salesperson is something I am very committed to.		-					
14.	The relationship that I have with this salesperson is very important to me and my firm.	ιu	2 🗖	3口	4⊔	SU	6 .D	7.
15.	The relationship that I have with this salesperson is of very little significance to me.		2 🗖	3 🗆	4 🗆	5 🗖	6 🗖	7
16.	The relationship that I have with this salesperson is something I intend to maintain indefinitely.	10	2 🗖	30	4 🗖	5 🗖	6 🗖	7
17.	The relationship that I have with this salesperson is very much like being family.	Π	2 🗆	3	4 🗆	5 🗆	6 🗆	70
18	The relationship that I have with this salesperson is	: 1∎:	20	30	4□	5 □	6 🗖	70
	something I really care about.			1045				
19.	The relationship that I have with this salesperson	1	2 🗆	3 🗖	4 🗆	5 🛛	6 🛛	7 🗆

deserves my maximum effort to maintain.

In according to a president with the action and high a first	STRONGLY DISAGREE	NEITHER AGREE NOR DISAGREE	STRONGLA AGREE
In coordinating our activities with this salesperson and his/her firm, formal communication channels are followed (i.e., channels are regularized, structured modes versus casual, informal, word-of-mout	10 20	3 4 5	6 7 7
The terms of our relationship have been written down in detail. The salesperson and his/her firm's expectations of us are communicated in detail.		30 40 50 30 40 50	60 70
The terms of our relationship have been explicitly verbalized and discussed.	1 0 20	.3 0. .4 0 .50	
section 5. Following are several modes of communication that occu			
our-week period, how frequently do you provide information to th	ie salesperson or Very	MEARS ALLESS OF	VERY
The second s	INFREQUENTLY	OCCASIONALLY	FREQUENT
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Written letters, correspondence Technical support		30 40 50	60 70
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Dealer Councils	1 2 0	3 4 5 5	60 70
Seminars	10 20	⊴Q⊷4Q.⊗Q	
low often, in a typical four-week period, does this <u>salesperson</u> or h	nis/her firm <u>prov</u>	de information t	<u>o von</u> via ,
Face-to-face interaction with the salesperson.	10 20	30 40 50	60 70
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ow much feedback do you provide to this salesperson about his/her		30 40 50	
product, market conditions, etc.?	도도도하고	and the second	
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what he or she would like you to do?

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APPENDIX B

FIRST SURVEY REQUEST

2055 East Centenneut Circle Tempe: AZ 85284-1802 PO Box 22160 Tempe: AZ 85285-2160 USA Phone: 480/752-6276 Fax: 480 752-7896

Memorandum

December 2003

The attached survey is collecting information toward the completion of the research project "The Effect of Conflict Management Strategies on Manifest Conflict and Relationship Quality in a Buyer/Seller Environment," by Lisa Toms, associate professor in the College of Business, Southern Arkansas University.

I encourage you to fill out the enclosed survey. Increasing the body of knowledge in the field and advancing the purchasing profession depends on solid research, which benefits us all.

Part North, C.P.M., A.P.P.

Paul Novak, C.P.M., A.P.P. Chief Executive Officer ISM

Preparing Purchasing and Supply Professionals for the Future www.ism.ws

156



APPENDIX C

SURVEY COVER LETTER

February 11, 2004

«PrefixDescription» «FirstName» «MiddleInitial» «LastName» «AddressTitle» «AddressCompany» «Address1» «Address2» «City», «RegionOrStateCode» «_ZipCode» «_PostalCode» «CountryName»

Dear Purchasing Manager:

As a sales researcher and former salesperson, I am greatly interested in ways to improve the communication between salespeople and purchasing managers. I am presently conducting a nationwide study of purchasing and supply chain professionals to identify ways to improve relationships between purchasing managers like yourself and their vendors. I would greatly appreciate your assistance in this regard.

Through your insights, opinions, and experiences, as well as those of others like you, I hope to determine the most effective means of resolving the inevitable conflicts that arise when salespeople call on purchasing managers. More specifically, I hope to identify how salespeople can be more effective in managing conflict.

Having been in business for 15 years before becoming an educator and researcher, I know how valuable your time is, but please take about **10 minutes** to complete the enclosed questionnaire. I unfortunately can afford to send out only a limited number of questionnaires. Thus, your response counts - - it is *critical* to my study.

Attached please find a letter of introduction and support for my study from the Institute for Supply Management (formerly the NAPM). As a member of the ISM, your name appeared in a random sample taken from the national membership list. However, **your anonymity is guaranteed** -- please do <u>not</u> put your name on the questionnaire. Neither your questionnaire nor your envelope can be distinguished from others; your responses will be combined and only composite results will be processed. To make the process convenient, I have enclosed a postage-paid reply envelope.

As a token of my sincere thanks for completing the questionnaire, I would like to send you an Executive Summary of the results of this study. You should find it interesting, informative, and helpful in dealing with salespeople. Simply enclose your business card with your survey or, to preserve your anonymity, just drop your card in a separate envelope (or email me: *lctoms@saumag.edu*).

I hope that you can take a few minutes from your busy schedule, complete the questionnaire, and return it to me. Again, your cooperation is *vital* to my study. If you have any questions about the survey, please feel free to contact me at (870) 235-4311. Thank you in advance for your assistance - - it is greatly appreciated.

Respectfully,

Lisa Toms Professor, Marketing

APPENDIX D

SECOND LETTER OF REQUEST

٤.

February 25, 2004

«PrefixDescription» «FirstName» «MiddleInitial» «LastName» «Address1» «Address2» «City», «RegionOrStateCode» «_ZipCode» «_PostalCode» «CountryName»

Dear Purchasing Manager:

About two weeks ago, we mailed you a questionnaire examining communication and conflict management between salespeople and buyers. We hope that you have been able to mail us your completed questionnaire. If you have, we greatly appreciate your help and thank you for your considerable assistance.

In case the survey has been misplaced, though, a second copy is enclosed. If you have not returned a completed copy, will you please take a few minutes to give us your response? The information that you can supply is very important to our study. Our objective is to identify ways that salespeople can be more effective in managing conflict

with purchasing managers like yourself. And remember, all of your responses to our survey are *anonymous*.

Again, as a token of my thanks, I would like to send you an Executive Summary of the results of this survey. You should find it interesting, informative, and helpful in dealing with salespeople. Simply enclose your business card with your survey or, to preserve your anonymity, feel free to drop your card in a separate envelope (or just email me at *lctoms@saumag.edu*).

I hope that you can take the 8 to 10 minutes from your busy schedule to complete the questionnaire and return it to me. Your cooperation is *extremely important* to my study.

If you have any questions about the survey, please feel free to contact me at (870) 235-4311.

Thank you in advance for your assistance. It is greatly appreciated.

Sincerely,

Lisa Toms Professor, Marketing

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