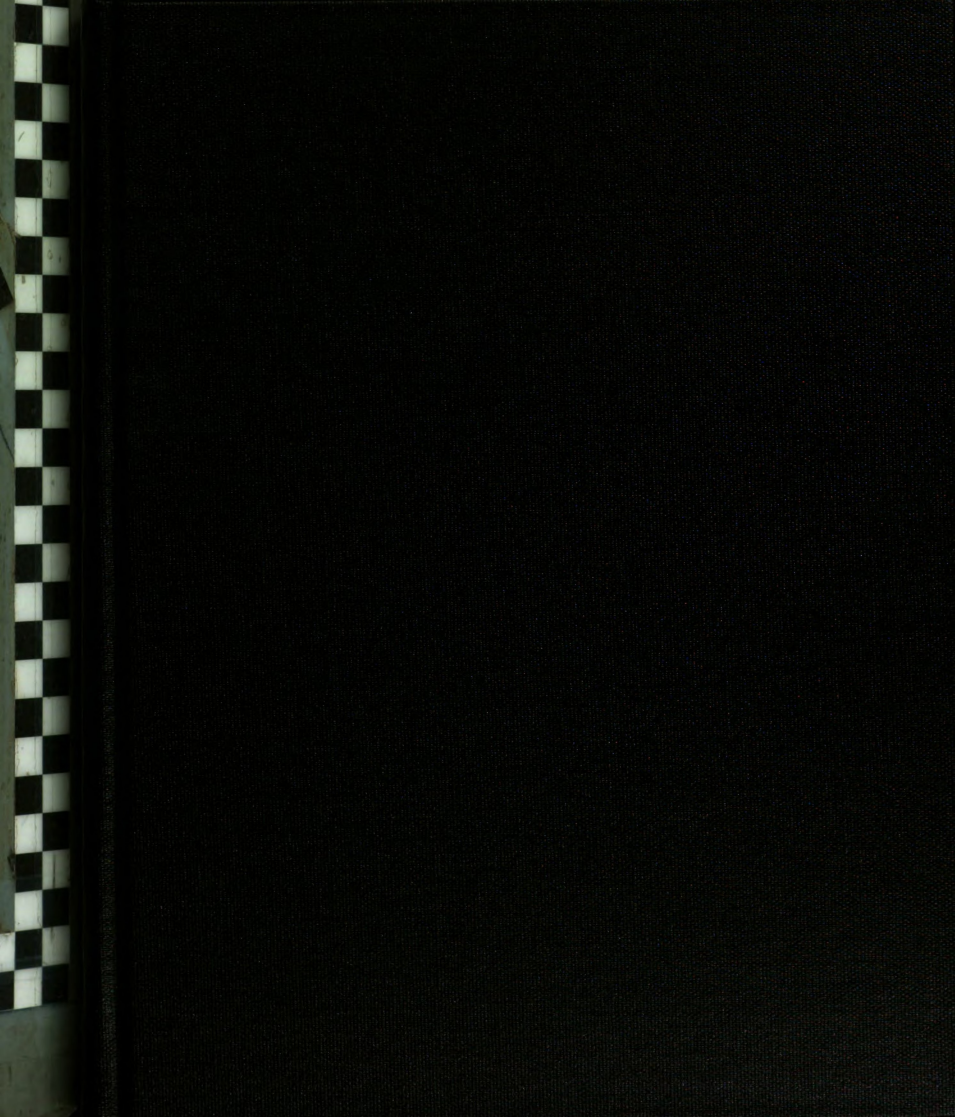






3 1293 01810 3907

This is to certify that the

dissertation entitled

A Model of Constructive Conflict Outcomes
in Exchange Relationships

presented by

James A. Eckert

has been accepted towards fulfillment
of the requirements for

Ph.D. degree in Marketing & Supply
Chain Management

Major professor

Date April 25, 1999

LIBRARY
Michigan State
University

PLACE IN RETURN BOX to remove this checkout from your record.
TO AVOID FINES return on or before date due.
MAY BE RECALLED with earlier due date if requested.

DATE DUE	DATE DUE	DATE DUE

A WHEEL
:

in part

Department

A MODEL OF CONSTRUCTIVE CONFLICT OUTCOMES
IN EXCHANGE RELATIONSHIPS

By

James A. Eckert

A DISSERTATION

Submitted to
Michigan State University
In partial fulfillment of the requirements
for the degree of

DOCTOR OF PHILOSOPHY

Department of Marketing and Supply Chain Management

1999

ment of this
of construct
based on t
times related

was collecte
exchanged
relationship
times were b
times. Analy
showed
movement and

more, a usef
finding
a concept
times based
times gained

ABSTRACT

A MODEL OF CONSTRUCTIVE CONFLICT OUTCOMES IN EXCHANGE RELATIONSHIPS

By

James A. Eckert

The intent of this dissertation was to create and test a model of constructive conflict outcomes. A model was created based on the tenets of Social Conflict Theory and theories related to marketing channels.

Data was collected from both marketers and purchasers who managed exchange relationships on behalf of their firm. The relationship was the unit of measurement and the responses were based on the perceptions of the relationship managers. Analysis of the data using structural equation modeling showed highly mixed support for both the proposed measurement and structural models.

However, a useful set of conclusions did emerge. The central finding of this dissertation is that there does exist a concept classified as constructive conflict outcomes based on the perceptions of the respondents. The concept gained adequate measurement support and performed

sufficiently within the overall structural model. There were other important conclusions. First, there was not strong support for the adequacy of Social Conflict Theory in the context of business-to-business exchange relationships. The next important conclusion is that the relationship structure framework proposed by Robicheaux and Coleman (1994), and operationalized in this dissertation, proved inadequate for capturing the underlying condition of the exchange relationships that formed the basis of the data collected. The final major conclusion is that a limited model of constructive conflict outcomes in exchange relationships was supported. Specifically, the research found that low conflict frequency and an integrated problem solving approach had strong positive effects on constructive conflict outcomes. It was also found that constructive conflict outcomes had a strong positive effect on relationship satisfaction and trust.

In the end, the dissertation, with its highly mixed support for the original model, provides starting point and a great deal of direction that should allow future researchers to create an improved theoretical model describing the existence of constructive conflict outcomes in business-to-business exchange relationships.

Copyright by
JAMES ARTHUR ECKERT
1999

To Pa.

Conditional 11

To Paula, Fergi, Trixie & Merit.

Unconditional love in the face of a dissertation is a
wonderful thing!

ACKNOWLEDGEMENTS

First, I have to thank my wife. Her level of patience has been unfathomable. In addition, this task was made much easier because I have a set of family and friends who never doubted me and were always there to help when needed. So, Mom, Dad, Mrs. L, Ann Marie, Mary Beth, Tom D., Monica, George, Ann, Frank, Sheryl, Patty, Jef, Tom G., Jeff, Dave, Duffy, Julie, Kay (and "the girls") and anyone I am forgetting: THANKS.

On the business side of this project, I want to thank my Committee for helping me do this research the right way. Specifically... To Lloyd, thanks for your time, your involvement, your enthusiasm and your friendship. To Dr. Calantone, thanks for pushing me into a corner and thus keeping my butt safe! To Dr. Page, thanks for your much-needed attention to detail. And to Rob, thanks for your easy going demeanor and insightful direction.

Lastly, thanks to the folks at Northeastern. Your patience and support was greatly appreciated!

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

ET 01

TABLE OF CONTENTS

LIST OF TABLES	xi
LIST OF FIGURES	xiii
INTRODUCTION	1
CHAPTER ONE - EXECUTIVE SUMMARY OF THE DISSERTATION	2
1. Introduction	2
1.1 The research Objective	3
1.2 The Organization of the Dissertation	6
2. The Dissertation Model and Research Questions	8
2.1 Understanding Constructive Conflict	9
2.2 Creating Theory that Addresses Constructive Conflict Outcomes	10
2.3 A model of Constructive Conflict Outcomes in Exchange Relationships	14
3. Executive Summary of Literature Review	20
3.1 Social Conflict Theory and Constructive Conflict Outcomes	20
3.2 Relationship Structure	21
3.3 Relationship Outcomes	22
4. Summary of Research Design	24
4.1 Design Issues	24
4.2 Measurement	24
4.3 Relationship Assessment	25
5. Basic Results and Implications	25
5.1 Theoretical Results	26
5.2 Managerial Results	27
CHAPTER TWO - LITERATURE REVIEW	28
1. Introduction	28
2. Background Information	28
2.1 The Fit of this Dissertation into the State of Channel Theory	29
2.2 The Relationship Paradigm	33
2.3 Robicheaux and Coleman's view of Channel Structure	40
2.4 The Conflict Literature in Marketing	49
3. Social Conflict Theory & Constructive Conflict	56
3.1 Social Conflict Theory (SCT)	56
3.2 Constructive Conflict Outcomes	58

CHAPTER TWO - cont.

1. The Model
 - 1.1 Conflict Construction
 - 1.2 Decision Construction
 - 1.3 Operational Construction
 - 1.4 Construction and Satisfaction

CHAPTER THREE - R

1. Introduction
2. Research Design
 - 2.1 Pretest
 - 2.2 Full Study
3. Construction
 - 3.1 Clan-1
 - 3.2 Operational
 - 3.3 Construction
 - 3.4 Conflict
 - 3.5 Relationship
4. Structural
 - 4.1 Conflict
 - 4.2 Conflict
 - 4.3 Conflict
 - 4.4 Conflict
 - 4.5 Decision
 - 4.6 Operational
 - 4.7 Construction
 - 4.8 Construction and Satisfaction
5. Statistical
 - 5.1 Measures
 - 5.2 Statistics
6. Conclusion

TABLE OF CONTENTS (continued)

CHAPTER TWO - continued

4. The Model	67
4.1 Conflict Characteristics and Constructive Conflict Outcomes	67
4.2 Decision-Making Structure and Constructive Conflict Outcomes	71
4.3 Operational Integration and Constructive Conflict Outcomes	74
4.4 Constructive Conflict Outcomes and Satisfaction and Trust	75

CHAPTER THREE - RESEARCH EXECUTION

	77
1. Introduction	77
2. Research Design	79
2.1 Pretest Design Issues	79
2.2 Full Study Design Issues	82
3. Construct Definition & Measurement	86
3.1 Clan-Like Structure	87
3.2 Operational Integration	100
3.3 Constructive Conflict Outcomes	108
3.4 Conflict	112
3.5 Relationship Satisfaction	117
4. Structural Hypotheses	118
4.1 Conflict Frequency and Constructive Conflict Outcomes	119
4.2 Conflict Intensity and Constructive Conflict Outcomes	120
4.3 Conflict Importance and Constructive Conflict Outcomes	121
4.4 Conflict Focus and Constructive Conflict Outcomes	122
4.5 Decision-Making Structure and Constructive Conflict Outcomes	123
4.6 Operational Integration and Constructive Conflict Outcomes	124
4.7 Constructive Conflict Outcomes and Relationship Satisfaction	125
4.8 Constructive Conflict Outcomes and Relationship Trust	126
5. Statistical Analysis	127
5.1 Measurement Model	127
5.2 Structural Model	132
6. Conclusions	134

TABLE OF CONTENTS (continued)

CHAPTER FOUR - RESEARCH PLAN EXECUTION	135
1. Introduction	135
2. The Pretest	135
2.1 Pretest Sample & Data	136
2.2 Pretest Data Analysis	137
2.3 Pretest Results & Implications	141
3. Data Collection Results	144
3.1 Data Collection	144
3.2 Response Rate	146
4. The Sample Description	150
4.1 NAPM vs. NAMA	150
4.2 Industries Represented	160
5. Sample Conclusions	162
 CHAPTER FIVE - RESULTS OF THE STATISTICAL ANALYSIS	 164
1. Introduction	164
2. Details About the Data	165
2.1 The Distributions of the Variables	166
3. Testing the Measurement Models	167
3.1 Relationship Structure	170
3.2 Conflict Characteristics	180
3.3 Constructive Conflict Outcomes (CCO)	184
3.4 The Full-Model CFA	186
3.5 The Repesified Measurement Model	199
4. Testing the Structural Relationship	218
4.1 The Path Model	218
4.2 The Path Model Analysis Results	223
4.3 The Support for the Hypotheses	226
5. Statistical Analysis Conclusion	229
 CHAPTER SIX - DISSERTATION CONCLUSIONS	 230
1. Introduction	230
2. Measurement Conclusions	230
2.1 Relationship Structure Conclusions	231
2.2 Integrative Problem Solving Approach	233
2.3 CCO Conclusions	235
2.4 Conflict Characteristic Conclusions	238
3. Structural Conclusions	240
3.1 The Overall Effect of Relationship Structure	241
3.2 Decentralization and Constructive Conflict Outcomes	243
3.3 Participation and Constructive Conflict Outcomes	244

1. Structural Co
- 1.1 Integrate
- 1.2 Construct
- 1.3 Issue Imp
- 1.4 Conflict
- 1.5 Conflict
- 1.6 Conflict
- 1.7 Conflict
- 1.8 Conflict
- 1.9 Relation
- 1.10 Construc
2. Managerial C
- 2.1 Conflict
- 2.2 An Inte
- 2.3 Greater
- 2.4 Greater
- 2.5 to Green
3. Limitations
- 3.1 Measure
- 3.2 Non-Exp
- 3.3 Relian
- 3.4 The Cr
- 3.5 The SK
4. Future Res
- 4.1 An Inte
- 4.2 An Iss
- 4.3 Is Re
- 4.4 Are th
- 4.5 Constr
5. Conclusion

INDEXES

Appendix A
 Appendix B
 Appendix C

REFERENCES

TABLE OF CONTENTS (continued)

CHAPTER SIX - continued

3.	Structural Conclusions - continued	
3.4	Integrated Problem Solving Approach and Constructive Conflict Outcomes	245
3.5	Issue Importance and Constructive Conflict Outcomes	246
3.6	Conflict Frequency and Constructive Conflict Outcomes	248
3.6	Conflict Intensity and Constructive Conflict Outcomes	250
3.7	Relationship Satisfaction / Trust and Constructive Conflict Outcomes	253
4.	Managerial Conclusions	254
4.1	Conflict Can be Constructive	254
4.2	An Integrated Approach Leads to Greater Constructiveness	255
4.3	Greater Constructiveness is connected to Greater Satisfaction	256
5.	Limitations	257
5.1	Measurement of Conflict	257
5.2	Non-Dyadic Approach	258
5.3	Reliance on Perceptions	259
5.4	The Cross-Sectional Methodology	261
5.5	The Skewed Level of Relationship Quality	262
6.	Future Research	264
6.1	An Interaction Effect?	265
6.2	An Issue Group Effect?	265
6.3	Is Relationship Structure a Moderator?	266
6.4	Are the Results the same at the Conflict Episode Level	266
7.	Conclusions	267

APPENDICES

270

Appendix A1	Construct Conceptualizations and the Items Used in Questionnaire	271
Appendix A2	Construct Conceptualizations and Final Items Used in the Analysis	291
Appendix B	The Pretest Questionnaire	306
Appendix C	The Full-Survey Questionnaire	308

REFERENCES

317

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

LIST OF TABLES

Table 4.1	Pretest EFA Results	140
Table 4.2	Common Respondent Position Titles	145
Table 4.3	Weekly Response Rate Tally	147
Table 4.4	Respondent Demographics	152
Table 4.5	Respondent Firm Demographics	153
Table 4.6	Relationship Demographics	155
Table 4.7	Industries Represented	161
Table 5.1	Decision-Making Structure Item Reliabilities	171
Table 5.2	Decision-Making Structure CFA Results	173
Table 5.3	Operational Integration Item Reliabilities	175
Table 5.4	Operational Integration CFA Results	178
Table 5.5	Conflict Characteristic Issue Groupings	182
Table 5.6	The Conflict Characteristic Construct Indicators	184
Table 5.7	CCO Item Reliabilities	185
Table 5.8	Item Reliabilities	190
Table 5.9	Goodness-of-Fit Measures for Initial Measurement Model	192
Table 5.10	Convergent Validity Support for the Constructs within the Initial Measurement Model	196

2011 7

2012 7

2013 1
M

2014 3
F

2015 1

2016

2017

2018

2019

2020

2021

LIST OF TABLES (continued)

Table 5.11	The CCINT and SHARPAR Items	205
Table 5.12	The IPSA Construct Items	206
Table 5.13	Item Reliabilities for Respecified Measurement Model	210
Table 5.14	Goodness-of-Fit Measures for Respecified Measurement Model	212
Table 5.15	Convergent Validity Support for the Constructs within the Respecified Measurement Model	215
Table 5.16	Summary of the Measurement Results For the Supported Constructs	217
Table 5.17	The Paths and the Hypothesis Each Represents	221
Table 5.18	The Input Matrix for the Path Model	222
Table 5.19	Path Model Goodness-of Fit Measures	224
Table 5.20	Path Test Results	227
Table 5.21	The Results of the Hypothesis Tests	228

Page 1

Page 2

Page 3

Page 4

Page 5

Page 6

Page 7

LIST OF FIGURES

Figure 1.1	The Original Structural Model	16
Figure 1.2	The Decision-Making Structure Measurement Model	17
Figure 1.3	The Operational Integration Measurement Model	18
Figure 1.4	The Constructive Conflict Outcomes Measurement Model	19
Figure 5.1	The All-Variable Measurement Model	188
Figure 5.2	The Respecified Measurement Model	201
Figure 5.3	The Full-Variable Path Model	220

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913
914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997
998
999
1000

INTRODUCTION

Firms are creating more and more close relationships with customers and suppliers, and many firms believe that these relationships are key to the firm's success. Within these close relationships, conflict is inevitable. However, conflict does not necessarily have to be a negative experience, even though that is the connotation usually assigned to it. In fact, the tenets of Social Conflict Theory contend that conflict is a required element for productive and healthy social relationships. This dissertation is designed to test the adequacy of applying that concept to business-to-business exchange relationships.

A theoretical model was created using the tenets of Social Conflict Theory and marketing channel theories. This model was tested and results reviewed. These results will show that the model proposed was not fully supported but still contributes theoretically towards the goal of building an adequate model that describes constructive conflict outcomes in business-to-business exchange relationships.

From the beginning this research was considered exploratory in nature because the concept of constructive conflict (the focal variable) did not come to this research with a strong theoretical background. Therefore, the results, including the non-supported hypotheses, provide an excellent source of information that should help future researchers clarify the theoretical importance of constructive conflict and help to build a suitable model that positions this concept amongst its relevant antecedents and consequences. And to that end, the research was very successful.

Executive

1. INTRODUCTION

Conflict is inevitable

and such as the

divergently, as f

ness with exchange

and even larger.

bounded. The s

are chosen to arr

relationships in a

image. Unfortu

inadequacies

in kind between t

of these destruct

possible result?

little conflict

rationally aren't

what? Haven't ra

the route that b

Chapter 1

Executive Summary of the Dissertation

1. INTRODUCTION

Conflict is inevitable between closely interdependent units: units such as the firms that make up channel relationships. And recently, as firms have tried to establish even closer ties with exchange partners, the potential for conflict has grown even larger. How many married couples never fight? Few indeed. The same can be said for the organizations that have chosen to arrange their buying and selling relationships in a way that mimics the closeness of marriage. Unfortunately, this inevitable conflict can lead to inefficiencies and dissatisfaction. It can break down the bond between these organizations.

Are these destructive outcomes of conflicts the only possible result? Returning to the marriage analogy, isn't a little conflict healthy? If spouses don't "let it out" occasionally aren't they candidates for a plate-throwing melee? Haven't many spouses arrived at productive changes via a route that began with a fight over the issue?

Conflict in this context is constructive for the relationship. If close exchange relationships between organizations are indeed similar to close interpersonal relationships then shouldn't conflict have these same constructive outcomes?

1.1 The Research Objective

The introduction highlights the general question that this dissertation seeks to answer. Stated more formally, the fundamental research objective of this dissertation is:

To gain an understanding of the concept of constructive conflict outcomes and to build and test a model that represents a group of the key antecedents & consequences of this phenomenon.

By achieving this objective, this dissertation will begin the theory-building process that eventually seeks to arm relationship managers with a useful model that predicts when conflict will be constructive and what impact such outcomes will have on the overall exchange relationship.

Relationship managers are those individuals who have primary responsibility for the creation and maintenance of their

6-2

[illegible]

343

Figure 1

7
 8
 9
 10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25
 26
 27
 28
 29
 30
 31
 32
 33
 34
 35
 36
 37
 38
 39
 40
 41
 42
 43
 44
 45
 46
 47
 48
 49
 50
 51
 52
 53
 54
 55
 56
 57
 58
 59
 60
 61
 62
 63
 64
 65
 66
 67
 68
 69
 70
 71
 72
 73
 74
 75
 76
 77
 78
 79
 80
 81
 82
 83
 84
 85
 86
 87
 88
 89
 90
 91
 92
 93
 94
 95
 96
 97
 98
 99
 100
 101
 102
 103
 104
 105
 106
 107
 108
 109
 110
 111
 112
 113
 114
 115
 116
 117
 118
 119
 120
 121
 122
 123
 124
 125
 126
 127
 128
 129
 130
 131
 132
 133
 134
 135
 136
 137
 138
 139
 140
 141
 142
 143
 144
 145
 146
 147
 148
 149
 150
 151
 152
 153
 154
 155
 156
 157
 158
 159
 160
 161
 162
 163
 164
 165
 166
 167
 168
 169
 170
 171
 172
 173
 174
 175
 176
 177
 178
 179
 180
 181
 182
 183
 184
 185
 186
 187
 188
 189
 190
 191
 192
 193
 194
 195
 196
 197
 198
 199
 200
 201
 202
 203
 204
 205
 206
 207
 208
 209
 210
 211
 212
 213
 214
 215
 216
 217
 218
 219
 220
 221
 222
 223
 224
 225
 226
 227
 228
 229
 230
 231
 232
 233
 234
 235
 236
 237
 238
 239
 240
 241
 242
 243
 244
 245
 246
 247
 248
 249
 250
 251
 252
 253
 254
 255
 256
 257
 258
 259
 260
 261
 262
 263
 264
 265
 266
 267
 268
 269
 270
 271
 272
 273
 274
 275
 276
 277
 278
 279
 280
 281
 282
 283
 284
 285
 286
 287
 288
 289
 290
 291
 292
 293
 294
 295
 296
 297
 298
 299
 300
 301
 302
 303
 304
 305
 306
 307
 308
 309
 310
 311
 312
 313
 314
 315
 316
 317
 318
 319
 320
 321
 322
 323
 324
 325
 326
 327
 328
 329
 330
 331
 332
 333
 334
 335
 336
 337
 338
 339
 340
 341
 342
 343
 344
 345
 346
 347
 348
 349
 350
 351
 352
 353
 354
 355
 356
 357
 358
 359
 360
 361
 362
 363
 364
 365
 366
 367
 368
 369
 370
 371
 372
 373
 374
 375
 376
 377
 378
 379
 380
 381
 382
 383
 384
 385
 386
 387
 388
 389
 390
 391
 392
 393
 394
 395
 396
 397
 398
 399
 400
 401
 402
 403
 404
 405
 406
 407
 408
 409
 410
 411
 412
 413
 414
 415
 416
 417
 418
 419
 420
 421
 422
 423
 424
 425
 426
 427
 428
 429
 430
 431
 432
 433
 434
 435
 436
 437
 438
 439
 440
 441
 442
 443
 444
 445
 446
 447
 448
 449
 450
 451
 452
 453
 454
 455
 456
 457
 458
 459
 460
 461
 462
 463
 464
 465
 466
 467
 468
 469
 470
 471
 472
 473
 474
 475
 476
 477
 478
 479
 480
 481
 482
 483
 484
 485
 486
 487
 488
 489
 490
 491
 492
 493
 494
 495
 496
 497
 498
 499
 500
 501
 502
 503
 504
 505
 506
 507
 508
 509
 510
 511
 512
 513
 514
 515
 516
 517
 518
 519
 520
 521
 522
 523
 524
 525
 526
 527
 528
 529
 530

22

32

• • • • •

1
2
3
4

• • •

10

• • •

3

•

2

3

3

3

:

1

:

firm's exchange relationships. Examples would include a purchasing manager who is responsible for procuring needed raw materials from an outside supplier, or an account executive charged with maintaining the customer relationships for her firm. By providing individuals such as these with that theory, these relationship managers would be able to implement the appropriate actions that would lead to constructive conflict outcomes. The aim of this dissertation was to make an exploratory attempt at building such a model. In the end, the results did not provide a complete picture of the phenomena. However, the research did accomplish two key things; 1) it establishes a starting point for future research that can be designed to clarify the model, and 2) it provides a starting point for managers who wish to actively manage the conflict in their exchange relationships.

Both results have value. Since conflict is a fundamental part of all close, interdependent relationships, if we, as scientists, are to better construct theory that explains and predicts the relationship building and maintenance process, then we must have a robust understanding of the potential beneficial outcomes of conflict. Without such an understanding, our theories will lack the ability to explain the richness of how conflict impacts relationships. Thus,

232

1000

100

21

2000

.....

• **•**

100

1
 2
 3
 4
 5
 6
 7
 8
 9
 10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25
 26
 27
 28
 29
 30
 31
 32
 33
 34
 35
 36
 37
 38
 39
 40
 41
 42
 43
 44
 45
 46
 47
 48
 49
 50
 51
 52
 53
 54
 55
 56
 57
 58
 59
 60
 61
 62
 63
 64
 65
 66
 67
 68
 69
 70
 71
 72
 73
 74
 75
 76
 77
 78
 79
 80
 81
 82
 83
 84
 85
 86
 87
 88
 89
 90
 91
 92
 93
 94
 95
 96
 97
 98
 99
 100
 101
 102
 103
 104
 105
 106
 107
 108
 109
 110
 111
 112
 113
 114
 115
 116
 117
 118
 119
 120
 121
 122
 123
 124
 125
 126
 127
 128
 129
 130
 131
 132
 133
 134
 135
 136
 137
 138
 139
 140
 141
 142
 143
 144
 145
 146
 147
 148
 149
 150
 151
 152
 153
 154
 155
 156
 157
 158
 159
 160
 161
 162
 163
 164
 165
 166
 167
 168
 169
 170
 171
 172
 173
 174
 175
 176
 177
 178
 179
 180
 181
 182
 183
 184
 185
 186
 187
 188
 189
 190
 191
 192
 193
 194
 195
 196
 197
 198
 199
 200
 201
 202
 203
 204
 205
 206
 207
 208
 209
 210
 211
 212
 213
 214
 215
 216
 217
 218
 219
 220
 221
 222
 223
 224
 225
 226
 227
 228
 229
 230
 231
 232
 233
 234
 235
 236
 237
 238
 239
 240
 241
 242
 243
 244
 245
 246
 247
 248
 249
 250
 251
 252
 253
 254
 255
 256
 257
 258
 259
 260
 261
 262
 263
 264
 265
 266
 267
 268
 269
 270
 271
 272
 273
 274
 275
 276
 277
 278
 279
 280
 281
 282
 283
 284
 285
 286
 287
 288
 289
 290
 291
 292
 293
 294
 295
 296
 297
 298
 299
 300
 301
 302
 303
 304
 305
 306
 307
 308
 309
 310
 311
 312
 313
 314
 315
 316
 317
 318
 319
 320
 321
 322
 323
 324
 325
 326
 327
 328
 329
 330
 331
 332
 333
 334
 335
 336
 337
 338
 339
 340
 341
 342
 343
 344
 345
 346
 347
 348
 349
 350
 351
 352
 353
 354
 355
 356
 357
 358
 359
 360
 361
 362
 363
 364
 365
 366
 367
 368
 369
 370
 371
 372
 373
 374
 375
 376
 377
 378
 379
 380
 381
 382
 383
 384
 385
 386
 387
 388
 389
 390
 391
 392
 393
 394
 395
 396
 397
 398
 399
 400
 401
 402
 403
 404
 405
 406
 407
 408
 409
 410
 411
 412
 413
 414
 415
 416
 417
 418
 419
 420
 421
 422
 423
 424
 425
 426
 427
 428
 429
 430
 431
 432
 433
 434
 435
 436
 437
 438
 439
 440
 441
 442
 443
 444
 445
 446
 447
 448
 449
 450
 451
 452
 453
 454
 455
 456
 457
 458
 459
 460
 461
 462
 463
 464
 465
 466
 467
 468
 469
 470
 471
 472
 473
 474
 475
 476
 477
 478
 479
 480
 481
 482
 483
 484
 485
 486
 487
 488
 489
 490
 491
 492
 493
 494
 495
 496
 497
 498
 499
 500
 501
 502
 503
 504
 505
 506
 507
 508
 509
 510
 511
 512
 513
 514
 515
 516
 517
 518
 519
 520
 521
 522
 523
 524
 525

• • •

11

...

...

...

•

3

•

...

•

1

•

•

•

the results represent theoretical advancement. In addition, the current state of business finds many firms engaged in close business-to-business relationships that are bound to be face conflict. This means that there is a current managerial need for guidance on how to best handle the conflict to achieve the most constructive outcome possible. Therefore, the basic model of the antecedents of constructive conflict outcomes that was supported provides the foundation for pertinent managerial prescriptions in this area.

The concept of constructive conflict outcomes is not new to the marketing literature. Assael (1969) explored this concept in automotive distribution channels almost thirty years ago. However, while many authors since have proposed that conflict could have constructive outcomes (e.g. Dwyer, Schurr and Oh 1987; Morgan and Hunt 1994; Weitz and Jap 1995), none have attempted to establish a full conceptualization of this idea. Additionally, there exist no empirical findings that position this construct in a theoretical model. Therefore, it was the intention of this dissertation to tackle both of these tasks.

Social conflict theory provides the basis for a full conceptualization of this notion and also provided

relations as to
the manifest conf
between exchange p
ation of structure
courses was explor
Bouchaux and Cole
lady, since firms
where business ob
dependencies of the
d in constructive
relationship outcom
undertaken.

1.2 The Orga

is found to be or
relevant stages of
relevant as to who
synthesized is re
defined and then
considered. In the
he briefly highl
Chapter One. As t
research questions

predictions as to when constructive outcomes will result from manifest conflict. Additionally, since relationships between exchange partners can take on many structures, the effect of structure on this concept of constructive conflict outcomes was explored. The structure framework proposed by Robicheaux and Coleman (1994) guided this exploration. Lastly, since firms are entering into relationships to achieve business objectives that are unreachable without the competencies of the firm's exchange partners, an assessment of how constructive conflict outcomes effect overall relationship outcomes (such as satisfaction and trust) was undertaken.

1.2 The Organization of the Dissertation

The document is organized to walk the reader through the relevant stages of the research. First, the theoretical argument as to why the proposed relationships were hypothesized is reviewed. Next the research plan is outlined and then the results of the research are considered. In the paragraphs below, the specific chapters are briefly highlighted.

Chapter One. As this chapter continues, the specific research questions, and the model that represents the

proposed answers to those questions, will be presented. An executive summary of the theory behind the model, the proposed research design, and the basic results will follow.

Chapter Two. The literature that provided the background and direct theoretical support for the relationships proposed in the model will be fully reviewed. A theoretical argument will be built. Chapter two concludes with a review of the core logic behind the theoretical argument made.

Chapter Three. The plan used to execute the research is outlined in this chapter. Special attention is paid to the measurement of each of the constructs presented in the model. Additionally, the sampling plan and the intended statistical evaluations will be reviewed.

Chapter Four. This chapter reviews how the data was collected and the basic condition of that data. Consideration is given to the adequacy of the data for the theory test proposed.

Chapter Five. This is the chapter that reports the statistical analysis of the data. It first reviews the measurement tests and then the structural tests.

1990

1991

1992

1993

1994

1995

1996

1997

1998

1999

2000

2001

2002

2003

2004

2005

2006

2007

2008

2009

2010

2011

2012

Chapter Six. The final chapter considers the implications of the research. The theoretical, as well as the managerial conclusions are reviewed. In addition, the limitations and directions for future research are documented.

When the reader has concluded reading this dissertation they should be left with a richer understanding of the concept of constructive conflict outcomes and its existence within the context of exchange relationships.

2. THE DISSERTATION MODEL AND RESEARCH QUESTIONS

There are two sets of core research questions that this dissertation sought to answer. The first focused on providing a rich understanding of the concept of constructive conflict. The second set of research questions dealt with seeking to understand constructive conflict's relationship with a set of theoretically and managerially significant constructs. Through the process of addressing the specific research questions, this dissertation was able to achieve its overall research objective.

In addition to these core questions, there was an additional question for which an answer was sought. Specifically, the dissertation provided a measurement test for a set of

constructs that were
model relationships
and a test in the
derivative of this d

2.1 Understand

to create and test a
interactive Conflic
variable construct.
Berlinger 1986 .
initial outcomes w
defined and concept
first set of resear
the conceptualizati
specifically the q

1. What cons

(1a)

(1b)

constructs that were proposed to represent the structure of channel relationships. These constructs had yet to face such a test in the published literature. Thus, a secondary objective of this dissertation was to provide that test.

2.1 Understanding Constructive Conflict

To create and test theory in this area, the notion of Constructive Conflict Outcomes had to be captured as a workable construct. Theory starts with constructs (Kerlinger 1986). Thus, before the concept of Constructive Conflict Outcomes was related to other concepts it had to be defined and conceptualized (Hunt 1991). Therefore, the first set of research questions outlined below, deal with the conceptualization of constructive conflict outcomes. Specifically the questions are:

(1) What constitutes Constructive Conflict Outcomes?

(1a) What does theory provide in the way of a conceptualization of constructive conflict outcomes?

(1b) Do the perceptions of relationship managers support this conceptualization?

Combined, the answers to these questions approached the concept of Constructive Conflict Outcomes from a deductive and inductive approach. First, the dissertation reviewed Social Conflict Theory, which provided a rich conceptualization of the notion of Constructive Conflict Outcomes. Based on this, the concept was operationalized and the subsequent empirical test of that operationalization provided an answer to question 1b. Thus, the first question is a logical question and the second an empirical one. The combined answer provides a richer understanding of the concept of Constructive Conflict Outcomes.

2.2 Creating Theory that Addresses Constructive Conflict Outcomes

There were two objectives related to building theory concerning Constructive Conflict Outcomes in exchange relationships. First, there was the primary objective of building a model of the relevant constructs that included the order and structure of the antecedents and consequences. This, in effect, would be considered a fully specified theoretical model. The secondary objective was to, at minimum, identify and verify the set of constructs that make up the nomological net surrounding Constructive Conflict Outcomes. These two objectives are addressed in reverse order below.

but though a full
 his dissertation,
 relevant nomenclature
 names is embedded
 relationships that
 shared constructs
 defines the construct
 has a full theoretical
 has not position
 usual order, which
 is that. This research
 versus a longitudinal
 has a purist view
 identified, and the
 has the results.
 provides a legitimate
 research. Further
 empirical work is
 identification a
 ontological net
 can form the
 theoretical model

2.2.1 The Nomological Net for Constructive Conflict Outcomes

Even though a full theoretical model was not supported by this dissertation, the research, at a minimum, did identify a relevant nomological net in which Constructive Conflict Outcomes is embedded. A nomological net is the web of relationships that positions a construct in the universe of related constructs (Kerlinger 1986). The nomological net includes the construct's antecedents and consequences, as does a full theoretical model. However, the nomological net does not position individual constructs in any type of casual order, while a full-theoretical model does attempt to do that. This research used a cross-sectional survey method (versus a longitudinal or experimental design), and thus, from a purist viewpoint, no temporal precedence was securely identified, and therefore, no causal order can be inferred from the results. Thus, the concept of a nomological net provides a legitimate context for the results of this research. Furthermore, since there was little conceptual or empirical work in this area prior to this dissertation, the identification and support for constructive conflict's nomological net still constitutes a significant contribution that can form the foundation for building a subsequent full theoretical model.

200

201

202

203

204

205

206

207

208

209

210

211

212

213

214

215

216

217

218

219

220

221

222

2.1.2 The Full Theoretical Model of Constructive Conflict Outcomes

As stated, the primary objective of this research was to create and test a fully specified theoretical model involving Constructive Conflict Outcomes. Therefore, the literature reviewed and the logic applied was with the objective of creating such a full model that included the proper order and specific structure of the relationships between the relevant constructs. (This goes beyond a nomological net, as such a net only identifies the relationships without necessarily predicting the order or structure of those relationships). The specific constructs that comprise the model tested in this dissertation include the various characteristics of perceived conflict, the variables that represent the structure of the exchange relationship, and two constructs that represent overall relationship outcomes. There are other constructs that could have been expected to comprise a fully specified set of relationships involving Constructive Conflict Outcomes (e.g. Dependence and Commitment). However, since the dissertation represented one of the first research projects that focused on this concept, the number of relationships explored was reduced to those that were most directly relevant to an initial understanding of this concept. The constructs were chosen for the following reasons; (1) the

2011

2012

2013

2014

2015

2016

2017

2018

2019

2020

2021

2022

2023

characteristics of perceived conflict because they are suggested to be related to constructive conflict outcomes by Social Conflict Theory, (2) relationship structure because this it allowed for the diversity of real relationships to be systematically considered, and (3) relationship satisfaction and relationship trust because they are theoretically and managerially interesting outcome variables.

The second set of research questions (presented on the following page) provided the guide to building and testing the model of Constructive Conflict Outcomes in exchange relationships.

(2) What relationships comprise an appropriate model of Constructive Conflict Outcomes in exchange relationships? (Secondarily, what variables constitute constructive conflict's nomological net?) Specifically:

(2a.) What is the effect that the characteristics of perceived conflict have on Constructive Conflict Outcomes?

(2b.) What effect does relationship structure have on Constructive Conflict Outcomes?

(2c.) What effect do Constructive Conflict Outcomes have on relationship satisfaction and trust?

2.3 A Model of Constructive Conflict Outcomes in Exchange Relationships

To answer the questions proposed above, a model was conceptualized that predicted answers to those research questions. It is this model that was explicitly tested during the execution of this research. The model is illustrated in Figure 1.1.

Figure 1.1 represents the structural relationships that were examined. However, measurement issues were also highly relevant. In addition to the structural model, both first, and second-order measurement models were proposed and tested. Three of the model's constructs were operationalized as being comprised of multiple dimensions with each dimension being indicated by multiple measures. These complex measurement models are presented in Figures 1.2, 1.3, and 1.4.

In addition, the measurement properties of the other constructs (the conflict characteristics, satisfaction and trust) will be considered, although no model is presented. Chapter three will outline the measurement assessments that will be made for the collective group of constructs presented in this dissertation.

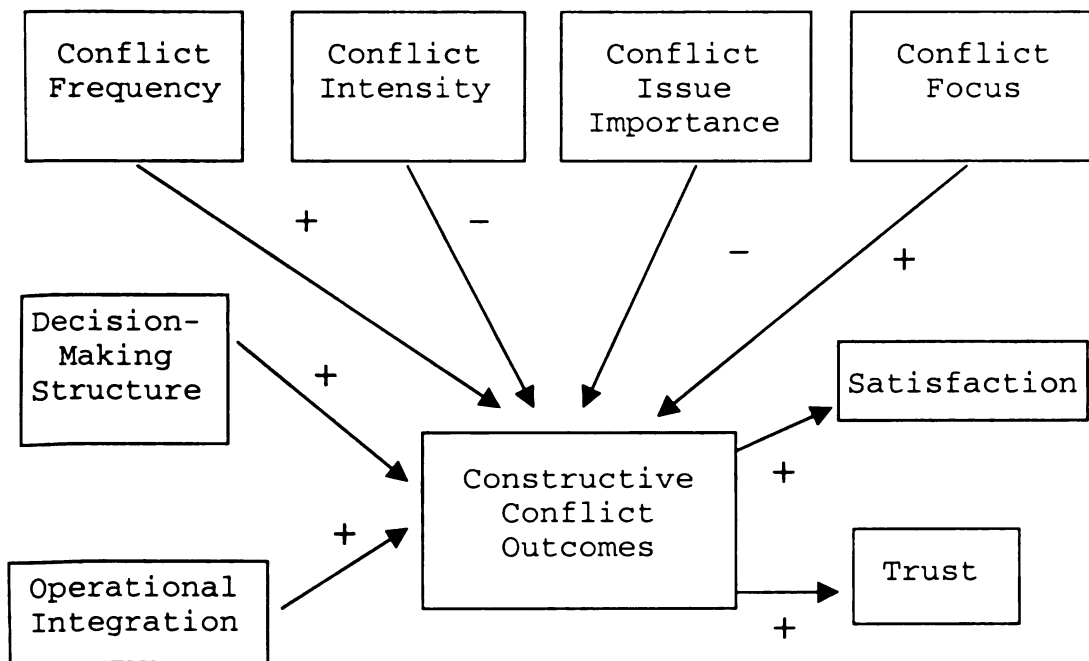


Figure 1.1 - The Original Structural Model

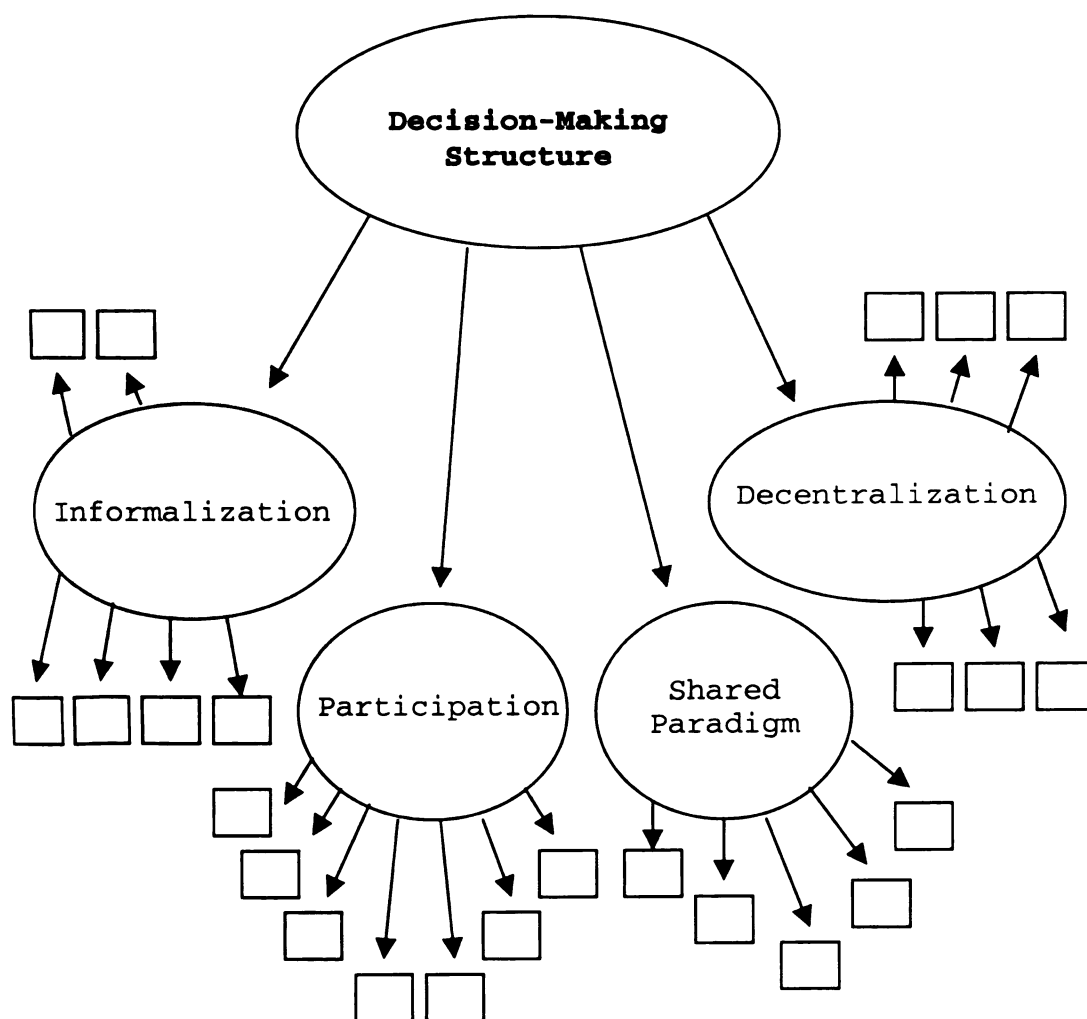


Figure 1.2 - The Decision-Making Structure Measurement Model

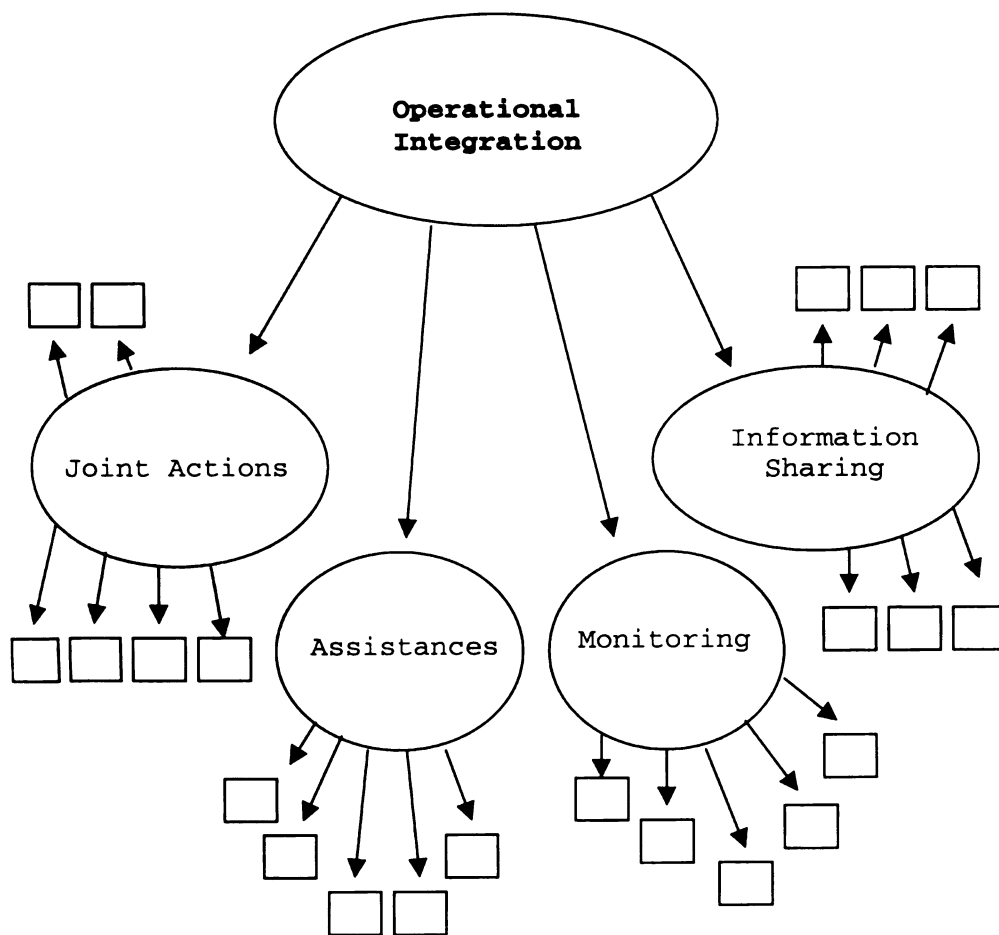


Figure 1.3 - The Operational Integration Measurement Model

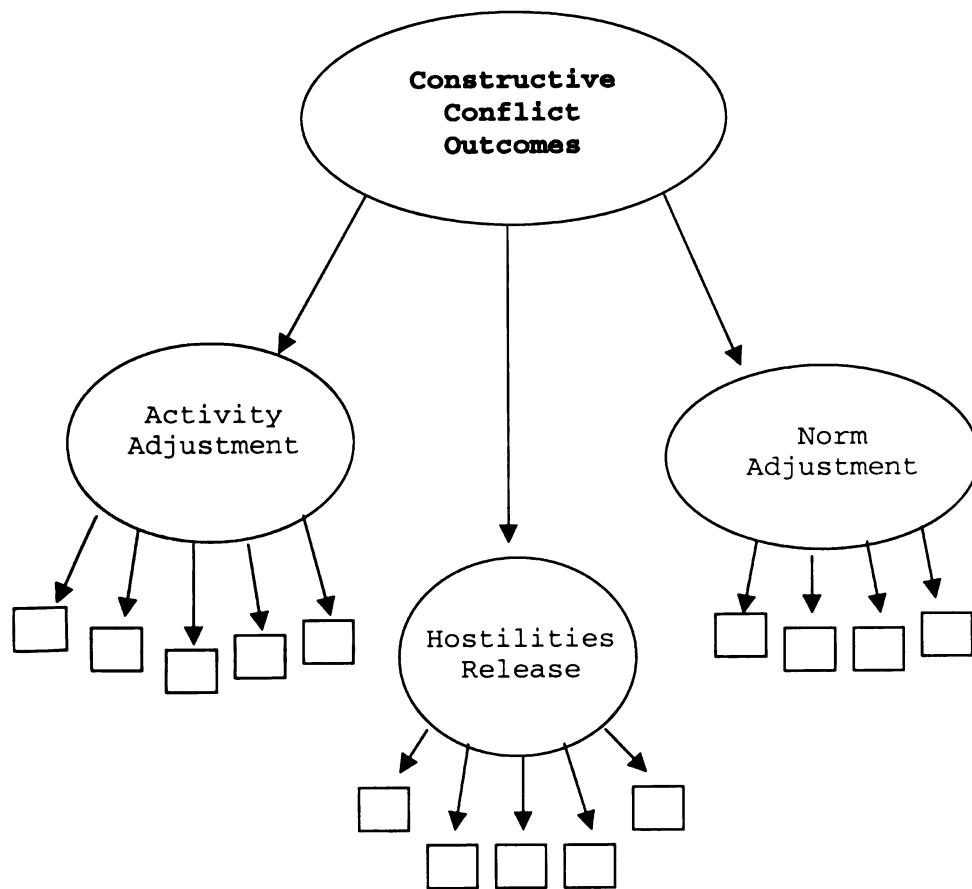


Figure 1.4 - The Constructive Conflict Outcomes Measurement Model

3. EXECUTIVE SUMMARY

The literature

specific sup

insertation

highlights

3.1 S

C

final con

1981, 198

concept of

believes t

that hosti

explosive

leads to p

in market

require co

specificat

conflict

has not s

constructi

relationship

in this de

3. EXECUTIVE SUMMARY OF LITERATURE REVIEW

The literature that provides relevant background and specific support for the relationships proposed in this dissertation is fully reviewed in chapter two. However, the highlights of that review are presented below.

3.1 Social Conflict Theory and Constructive Conflict Outcomes

Social conflict theory, based on the writings of Lewis Cosar (1956, 1967), provides strong theoretical support for the concept of constructive conflict. Specifically, Cosar believes that all healthy social systems require conflict so that hostilities can be released before they build up to explosive levels. In addition, he believes that conflict leads to positive change. Exchange relationships embedded in marketing channels represent systems and thus should also require conflict if these relationships are to be healthy.

Specifically, Social Conflict Theory predicts that when conflict is frequent, of low intensity and importance, and does not focus on central issues, the likelihood of constructive outcomes is enhanced (Turner 1986). These relationships will be operationalized and empirically tested in this dissertation.

100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913
914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997
998
999
1000

3.2 Relationship Structure

Robicheaux and Coleman (1994) propose a model of relationship structure that is rooted in the political-economy paradigm (Stern and Reve 1980). (These models are discussed and illustrated more thoroughly in chapter two.) The Robicheaux and Coleman model carefully separates the antecedents of relationship structure from the relationship structure itself and the consequences of that relationship structure. This disciplined division is valuable because it identifies the core elements of the structure itself, thus allowing for a more judicious use of this concept in the study of exchange relationships. This is important because there exists a wide range of structures that characterize exchange relationships, and any theory proposed that is intended to apply to a full range of exchange relationships must take into consideration this diversity of structure. The Robicheaux and Coleman (1994) framework provides this dissertation with a theoretically sound way to systematically consider such diversity, and thus, extend theory related to the management of exchange relationships.

Robicheaux and Coleman (1994) propose that relationship structure has two components, (1) Decision-Making Structure and (2) Operational Integration. This dissertation measured

100

101

102

103

104

105

106

107

108

109

110

111

112

113

114

115

116

117

118

119

120

121

122

123

124

125

126

127

128

both of these components (via their underlying dimensions) and assessed the impact of structure on Constructive Conflict Outcomes. It was predicted that clan-like decision making structure (decentralized, informal, participative decisions based on shared norms) would be positively related to perceptions of constructive conflict. Additionally, it was predicted that high levels of operational integration (characterized by significant joint actions, information sharing, assistances and monitoring) would also be related to high levels of perceived constructive conflict. There was mixed support obtained for those contentions.

A secondary objective of the dissertation was to assess the measurement qualities of Robicheaux and Coleman's (1994) structure conceptualization. They only provided the rationale for the relationships, but did not directly test the implied measurement model themselves. This dissertation will attempt to provide the needed empirical support.

3.3 Relationship Outcomes

One of the keys to making the exploration of Constructive Conflict Outcomes interesting and relevant is to explore its connections to important outcome variables. Relationship satisfaction is one such relevant variable. Brown, Lusch

and Smith (1991) provide a meta-analysis that concludes that conflict has a negative relationship with satisfaction. Yet, none of the research reviewed considered the potential mediating role of Constructive Conflict Outcomes.

It was hypothesized that Constructive Conflict Outcomes would be positively associated with relationship satisfaction. In addition, since two characteristics of conflict were hypothesized to be positively associated with Constructive Conflict Outcomes, the model proposed in this dissertation hypothesized that conflict with certain characteristics would actually be positively associated with relationship satisfaction. There was mixed support for the hypotheses in this area. Thus, besides satisfaction taking the role of pertinent outcome variable, its empirical history combined with this dissertation's hypotheses make its inclusion interesting in the manner highlighted by Davis (1971).

4. SUMMARY OF RESEARCH DESIGN

Chapter three outlines the execution plan for this research. However a brief review of that plan is highlighted below.

4.1 Design Issues

A cross-sectional survey design was employed. This design allowed for the relationships proposed in this dissertation to be put to a relevant and practical test. A pretest of certain measures was conducted to make up for the lack of an empirical measurement history on the part of some of the model's constructs. After appropriate measurement refinement, a "modified" Dillman (1978) approach was used to gather approximately 220 responses from relationship managers who were fundamentally responsible for managing one of their firm's key exchange relationships.

4.2 Measurement

The reliability and validity of the measures employed in this research was assessed via procedures such as Cronbach's alpha, EFA and CFA. The goal of these assessments was to establish quality measurement of all of the constructs in the model. Without quality measurement, the results related

0000

0000

0000

0000

0000

0000

0000

0000

0000

0000

0000

0000

0000

0000

0000

0000

0000

to the structural relationships would become suspect. Between the pre-test and the full-model test, the proposed measurement models were adequately assessed and refined, thus allowing for confidence in the structural results.

4.3 Relationship Assessment

Structural equation modeling (employed using EQS) provided the method by which the proposed structural relationships were tested. Model fit evaluations combined with the significance of the parameter estimates provided support (or non-support) for the relationships proposed. In addition to the overall assessment of the model, each hypothesis was represented by a structural path in the model and thus each relationship was assessed individually.

5.0 BASIC RESULTS AND IMPLICATIONS

The results of the statistical evaluations are fully reviewed in Chapter Five, and the dissertation conclusions are presented in Chapter Six. However, in the sections below, some of the key results and conclusions are reviewed.

5.1 Theoretical Results

The main theoretical contribution of this dissertation was to establish the concept of Constructive Conflict Outcomes as a significant construct in the study of relationship management. The results of this dissertation establish the initial nomological net for this construct and provide guidance for future research.

Social Conflict Theory was also tested via this dissertation. The tenets of Social Conflict Theory, when applied to exchange relationships, were not supported. This lack of support casts doubt as to the efficacy of Social Conflict Theory as an important theoretical base from which further marketing thought could be developed.

The model presented and tested also incorporated the framework presented by Robicheaux and Coleman (1994). This framework was modeled after the Political-Economy Paradigm (PEP) suggested by Stern and Reve (1980) and extended by Achrol, Reve and Stern (1983). The constructs suggested by Robicheaux and Coleman (1994) were operationalized and measured and the dissertation data suggested that this configuration of constructs is inadequate for describing the underlying condition of exchange relationships.

likely, the

literary (19)

relationship

effect on the

This result

theory, crea

5.2 M

time many

interacti

for that

material

limited. I

to manage

to integra

levels of

strongly c

and as sa

Lastly, through the use of some of the Robicheaux and Coleman (1994) framework (that which was supported), relationship structure was considered and shown to have an effect on the constructiveness of the conflict outcomes. This result provides a valuable starting point for future theory creation.

5.2 Managerial Results

Since many of the hypotheses embedded within the dissertation model were not supported, combined with the fact that the model as a whole fit the data poorly, the managerial contributions of the dissertation are very limited. However, the basic conclusions that are valuable to managers are: (1) constructive conflict does exist, (2) an integrated problem solving approach creates greater levels of constructive conflict, and (3) these outcomes are strongly connected with other valuable relationship outcomes such as satisfaction and trust.

1. INTRODU

This litera

is a review

of study S

and the con

is a struc

theory and

illustrate

constructs

will be inc

provides re

and struc

2. BACKGR

This secti

is positio

knowledge

emergence

Chapter 2

Literature Review

1. INTRODUCTION

This literature review will go through three basic steps:
(1) a review of the relevant background related to this area of study (SECTION 2), (2) a review of Social Conflict Theory and the concept of constructive conflict (SECTION 3), and (3) a structured tour of the model where social conflict theory and marketing channel theory will be used to demonstrate the precedent and rationale for the model's constructs and their relationships (SECTION 4). Literature will be included in this review to the extent that it provides relevant background and/or it supports the logic and structure of the model presented.

2. BACKGROUND INFORMATION

This section seeks to accomplish the following objectives;
(1) position the dissertation in the stream of channel knowledge that has evolved over the years, (2) review the emergence of the relationship paradigm that has come to the

forefront in the past years, (3) show how the Robicheaux and Coleman (1994) framework (especially their conceptualization of structure) addresses some of the shortcomings in the relationship paradigm, (4) fully review the constructs that form Robicheaux and Coleman's structure conceptualization and will also form this dissertation's conceptualization of structure, and (5) review the conflict literature to identify the gaps that this dissertation seeks to close. When completed, the background information that is required to understand the model's constructs and their relationships should be available to the reader.

2.1 The Fit of this Dissertation into the State of Channel Theory

The first task of this literature review is to place this dissertation in the flow of channel research. Channel research has progressed from early economic based descriptive research to the theory-laden, combined economic and behavioral approaches that currently dominate. Understanding this progression of channel research becomes relevant when answering the question; "where does this dissertation fit?" And this question is relevant when positioning this dissertation as a contribution to that progression. Therefore, this brief history of channel research is intended to position the dissertation, not fully

online the

literature

in this sec

leaves spe

and backgr

channel re

transmitt

these sch

e.g. Shaw

transmitt

1961 Con

mostly de

perspecti

to take p

channel

vallen

transmit

applicat

theory

in the

behavior

consider

however

outline the status of channel research. However, as the literature review continues, many of the topics touched on in this section will receive expanded treatment as the topic becomes specifically relevant to understanding the rationale and background of the proposed model.

Channel research has its roots in the Functional and Institutional schools of thought. The early scholars in these schools identified the functions performed by channels (e.g. Shaw, 1912; Weld, 1917; Ryan, 1935) and the institutions that performed those functions (e.g. Weld, 1916; Converse, 1949; Alderson, 1954). The research was mostly descriptive and was explored from an economic perspective. Theories based on economic variables attempted to make predictions about channel characteristics such as channel length (Bucklin, 1965) and channel structure (Mallen, 1973). Currently, the economic perspective continues to appear in channel research mainly in the application of Williamson's (1975; 1979) transaction cost theory (e.g. Anderson and Weitz, 1989).

In the 1960's, a group of scholars started to consider the behavioral components of channels. Mallen (1963, and 1967) considered variables such as conflict and cooperation.

However it was Stern's (1969) book of essays on the

general 6

research awa

analysis. 6

power and c

and lisch a

thral con

by 1981

eting. 3

review of t

maper will

researchers

the logical

in economic

primary fi

define the

general con

clinical-2

perspective

mination

strengthen

1981 comb

analysis w

relational

behavioral elements of channels that pushed channels research away from economic analysis and toward behavioral analysis. Quickly two key topics dominated such research; power and conflict. Authors such as Hunt and Nevin (1974) and Lusch and Brown (1982) considered how power effected channel control and structure. Lusch (1976a) and Brown and Day (1981) expanded theory concerning conflict in a channel setting. Gaski (1984) provides an excellent literature review of these topics. Additionally, section 2.4.2 of this chapter will revisit the specific findings of the researchers who focused on conflict.

The logical extension for channels theory, which began with an economic perspective, and then weathered a flurry of activity from a behavioral perspective, was to attempt to combine these perspectives. Stern and Reve (1980) made a seminal contribution in this area when they proposed the Political-Economy Paradigm as the framework to consider both perspectives. The perspective has lead to very insightful combinations of variables that have expanded and strengthened channel theory. For example, Heide and John (1992) combine the economic-based ideas of transaction cost analysis (Williamson 1979), with the behavioral concepts of relational contracting (Macneil 1980) to show that it is the

relational norms that enable firms to overcome the fear of opportunism and commit to transaction specific assets.

The most recent change in channel research perspective has to do with the specific type of channel structure being considered. Initially, a great amount of attention was given to corporate vertical marketing systems, and/or conventional channels controlled through authoritative power structures. More recently, this perspective has begun to be replaced by research focusing on non-hierarchical relationships that are characterized by non-authority based norms of behavior. Arndt's (1979) "domesticated markets" represents the vanguard of this shift. Most recently, articles by Nevin (1995) and Weitz and Jap (1995) highlight how relationship-orientated channel research has become a significant, if not the dominant, research focus. (Section 2.2 of this dissertation traces the emergence and findings of this research focus.) However, Frazier and Antia (1995) point out that many actual channel relationships are becoming less relational in nature and consider this an important area for further research. Thus, it seems logical that for theories to be widely applicable, a diversity of channel structures must be considered: those that are classified as relational, and those that are not.

In order for this dissertation to fit into the stream of channel research outlined above, it considered both economic and polity variables, and in addition, it considered the effect of structure on the relationships considered. The dissertation attempted to accomplish both tasks. First, it was framed to consider both the economic and polity sides of channel structure. Additionally, it considered the diversity of channel structure to be fundamental to its predictions. Thus, this dissertation contributed to, and fit appropriately into, the current trends in channels research.

2.2 The Relationship Paradigm

Marketing has become more relationship focused. Webster (1992) considers this shift to be a fundamental change in marketing management and theory. Other authors have compiled strong support for relationship building and maintenance as a secure competitive strategy (Jackson, 1985; Bowersox, 1990; Narus and Anderson, 1986 and Johnston and Lawrence, 1988). Webster (1992) predicts that relationships will become the key strategic resource of the firm. These authors position relationship seeking and maintenance as desired competencies that successful firms will possess.

1979, A

supply be

emissioned

of domestic

developing

business r

unemployment

exception

in credit

underlying

exchange.

while pub

journals

publish a

a series

review

the fore

lacked

for figur

Barbara

address

article

types re

In 1979, Arndt recognized that relationships were no longer simply being governed by the invisible hand that John Smith envisioned. His article categorized the presence and traits of "domesticated markets". However, progress related to developing theory associated with these non-market based business transactions was slow to develop. Macniel's work concerning relational norms (1979, 1980, 1983) was the major exception to this, and although this work was not published in traditional channel research outlets, it has formed the underlying logic for many channel studies of relational exchange.

While published material in the significant academic journals was scarce, the practitioner journals began to publish articles related to this topic. Most significantly, a series of articles that appeared in the Harvard Business Review (HBR) brought the concept of relational exchange to the forefront of business thought. While these pieces lacked theoretical rigor they did provide a starting point for future work in this area.

Barbara Bund Jackson's 1985 HBR article was the first to address the concept of relationship marketing. Jackson's article effectively pushed the focus of marketing toward topics related to the creation and maintenance of

relations
term rela
position
real mark
this is a
this on
supply ch
interest

A year 1
key cons
relation
relation
relation
1991, 199
1994 sav
inter c
for add
relation

these re
these: 1
these: 1
these: 1

relationships. Jackson contended that having a close, long-term relationship with a customer was good in the proper situation. This conclusion was inductive, that is, it was real marketing practice that pointed to this contention. This is important to note because it indicates that the focus on relationships in many areas of marketing is not simply the fancy of the researchers, but reflects the real interests and practices of the discipline.

A year later, Anderson and Narus (1986) proposed that two key constructs, communication and commitment, would facilitate the creation of true partnerships. 1988 saw Johnston and Lawrence tout the benefits of close relationships they termed "value-adding partnerships." In 1990, Bowersox attempted to identify the strategic benefits of logistical alliances in another popular HBR article. 1994 saw Rosabeth Moss Kanter address partnerships/alliances in her contribution to HBR. She gained special attention for addressing the "how to" aspect of forming close relationships.

These managerially oriented articles accomplished two key tasks: 1) they established the study of relationships (including their structure, antecedents and consequences) as a key area of managerial interest because the articles



showed that close relationships were forming the basis of some firms' competitive success, and 2) they helped to firmly entrench the concept of relationship marketing as a significant paradigm in marketing. However, these articles also have a serious shortcoming; they lacked the theoretical rigor necessary to significantly contribute to accumulated research progress. In particular, the articles use ill-defined terms such as partnerships and alliances as if they were consensus definitions. Without rigor in conceptual and definitional areas, it becomes impossible to develop meaningful, accumulated theory (Hunt 1991).

This combination of contributions and limitations did provide incentive and opportunity to the academic community. These articles demonstrated that relational exchange was a worthy topic, but it was also a topic that desperately needed theoretical grounding if it was to live up to its potential to provide meaningful impact on the marketing discipline.

In academic circles, focus began to shift towards developing theory that considered the structure of such relationships (Achrol, 1991), the whys and hows of relationship formation (Dwyer, Schurr and Oh, 1987), and the antecedents and consequences of such relationships (e.g. Anderson and Narus,

1911, V.

represented

and John,

in 1911.

However, I

represented

with this

in 1911, 1912

in a simple

and common

not of the

However, I

there are

everything

nothing in

1911, 1912

Thus, we a

exchange

of both the

study of

the first

exchange.

not ident

1990). Many articles began to propose models that explained components of the relationship marketing phenomenon (Heide and John, 1992; Morgan and Hunt, 1994; Ganesan, 1994; Gundlach, Achrol and Mentzer, 1995).

However, similar to the practitioner-based research represented in the HBR articles, one of the difficulties with this stream of research has been the lack of agreement on key constructs and basic theoretical structure or order. In a simple example, Morgan and Hunt (1994) position trust and commitment as the key mediating variables that explain most of the positive consequences of relational exchange. However, Gundlach, Achrol and Mentzer (1995) point out that there are significant measurement difficulties with attempting to treat these as distinct constructs, thus calling into question the efficacy of the Morgan and Hunt (1994) model.

Thus, we are left with an area of study, relational exchange, which is deemed important and worthy of research by both the managerial and academic world. However, we have a body of research that fails to achieve consensus on the identification of exactly what is meant by relational exchange. Additionally, we have a collection of studies that identify the antecedents and/or consequences of

relational

information

times it 6

progress 3

this prob

researche

alternat

these aut

proposi

be used t

without c

can be bu

unsequen

if these

disadvan

assertat

specific

within th

assertat

in order

knowledge

structure

relational exchange, while using a large variety of definitions and dimensions of this central concept. This makes it extremely difficult to document real research progress in the form of accumulated knowledge.

This problem was recently addressed by two channels researchers; Robicheaux and Coleman (1994) (often abbreviated to R&C within this text) and Heide (1994). These authors have sought to bring clarity to the problem by proposing a common set of constructs or variables that can be used to assess relational exchange, recognizing that without consensus on the construct question, little theory can be built related to identifying the antecedents and consequences of relational exchange.

Of these two pieces, the R&C piece has a fundamental advantage in relation to the objectives of this dissertation. R&C structure their model of exchange, and specifically their conceptualization of channel structure, within the political-economy framework. As this dissertation was intended to be grounded in that framework in order to take a more systematic approach to accumulated knowledge, the R&C model was chosen as the framework that structured this dissertation.

Additionally, the R&C framework does not preclude the consideration of the Heide (1994) framework. The Heide framework can be fit into the R&C framework. First, the Heide typology is very similar to the grid approach of R&C. Heide sees the market to non-market continuum as insufficient, therefore, he breaks down non-market governance into unilateral and bilateral. The Heide market to non-market concept is similar to R&C's operational integration, while the unilateral to bilateral breakdown mimics R&C's decision making structure construct. Additionally, R&C consider that "extremely bureaucratic and extremely clannish decision-making structures are likely when operations are highly integrated" (p. 46). Thus, essentially R&C also have a three category description of structure or governance that closely mimics Heide's typology.

Lastly, Heide takes a relationship development stage approach to his conceptualization of governance, considering how the governance would suggest behaviors at each stage in a relationship (initiation, maintenance and termination). While this approach provides for a rich conceptualization, it was not the intent of this dissertation to consider relationship stage as an operating variable. Because the R&C framework focuses solely on channel structure (and not

relations!

insertion

2.3

Mincheau

for address

the Police

at this

economic

interaction

The

cond

str

exch

inf

pol

Pol

their key

conceptual

and Stern

economic

relationship stages) it fit better into the intent of this dissertation. A review of the R&C framework follows.

2.3 Robicheaux and Coleman's view of Channel Structure

Robicheaux and Coleman (1994) provide a research framework for addressing channel exchange. Their model is based on the Political Economy Framework (Stern and Reve 1980). They use this framework to identify polity (behavioral) and economic antecedents, channel structure, and polity (behavioral) and economic outcomes.

The level and interaction of the antecedent conditions jointly determine the relationship structure that is likely to emerge in a particular exchange relationship. This structure, in turn, influences the degree of the various economic and polity performance outputs of exchange.
(Robicheaux and Coleman 1994, p. 42)

Their key contribution to the study of exchange is their conceptualization of channel structure. They refer to Reve and Stern's (1986) definition of structure as comprising an economic component and a polity component.

The structure of the economy is defined by the extent of vertical coordination between the interacting organizations ... The structure of the polity is defined by the power-dependence relations between the two organizations ... Combining elements of both the economy and the polity results in a picture of the structure. (Reve and Stern, 1986, p. 75).

R&C use this basic structure when they conceptualize channel structure as having two components: (1) decision-making structure and (2) operational integration.

The R&C framework is careful not to include what the authors consider antecedents or consequences of structure in their conceptualization of structure. Based on this, R&C did not simply borrow Noordewier, John and Nevin's (1990) relationalism construct as their assessment of structure because they considered it to tap domains that were more appropriately considered outcomes of the relationship structure, not elements of its structure. They specifically considered "attitudes toward the relationship that emerge from operations as polity performance outcomes" (Robicheaux and Coleman 1994, p. 47).

As relationship structure was operationalized via the R&C framework, a thorough review of the dimensions of R&C's channel structure follows.

Decision-

measures

imative

central

and 4 s

Deceit

central

operation

central

structure

increased

measures

supported

improvement

and

relations

key def

being to

be cent

excellen

measures

reptat

2.3.1 Decision-Making Structure

Decision-making structure ranges from clan-like to bureaucratic. This concept was operationalized as a formative construct made up of four components. (1) decentralization, (2) informalization, (3) participation, and (4) shared paradigm. Each of these are discussed below. (*Decentralization* and *informalization* will be discussed as *centralization* and *formalization* as they are most often operationalized that way in the literature)

Centralization has a rich history as a variable that taps structure. Robicheaux and Coleman (1994) predict that increased centralization would be more associated with bureaucratic decision-making structure. John (1984) supported this prediction when he used this construct as one component of "bureaucratic structure". Dwyer and Welsh (1985) also used this concept when they considered the relationship between environmental conditions and structure. They defined the term to mean the "extent to which decision making is concentrated" (p. 400). Dwyer and Oh (1987) also use centralization as a structure dimension and provide an excellent review of the reliability and validity of the measures of this construct. Both were shown to be at acceptable levels. Additionally, it was shown that

general

policy

formal

extent to

ries and

increased

breach

extension

well as,

structure

reliable

instruct

position

number of

of

principles

with the

order and

principles

as also

and the

system

system

centralization had a negative effect on relationship quality.

Formalization is defined by Dwyer and Welsh (1985) as "The extent to which decision making is regulated by explicit rules and procedures" (p. 400). It is predicted by R&C that increased formalization would be more associated with bureaucratic decision-making structure. It has been a dimension of both John's (1984) "bureaucratic structure", as well as, Dwyer and Welsh's (1985) "channel decision structure". Dwyer and Oh (1987) review and confirm the reliability and validity support for the measures of this construct. Additionally, they show that formalization has a positive effect on relationship quality: a result that was counter to its hypothesized relationship (Dwyer and Oh, 1987).

Participation is predicted by R&C to be inversely associated with bureaucratic decision-making structure. Defined by Dwyer and Welsh (1985) to be "the degree of actual Participation in decision making" (p. 400). Participation was also conceptualized as a component of structure by Dwyer and Oh (1987). Together, these works establish strong support for the validity of this construct by demonstrating discriminant, convergent and nomological validity.

22
23
24
25
26
27

0
3
4
5
6
7
8
9
0
1
2
3

Shared Paradigm. Unlike the first three dimensions of decision-making structure, shared paradigm has no empirical pedigree in the marketing literature. R&C consider this dimension to be their contribution to the concept of decision-making structure. The concept derives from the thoughts of Wilkins and Ouchi (1983).

Nor is ... "paradigm" meant to imply a sharing of goals, as typically defined. We have in mind the sharing of general assumptions and values that Kuhn (1970) described among scientists. This term suggests that clan members may share general orientations" (p. 471).

Wilkins and Ouchi (1983) go on to state that "the paradigm suggests how members determine what is in the interest of the clan" (p. 471). This paradigm concept implies norms or "expectations about behavior that are at least partially shared by a group of decision makers" (Weitz and Jap, 1995). Thus, the concept of shared paradigm implies shared norms, and thus the operationalization of 'shared paradigm' will consider the parties perceptions of how closely the norms of the relationship are shared.

This concept does not imply specific norms. In other words, it does not expect that clan-like structure must show a high level of the norm of mutuality (Macneil, 1980), but instead,

that cla

regardie

to curre

model s

operation

of its re

risk and

no posit

variable

however,

this conc

show that

construct

this atte

of declar

specifica

effects o

and for

relationsh

effect. (

is a globa

that clan-like structure will indicate the sharing of norms, regardless of what those norms are.

No current empirical support exists for this dimension of channel structure, thus, the dissertation attempted to operationalize this construct and make an initial assessment of its reliability and validity. The specifics of this task, and the outcome, are covered in later chapters.

R&C position decision-making structure as a formative variable made up of the four dimensions just discussed. However, they do not provide construct validity support for this conceptualization. A goal of this dissertation was to show that these four dimensions do comprise a second-order construct known as Decision-Making Structure.

This attempt at providing support for the construct validity of decision making structure had some obstacles to overcome. Specifically, there is empirical support for opposing effects of at least two of these dimensions. Dwyer and Oh (1987) found that formalization had a positive effect on relationship quality, while centralization had a negative effect. (While these two would be predicted to act together in a global decision-making variable) These results fail to

uniformity
as decided

The second

is the

character

conceptual

A highly

high level

university

are disc

Joint Ad

represent

boundary

is such

in
a
ca
to
ca
or
ce
es
23

confirm the nomological validity of a global construct known as decision making structure.

2.3.2 Operational Integration

The second component of channel structure operationalized by R&C is the degree of operational integration that characterizes the relationship. This construct is conceptualized to run a gamut from discrete to integrated. A highly integrated channel relationship will demonstrate high levels of (1) joint actions, (2) assistances, (3) monitoring, and (4) information exchange. These dimensions are discussed below.

Joint Action is defined by Heide and John (1990) to represent the "degree of interpenetration of organizational boundaries" (p. 25). These authors illustrate the concept as such:

In conventional procurement the responsibility for a given task (e.g., product design) is assigned to one or the other party. In contrast, a move towards closer relationships involves the parties carrying out the focal activities in a cooperative or coordinated way. ... As the extent and scope of joint activities increase, the firms effectively become partners in an alliance. (p. 25)

this conc

the tradi

been repl

1971 for

transacti

Assistan

to captu

then no

immediat

the pres

level of

concept

1971 a

variable

relation

individ

instrum

instrum

Victor

exchang

instrum

integrate

field m

This concept implies that in more "integrated" relationships the traditional arms-length roles of buyer and seller have been replaced by more complicated roles. Heide and John (1990) found this construct to be related to the presence of transaction specific investments.

Assistances is defined by Noordewier, John and Nevin (1990) to capture the giving of help to an exchange partner even when no help has been specifically called for, and/or no immediate or explicit compensation is provided. *Assistances* are present when the exchange parties go beyond the *a priori* level of conduct called for in the relationship. This concept was operationalized by Noordewier, John and Nevin (1990) as one (of five) dimension of their "relationalism" variable, which was considered to capture the level of relational governance in the purchasing relationships. No individual empirical results were reported for this construct because it was combined into the second-order construct before analysis.

Monitoring consists of the actions undertaken to ensure exchange partner performance. At the market end of the continuum, there would be little action taken, and at the integrated end of the continuum the level of monitoring would mimic a corporate vertical marketing system

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913
914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997
998
999
1000

(Noordewier, John and Nevin 1990). Again, since Noordewier, John and Nevin (1990) treated this construct as a dimension of a second-order construct, no specific empirical support was generated for its potential effect on outcome variables.

Information Exchange, as considered here, deals with three elements, (1) the frequency of information exchanged, (2) the type of information exchanged, and (3) the level of information exchange capability between the firms. The first two components represent the conceptualization of this construct by Robicheaux and Coleman (1994) and Noordewier, John and Nevin (1990). The third component is most directly borrowed from Bowersox, et al (1995).

Integrated exchange is expected to be characterized by high quantity information exchange (Noordewier, John and Nevin 1990). First, a more integrated exchange relationship would share a greater amount of information about the exchange basics (price, specifications, delivery terms), however, in addition to this there would be more information exchange because new classes of information would be exchanged. In an integrated relationship it would be expected that more long-term focused, proprietary and strategic information would be exchanged (Palay, 1984). Thus, we have a change in the type of information exchanged also.

Exchange capability is defined as the capability of one firm to receive information from their exchange partner in a timely and usable form (this is adapted from the connectivity concept from Bowersox, et al, 1995). This element of information exchange is being added to the R&C conceptualization of operational integration. The ability of one firm to receive the other's communication in a usable form is a relevant consideration for a construct measuring information exchange's role in integration. It is proposed that in more integrated relationships the firms will exhibit a higher level of exchange capability.

Similar to decision making structure, Robicheaux and Coleman (1994) conceptualize operational integration as a formative construct. However, once again, there is no empirical support for the construct validity of this conceptualization. A goal of this dissertation was to provide an initial assessment of this construct's validity.

2.4 The Conflict Literature in Marketing

This section will address two major areas related to conflict: (1) conflict's definition and conceptualization, and (2) a review of relevant findings related to conflict

25

16

37

7

0

7

7

8

7

2

3

8

1

7

7

7

7

7

7

7

7

7

7

7

and other constructs in the model. For two good general reviews of conflict see Gaski (1984) and Brown, Lusch and Smith (1991).

2.4.1 Definition of Conflict

There are two different ways to conceptualize and define conflict. The first is conflict as a series of stages. This conceptualization is based on Pondy's 1967 work. In this conceptualization, conflict begins as a latent sentiment, is then perceived by the parties, becomes felt as tension or disaffection, moves to manifest conflict where it is expressed as a behavioral attempt to block another's goal achievement, and finally passes on to a conflict aftermath stage. This stage model, while well accepted, is not the only conceptualization of conflict. Stern and El-Ansary (1977) provide another conceptualization:

Channel conflict is a situation in which one channel member perceives another channel member to be engaged in behavior that is preventing or impeding him from achieving his goals (p. 283).

Gaski (1984) argues that it is the perception of conflict, regardless of the actuality of behaviors, that is the critical element of conflict.

Re proposed

Char
part
is
term

In this

that will

attention

applied

unprecedented

expressing

this.

this, co

percepti

manifest

is conc

are bein

it thro

use th

relation

this ag

conflic

issue

He proposes what he calls a "consensus conflict definition":

Channel conflict will be the perception on the part of a channel member that its goal attainment is being impeded by another, with stress or tension as the result (p. 11).

In this dissertation, that is the definition of conflict that will be relevant. Measures tapped perceived conflict. Additionally, the concept of hindered goal attainment was applied broadly. Specifically this dissertation considered "impeded goal attainment" to imply opposing goals and/or opposing strategies and actions used to obtain similar goals.

Thus, conflict in this dissertation was conceptualized as a perception that captures elements of the perceived, felt and manifest stages of Pondy's model. While manifest conflict is conceptualized as actual behaviors, the fact that "goals are being impeded" implies that this is being done actively, or through actual behaviors (although there could be the case that no actual behaviors do exist, yet a party to the relationship still perceives conflict).

This approach avoids the problem of assessing the conflictual nature of specific activities or behaviors. Assael (1969) argues that attempting to conceptualize

conflict via actual
that an act can be
pressures are strong
pressures are low,
per se, but the per
conditions makes it
supports the concep

tionally, Deuts
is a purely a psych
can only be conside
through the percept

Thus, the pre
rigidly deter
affairs.... th
cannot be den
process of pe
"real," and t
conditions in

Thus, conflict in
perception and the
rationalized.

conflict via actual behaviors can be difficult. He argues that an act can be perceived as conflict when economic pressures are strong, but a simple irritant when economic pressures are low, thus, the act itself is not conflictual *per se*, but the perception of the act under certain conditions makes it a conflictual behavior. This view supports the conceptualization of conflict as a perception.

Additionally, Deutsch (1973) shares the view that conflict is a purely a psychological phenomena and actual behaviors can only be considered conflict when they are filtered through the perceptions.

Thus, the presence or absence of conflict is never rigidly determined by the objective state of affairs.... the importance of "real" conflict cannot be denied; nonetheless, the psychological process of perceiving and evaluating are also "real," and they are involved in turning objective conditions into experienced conflict. (p. 11)

Thus, conflict in this dissertation was defined as a perception and the Pondy stages model was not specifically operationalized.

While conflict re
 and the early 1
 been disappointing
 conceptualized in
 conspicuous abse
 structure as an
 conflict and the
 presented in the
 consider channe
 variable. Howe
 - conflict rela
 specifically op

conflict recei
 Stern's 1969
 channels. Ste
 causes of con
 fundamental c
 Rosenberg and
 identified th
 strain disse
 the causes o
 this model,

2.4.2 Relevant Past Findings

While conflict received a flurry of attention from 1969 until the early 1980's, the accumulation of findings has been disappointing. Findings relevant to the model conceptualized in this dissertation are presented below. Of conspicuous absence are any studies that consider channel structure as an influence on the relationship between conflict and the outcome variables that make up the model presented in this dissertation. Schul and Babakus (1988) do consider channel decision structure as an intervening variable. However, they consider its influence on the power - conflict relationship; a relationship that is not specifically operationalized in this dissertation.

Conflict received great attention after the release of Stern's 1969 book of readings on the behavioral aspects of channels. Stern and Gorman (1969) first addressed the causes of conflict and positioned interdependence as the fundamental cause of conflict in all distribution channels. Rosenberg and Stern (1970) picked up this approach and identified three propositions that linked goal disparity, domain dissensus and perceptual differences with conflict. The causes of conflict were not the focus of attention in this model, instead, based on Stern and Gorman (1969),

conflict was a
relationships
will not be ad

Interloom 113
offering propo
efficiency. 1
strapped to a
realer perf
early inconcl
follow-up atte

What conflict
be 'satisfac
from, Lusch
analysis of t
negative effe
from -.11 to
internal. Th
conceptualize
positive, ind
and satisfact
outcomes acte
this proposed
of this liter

conflict was assumed to be a standard component of exchange relationships and its characteristics, and thus its causes will not be addressed.

Rosenbloom (1973) contributed to the conflict literature by offering propositions on the effect of conflict on channel efficiency. Lusch (1976b) took this perspective and attempted to assess the effect of conflict frequency on retailer performance. Unfortunately, his study showed mostly inconclusive results. There has been no major follow-up attempt to assess this connection.

Most conflict studies after Lusch's (1976b) piece began to use "satisfaction" as a proxy for economic performance. Brown, Lusch and Smith (1991) provide an extensive meta-analysis of these studies and show that conflict has a negative effect on satisfaction that averages $-.5$ and ranges from $-.11$ to $-.89$ when assessed with a 95% confidence interval. This finding is important because the model conceptualized in this dissertation attempts to show a positive, indirect relationship between perceived conflict and satisfaction. The concept of constructive conflict outcomes acted as the mediating variable. The rationale for this proposed relationship will be discussed in section 4.0 of this literature review.



Only one major "conflict" study addresses the concept of constructive conflict. Assael (1969) identifies five constructive outcomes to channel conflict. The specific connections between his findings and the dissertation model will be addressed when this literature review considers the conceptualization of constructive conflict. However, of relevance to this work, is the fact that his study made no attempt to (1) relate conflict characteristics to the emergence of constructive conflict, (2) assess the effect of structure on constructive conflict, or (3) connect constructive conflict to measures of relationship outcomes. All of these tasks will be addressed in this dissertation.

Conflict measurement has also received attention in the literature. Rosenberg and Stern (1971) made the first attempt at suggesting a standard for conflict measurement. However their "difference score" method gained little acceptance. Brown and Day (1981) provide the most accepted view of conflict measurement. They concluded that a multiplicatively combined measure of frequency, intensity and importance best captures conflict. However, they indicated that other combinations of these elements of conflict could provide acceptable measurement under the correct conditions. This measurement model for conflict has

been partially
indicated since
this multiplicity
conflict, this
is separate in
Conflict Theory
addressed in s

3.0 SOCIAL CO

line of the go
empirically b
conflict theo
factors and po
arising out o
into two are
theory will
constructive

3.1

When this d
STP the r
sociologist
other school

been partially accepted in most studies that have been conducted since its publication. While there is support for this multiplicative combination of these characteristics of conflict, this dissertation addressed those three elements as separate in order to remain true to the tenets of Social Conflict Theory. Further explanation for this decision is addressed in section 4.0 of this literature review.

3.0 SOCIAL CONFLICT THEORY & CONSTRUCTIVE CONFLICT

One of the goals of this dissertation was to execute an empirically based theory test of the tenets of social conflict theory. Therefore, this section outlines those tenets and positions the concept of constructive conflict as arising out of this theory base. This section is divided into two areas; (1) the general tenets of social conflict theory will be discussed, and (2) the concept of constructive conflict will be developed.

3.1 Social Conflict Theory (SCT)

When this dissertation refers to "Social Conflict Theory" (SCT) the references are to the works of large group sociologists such as Georg Simmel and Lewis Coser, although other scholars, such as Karl Marx and Max Weber, contributed

to this area as well.

refer to Turner's

"theory."

It takes predictions

for the individual p

reasons behind incre

tion. However,

work is that it make

functions of social

marketing channels,

channels, solidly p

from, 1969), SCT b

which to make predi

these systems will

There are two rele

the channel settin

conceptualization

clarified, and se

Diffist Theory m

relationship to c

transformed into

marketing channel

while the second

to this area as well. For a thorough of these works please refer to Turner's (1986), "The Structure of Sociological Theory."

SCT makes predictions concerning the functions of conflict for the individual parties and predictions concerning the reasons behind increased levels of conflict violence and duration. However, what makes SCT most appropriate for this work is that it makes specific predictions concerning the functions of social conflict for the social whole. With marketing channels, and the relationships that make up these channels, solidly positioned as social systems (Stern and Brown, 1969), SCT becomes a relevant source of theory by which to make predictions concerning when conflict within these systems will have constructive outcomes.

There are two relevant considerations to using SCT within the channel setting. First, the definition and conceptualization of constructive conflict needs to be clarified, and second the specific predictions that Social Conflict Theory makes about the role of conflict in relationship to constructive outcomes needs to be transformed into the relevant setting and language of marketing channels. The first task is addressed below, while the second is covered in section 4.0 where the

specific tra

channel's set

3.2

Very market

have constru

Anderson and

1985 . Howe

this constru

that illustr

creation of

omological

3.

Jens Cosar

Manzana.

potentially

believes th

order to su

specific transformation of those propositions to the channels setting is covered.

3.2 Constructive Conflict Outcomes

Many marketing scholars have suggested that conflict can have constructive outcomes (Dwyer, Schurr and Oh 1987; Anderson and Narus 1990; Morgan and Hunt 1994; Weitz and Jap 1995). However, there exists no rich conceptualization of this construct, nor an empirically supported nomological net that illustrates its antecedents and consequences. The creation of such a conceptualization and relevant nomological net were fundamental goals of this dissertation.

3.2.1 Definition of the Concept

Lewis Cosar (1956) considers conflict to be neutral phenomena. It is the outcome of conflict that can be potentially destructive or constructive. Additionally, he believes that a healthy social system needs conflict in order to survive, adapt and grow.

Cosar expressed this sentiment when he wrote:

"No group can be entirely harmonious, for it would then be devoid of process and structure. Groups require disharmony as well as harmony, dissociation as well as association; and conflicts within them are by no means altogether disruptive factors. Far from being necessarily dysfunctional, a certain degree of conflict is an essential element in group formation and the persistence of group life" (1956, p. 31 - Cosar's paraphrase of Georg Simmel (1955)).

"Conflict is not always dysfunctional for the relationship within which it occurs; often conflict is necessary to maintain such a relationship. Without ways to vent hostility toward each other, and to express dissent, group members might feel completely crushed and might react by withdrawal" (1956, p. 47).

While social conflict theory certainly supports the concept of constructive conflict, marketing scholars have not always agreed. Anderson and Narus (1984) for instance, ask respondents to assess the quality of the working relationship that they have with their exchange partner by considering the intensity and frequency of disagreements. According to their scale, the highest quality, or most cooperative, relationship would be recorded as "free of any conflict" (p. 72). This illustrates that conflict is conceptualized only as a destructive element. Interestingly, their measurement model presented many problems, and they were unable to use this conceptualization

of conflict a
could have be
destructive

Other research
conflict. Da
constructive
research atte
of relational
this call when
their model o
conceptualiza
productivity
fidelity of
had difficulty
were forced to
estimated. M
functionality
relationship
this variable
past or curre
this disserta

of conflict as a distinct construct. These difficulties could have been the result of the shortcomings that a "destructive only" conflict conceptualization would present.

Other researchers have embraced the idea of constructive conflict. Dwyer, Schurr and Oh (1987) considered the constructive role of conflict to be an area that begged for research attention as the discipline moved towards the study of relational exchange. Anderson and Narus (1990) answered this call when they used "functionality of conflict" in their model of working partnerships. Their conceptualization was based on conflict providing improved productivity to the relationship. Unfortunately, the fruitfulness of this study is limited because the authors had difficulty with the measurement of their construct and were forced to drop it from one of the two models they estimated. Morgan and Hunt (1994) operationalized a "functionality of conflict" variable in their model of relationship marketing. However, their conceptualization of this variable was based on future intentions, instead of past or current sentiments and thus had limited relevance to this dissertation.

Wertz and Gap (1998)

conflict when they

Conflict can o
the relationsh
that, if handli
interpersonal
trust, communic
satisfaction.

These authors then

concerning when con

likely to occur.

conceptual one, th

is made, and thus,

This, the marketing

and almost no em

conceptualization

and (2) the ident

consequences.

Weitz and Jap (1995) also took up the cause of constructive conflict when they wrote:

Conflict can often act as a source of novelty for the relationship, forcing it into new terrain that, if handled successfully, can strengthen the interpersonal relationship and cultivate greater trust, communication and relationship satisfaction. (p. 315)

These authors then proceed to make elaborate propositions concerning when constructive conflict resolutions are more likely to occur. Unfortunately, the piece is simply a conceptual one, thus no empirical test of the propositions is made, and thus, there are no results to discuss.

Thus, the marketing literature provides scarce direction (and almost no empirical support) on (1) a rich conceptualization of the concept of constructive conflict and (2) the identification of supported antecedents or consequences.

However, Cosa

unrepudiated

of construction

In loss

conflict

between

and int

By perm

rival (

readju

source

confli

elimin

establ

through

confli

(1956)

free dine

inferred f

are; (1) t

dangerous

of norms

and or cr

relations

conceptua

conflict

operation

Chapter

However, Cosar's (1956) writings can provide a robust conceptualization of constructive conflict. The dimensions of constructive conflict are hinted at in Cosar's writings.

In loosely structured groups and open societies, conflict, which aims at a resolution of tension between antagonists, is likely to have stabilizing and integrative functions for the relationship. By permitting immediate and direct expression of rival claims, such social systems are able to readjust their structures by eliminating the sources of dissatisfaction. The multiple conflicts which they experience may serve to eliminate the causes for dissociation and re-establish unity. These systems avail themselves, through the toleration and institutionalization of conflict, of an important stabilizing mechanism (1956, p. 154).

3.2.2 Dimensions of Constructive Conflict Outcomes

Three dimensions of constructive conflict outcomes can be inferred from the writings of Cosar (1956, 1967). These are; (1) the release of hostilities before they build up to dangerous levels, (2) the revitalization and/or realignment of norms within the relationship, and (3) the innovative and/or creative reassessment and reorganization of relationship activities (Turner, 1986). The conceptualization of these dimensions of constructive conflict will be addressed below, while the operationalization of these dimensions will be addressed in Chapter Three.

releasing HOS

system to rel

potentially t

destructive

where firms s

business part

suppressing c

destructive b

relationship

it then the s

Darling

relieved

adjustme

rigidity

potentia

(Cosar 1

this negative

conflict's ro

Releasing Hostilities. Constructive conflict allows the system to release hostilities before they build up and potentially tear the system apart (Cosar 1956). This constructive outcome is highly relevant in today's climate where firms seek close relationships with many of their key business partners. Close relationships are more prone to suppressing conflict and are thus more likely to have these destructive blow-ups (Cosar, 1956). However, if the relationship allows conflict to occur and works to resolve it then the system can be spared such violent outbursts.

Damming up of unrelieved or only partially relieved tensions, instead of permitting adjustment to changed conditions, leads to rigidity in the structure and creates potentialities for disruptive explosion (Cosar 1956, p. 47).

This negative or destructive outcome can be avoided through conflict's role as the mechanism of hostility release.

Asian Co

Cor
re
sys
i.e
an
fr

in the

construct

indeed

of the

studied

the first

Albusen

it conf

relatio

in
Cor
br
to
ac
ru

near se

the rela

relevant

related

Again Cosar:

Conflict is thus seen as performing group-maintaining functions insofar as it regulates systems of relationships. It 'Clears the Air,' i.e., it eliminates the accumulation of blocked and balked hostile dispositions by allowing their free behavioral expression (1956, p. 39).

In the only study that directly attempted to assess the constructive outcomes of conflict, Assael (1969) found that indeed the release of hostilities was a constructive outcome of the conflict in the automotive distribution channel he studied. Thus, the release of hostilities is positioned as the first major benefit of conflict in a social system.

Adjustment of Norms. The second major constructive function of conflict is the adjustment of the norms that govern the relationship.

In the course of conflict new rules are continuously created and old rules modified. By bringing about new situations, which are partly or totally undefined by rules and norms, conflict acts as a stimulus for the establishment of new rules and norms (Cosar 1956, p. 124).

Cosar sees this role as fundamental to long-term success of the relationship. And again this seems a particularly relevant role of conflict as we create and test theory related to the establishment, maintenance and dissolution of

long-term relationships. Cosar argues that the adjustment of the relationship norms are necessary because circumstances change and old rules and norms of behavior cannot possibly be permanently established to handle the diversity of circumstances that a relationship will face.

As a stimulus for the creation and modification of norms, conflict makes the readjustment of relationships to changed conditions possible (Cosar 1956, p. 128).

Thus, for the long-term health of the organization, these norms and rules will need constant updating. This logic is analogous to Macneil's (1979) arguments supporting the need for relational norms to support written contracts. Additionally, Assael (1969) provides empirical support for this contention. His results indicated that the updating of norms was a basic benefit of conflict. The adjustment of the norms of the relationship thus became the second dimension of constructive conflict that was considered in this study.

Reassessment of Activities. The third dimension of constructive conflict is the reassessment of relationship activities with a focus on increased innovation and creativity. While norm re-evaluation is one component of constructive conflict, the adjustment of the actual

3
 2
 1
 0
 1
 2
 3
 4
 5
 6
 7
 8
 9
 10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25
 26
 27
 28
 29
 30
 31
 32
 33
 34
 35
 36
 37
 38
 39
 40
 41
 42
 43
 44
 45
 46
 47
 48
 49
 50
 51
 52
 53
 54
 55
 56
 57
 58
 59
 60
 61
 62
 63
 64
 65
 66
 67
 68
 69
 70
 71
 72
 73
 74
 75
 76
 77
 78
 79
 80
 81
 82
 83
 84
 85
 86
 87
 88
 89
 90
 91
 92
 93
 94
 95
 96
 97
 98
 99
 100
 101
 102
 103
 104
 105
 106
 107
 108
 109
 110
 111
 112
 113
 114
 115
 116
 117
 118
 119
 120
 121
 122
 123
 124
 125
 126
 127
 128
 129
 130
 131
 132
 133
 134
 135
 136
 137
 138
 139
 140
 141
 142
 143
 144
 145
 146
 147
 148
 149
 150
 151
 152
 153
 154
 155
 156
 157
 158
 159
 160
 161
 162
 163
 164
 165
 166
 167
 168
 169
 170
 171
 172
 173
 174
 175
 176
 177
 178
 179
 180
 181
 182
 183
 184
 185
 186
 187
 188
 189
 190
 191
 192
 193
 194
 195
 196
 197
 198
 199
 200
 201
 202
 203
 204
 205
 206
 207
 208
 209
 210
 211
 212
 213
 214
 215
 216
 217
 218
 219
 220
 221
 222
 223
 224
 225
 226
 227
 228
 229
 230
 231
 232
 233
 234
 235
 236
 237
 238
 239
 240
 241
 242
 243
 244
 245
 246
 247
 248
 249
 250
 251
 252
 253
 254
 255
 256
 257
 258
 259
 260
 261
 262
 263
 264
 265
 266
 267
 268
 269
 270
 271
 272
 273
 274
 275
 276
 277
 278
 279
 280
 281
 282
 283
 284
 285
 286
 287
 288
 289
 290
 291
 292
 293
 294
 295
 296
 297
 298
 299
 300
 301
 302
 303
 304
 305
 306
 307
 308
 309
 310
 311
 312
 313
 314
 315
 316
 317
 318
 319
 320
 321
 322
 323
 324
 325
 326
 327
 328
 329
 330
 331
 332
 333
 334
 335
 336
 337
 338
 339
 340
 341
 342
 343
 344
 345
 346
 347
 348
 349
 350
 351
 352
 353
 354
 355
 356
 357
 358
 359
 360
 361
 362
 363
 364
 365
 366
 367
 368
 369
 370
 371
 372
 373
 374
 375
 376
 377
 378
 379
 380
 381
 382
 383
 384
 385
 386
 387
 388
 389
 390
 391
 392
 393
 394
 395
 396
 397
 398
 399
 400
 401
 402
 403
 404
 405
 406
 407
 408
 409
 410
 411
 412
 413
 414
 415
 416
 417
 418
 419
 420
 421
 422
 423
 424
 425
 426
 427
 428
 429
 430
 431
 432
 433
 434
 435
 436
 437
 438
 439
 440
 441
 442
 443
 444
 445
 446
 447
 448
 449
 450
 451
 452
 453
 454
 455
 456
 457
 458
 459
 460
 461
 462
 463
 464
 465
 466
 467
 468
 469
 470
 471
 472
 473
 474
 475
 476
 477
 478
 479
 480
 481
 482
 483
 484
 485
 486
 487
 488
 489
 490
 491
 492
 493
 494
 495
 496
 497
 498
 499
 500
 501
 502
 503
 504
 505
 506
 507
 508
 509
 510
 511
 512
 513
 514
 515
 516
 517
 518
 519
 520
 521
 522

activities of the relationship is another. This distinction is between what is acceptable behavior (norms) and what are the specific events that will produce that behavior (activities). Cosar (1956) believes both will be adjusted by constructive conflict.

Morton Deutsch (1973) agrees with this assessment. He considers conflict's constructive role to mimic the creative process and considers conflict to be the starting point of positive change. Specifically, he contends that conflict will enhance creativity in activities by forcing parties to assess problems that might otherwise go without attention.

Thus one of the creative functions of conflict resides in its ability to arouse motivation to solve a problem that might otherwise go unattended (Deutsch, 1973, p. 361).

Thus Cosar (1956) and Deutsch (1973) agree on this role of conflict. Additionally, Assael (1969), in his study of the constructive impact of conflict, found that the reassessment of past actions was a basic benefit of conflict. Therefore, the reassessment of relationship activities is the third dimension of constructive conflict that was considered in this dissertation.

this sect.

relations

the. Each

that follow

path in the

4.1

There are

character

operation

frequency

conflict

must be

minimally

however,

are part

because of

relations

conflict

if the se

relation

4. THE MODEL

This section reviews the logic that supports the relationships proposed in the model illustrated in Figure 1.1. Each relationship is addressed in the sub-sections that follow. The specific hypotheses represented by each path in the model are presented in Chapter Three.

4.1 Conflict Characteristics and Constructive Conflict Outcomes

There are four relationships between certain conflict characteristics and constructive conflict that were operationalized in the model. These included conflict frequency, conflict intensity, conflict importance, and conflict focus. Brown and Day (1981) found that the most robust measurement of manifest conflict was a multiplicative combination of conflict frequency, intensity and importance. However, in this study, these characteristics of conflict were purposely measured and operationalized separately because social conflict theory indicates different relationships between each of these characteristics of conflict and constructive conflict. Combining the measures of the separate conflict characteristics would create a situation where distinctions could not be made. Each of

these co

is discou

The free

conflic

Blackus

conflic

conflic

that ex

instill

Basili

relatio

conflic

The in

assess

theory

and co

inter

const

inter

these constructs and their linkage to constructive conflict is discussed below.

4.1.1 Conflict Frequency

The frequency of conflict is a very common characteristic of conflict that has been measured (e.g. Lusch 1976b; Schul and Babakus 1988). Social conflict theory indicates that high conflict frequency is likely to produce constructive conflict (Turner, 1986). The reason for this connection is that frequent conflict will allow for the release of hostilities before these hostilities polarize the parties. Hostility releases of this type should allow the relationship parties to avoid a severe blow-up of intense conflict.

4.1.2 Conflict Intensity

The intensity of conflict has also often been assessed (e.g. Assael, 1969; Rosenberg and Stern, 1971). Social conflict theory defines intensity to include people's involvement in, and commitment to, pursuing the conflict. SCT predicts an inverse relationship between conflict intensity and constructive outcomes (Turner, 1986). Constructive outcomes are considered to be more likely when conflict

intensity

in realist

effective

terms of c

from and

critical

social co

conflicts

outcomes

closely c

near (1)

which the

other pa

parties

betwixt

the issu

relation

can con

all ten

instruc

intensity is low because the parties will stay more focused on realistic issues, the parties will communicate more effectively and the parties will be more likely to allow norms of conflict resolution to work effectively.

4.1.3 Conflict Importance

Brown and Day (1981) found that conflict importance was a critical characteristic when assessing manifest conflict. Social conflict theory postulates that low violence conflicts will be characterized by more constructive outcomes (Turner, 1986) and conflict issue importance is closely connected to SCT's concept of conflict violence. Cosar (1956) defines conflict violence as the degree to which the parties are seeking to injure or eliminate the other party. Conflict violence is said to rise when the parties are fighting over a centrally important issue because their emotional arousal and involvement related to the issue will be increased (Turner, 1986). Assuming this relationship holds true allows us to make the inference that when conflict is over more important issues, the conflict will tend to be more violent and then the likelihood of constructive conflict outcomes would be reduced.

Bar and So

the links

being and o

franchises

my cost"

suggest hi

violence,

Another 1

conflict

argue tha

achieve g

a fundame

competing

relevant

The focus

centered

achieving

cover (1)

are cons

different

the basi

Dant and Schul (1992) support this logic when they argue: "the links between high stakes issues and corporate well-being and/or ideological commitments are likely to prompt franchisers to seek favorable resolutions on such issues at any cost" (p. 42). The "at any cost" mentality would suggest high violence by Cosar's definition of conflict violence.

4.1.4 Conflict Focus

Another linkage in the model is between the focus of the conflict and constructive conflict. Stern and Gorman (1969) argue that most conflict would be over procedures on how to achieve goals, yet Etgar (1979) positions goal congruence as a fundamental cause of conflict. In light of these competing contentions, assessing this characteristic seems relevant.

The focus of the conflict captures whether the conflict is centered around different goals or different methods of achieving similar goals. This linkage is highlighted by Cosar (1956) when he states "Conflicts arising within the same consensual framework are likely to have a very different impact upon the relationship than those that put the basic consensus in question" (p. 73). Dant and Schul

(1992) attempted to capture this same concept when they measured "issue size". Their conceptualization saw some conflicts to focus on policy issues, that is, issues with high precedent setting potential, while others focused on operational issues, which related to disputes over the performance.

Cosar (1956) argues that when conflict is related to issues that do not call into question the basic consensus (goals) of the relationship then the conflict is more likely to have constructive outcomes.

However, not all conflicts are positively functional for the relationship, but only those which concern goals, values or interests that do not contradict the basic assumptions upon which the relationship is founded. (1956, p. 80)

4.2 Decision-Making Structure and Constructive Conflict Outcomes

Decision-making structure runs the gamut from bureaucratic to clan-like. When the structure is clan-like, decisions will be made in a decentralized, informal, participative structure that shares similar norms. While there is no empirical support in the marketing literature for a positive link between these components of decision making structure

and con

that ca

Because

a great

unpleas

change

they wi

if a re

structure

individual

would h

concern

thus, t

and the

by host

that is

dispute

be perso

decisio

higher

When a

parties

and constructive conflict, there are logical connections that can be made.

Because the parties share similar norms and values there is a greater likelihood that they will rise above the unpleasantness of the conflict episodes and achieve positive change in the relationship. Thus, it is more likely that they will perceive the conflict to be constructive.

If a relationship has a centralized decision-making structure then decisions are concentrated in a few individuals. It is unlikely that these few individuals would have the time and resources to make decisions concerning small disputes that occur between the parties. Thus, these type of disputes or conflicts will go unattended and the relationship will be more likely to be characterized by hostility accumulation. Without the hostility release that is a result of the attention paid to these more minor disputes, the conflict in the relationship is less likely to be perceived as constructive. Therefore a more centralized decision-making structure is hypothesized to contribute to higher levels of destructive conflict.

When a relationship is governed by formalized rules and the parties put high value in those rules and in a sense are

carried

stance t

require

relation

change i

the form

and 2)

rules w

relation

forces n

In a pa

multiple

conflict

action c

to be p

to the c

a more p

'married" to those rules. Therefore, there is a greater chance that change will be hindered since change will often require the changing of the rules and procedures of a relationship. Thus, when conflict resolution requires a change in rules and procedures there is less likelihood that the formalized relationship will (1) achieve this change, and (2) be pleased with the outcome (because any change of rules will be traumatic). Therefore, the highly rule-bound relationship is less likely to perceive conflict that often forces necessary rule adjustment, to be constructive.

In a participative structure, decisions are made with multiple inputs. This implies that the change forced by conflict will be perceived to have come from the collective action of the relationship parties, and thus, is more likely to be perceived as positive change. There will be ownership to the conflict outcomes, and that ownership should produce a more positive perception of outcomes.

No studies

structure

inflict,

unequal

these two

A benefit

they said

integrate

action an

become a

detection

should i

ologica

problem

of infor

in an in

achieved

intertw

allows

peratio

to perce

4.3 Operational Integration and Constructive Conflict Outcomes

No studies were found that addressed the effect of channel structure variables on the perceptions of constructive conflict. However, logic provides a powerful conceptualization and prediction of the relationship between these two constructs.

A benefit of conflict is the release of hostilities before they sunder the relationship (Assael 1969). Highly integrated relationships involve a high degree of joint action and information exchange, thus, the parties should become aware of the problems at an early point. Early detection makes early resolution more likely, and this should lead to the releasing of hostilities. It would be illogical that an intense blow-up would occur because the problem went unrecognized when the firms share large amounts of information and engage in significant joint actions.

In an integrated relationship, the operations, or activities, of the relationship will be more closely intertwined between the parties. If this is the case, it follows that the parties have a greater stake in the operations of both firms, thus, they should be more likely to perceive the adjustment of those activities to be

productive

behind su

may that

the high

keeping s

approach

as unple

short tex

more like

incurred

in-close

this sit

be perce

4.4

Satisfac

appropri

1991,

construct

Satisfac

of charac

meta-anal

relations

productive change. Since conflict can often be the impetus behind such change, it is more likely that the parties will view that conflict as producing constructive outcomes.

The higher level of assistances means that the firms are not keeping score. They instead have a long-term win-win approach. Thus, even if a productive change resulted from an unpleasant conflict experience (one where a party lost a short term battle), the parties to the relationship would be more likely to recognize the constructive change that occurred due to the conflict instead of tallying up their win-lose record related to the conflict episode. Thus, in this situation, there is a better chance that conflict will be perceived as constructive.

4.4 Constructive Conflict Outcomes and Satisfaction and Trust

Satisfaction is an important variable and is often an appropriate proxy for performance (Brown, Lusch and Smith, 1991). Therefore, the relationship between satisfaction and constructive conflict outcomes will be considered.

Satisfaction has often been the outcome variable in studies of channel conflict (see Brown, Lusch and Smith, 1991 for a meta-analysis of these results). Interestingly, the general relationship between conflict and satisfaction is considered

to be neg

effect of

proposed

intensity

indirect

Construct

of pent-

produced

satisfie

consider

and subs

more sat

Relation

proposed

same bas

highly s

has a gr

incorpor

for the

the mode

to be negative, however in this dissertation, the indirect effect of conflict frequency and conflict focus were proposed to have positive indirect effects. Conflict intensity and importance are still proposed to have negative indirect effects.

Constructive conflict should be characterized by low levels of pent-up hostilities and a recognition that conflict has produced positive change. These should make the party more satisfied with the relationship's performance. If the party considers the relationship to have weathered some storms, and subsequently gained in strength, then they should be more satisfied with the relationship.

Relationship Trust and Constructive Conflict Outcomes is proposed to have a positive relationship for many of the same basic reasons that are outlined above. Trust is a highly studied construct and is included so that the model has a greater diversity of relationship outcomes incorporated into it. This should strengthen the support for the relevance of Constructive Conflict Outcomes should the model be supported.

1. INTRO

In order

chapter 1

the first

of the de

model pro

measure

of the e

The high

survey of

their fi

The key

modeling

manager

research

measures

were ne

measures

Chapter 3

Research Execution

1. INTRODUCTION

In order to test the propositions that were presented in chapter two, a research design was identified and carried out. This chapter reviews that proposed design. The intent of the design was to provide a sound theory test for the model proposed. This test included considerations of the measurement of the model's constructs, as well as assessment of the effects between constructs (the structural model).

The highlights of the design include a cross-sectional survey design that assessed respondent's perceptions about their firm's role in an important business relationship. The key statistical method used was structural equation modeling and the results were interpreted for their managerial and theoretical significance. Two stages of the research took place: (1) a pre-test designed to assess the measurement properties of the constructs in the model that were newly proposed, and (2) a full test of the model's measurement and structural parameters.

72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913
914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997
998
999
1000

The pre-test stage of the research attempted to provide initial support for the reliability and validity of the model's newly proposed constructs. A pretest survey provided the vehicle for assessing the reliability and validity of the measures for these constructs. Exploratory and confirmatory factor analysis, reliability assessments and other techniques were used to establish the reliability, content validity, discriminant validity, and convergent validity of these measures. This stage was essential because seven of the model's first-order constructs did not have pre-established (through the literature) empirical support for their construct validity.

The second stage of the research was designed to assess the measurement attributes and the structural significance of the model proposed. Specifically, the structural hypotheses that are presented in this chapter were tested. Structural Equation Modeling provided estimates of the path model parameters, and these acted as the test for each hypothesis. The measures of model fit and measures of parameter significance outlined in this chapter provided the evaluative criteria for the inferences made in the final chapter.

The discussion of the research execution will be organized to include the following sections; (1) the research design and sampling plan for both the pre-test and the full-model test, (2) construct definition and measurement, (3) The measurement pretest, (4) the structural hypotheses, (5) the rationale behind the statistics employed, and lastly (6) the analysis and interpretation framework.

2. RESEARCH DESIGN

This section reviews how a rigorous, and practical research design that empirically tested the measurement and structural relationships, was developed. To this end, the following subjects are addressed below; (1) pretest design issues, (2) full study design issues.

2.1 Pretest Design Issues

A pretest was executed to allow for an initial set of measurement tests to be conducted. This section reports the reasoning behind that and the design employed.

the model

here in

empirical

thus, the

of empirical

measure

constrains

this is

model.

The Co

only in

to make

constrains

its me

the.

like s

to emp

interact

2.1.1 Objectives of Pretest

The model conceptualized in Chapter Two, and operationalized here in Chapter Three, incorporates constructs that had no empirical support for their reliability and/or validity. Thus, the pretest was designed to allow for a limited amount of empirical evidence to be gathered and used to guide measurement improvements prior to incorporating these constructs and measures into the full study. In the end, this process enhanced the measurement success of the full model.

The Constructive Conflict Outcomes construct that was not only new in of itself, but the dimensions that were proposed to make up this constructs were also new, thus, this construct became one of the focal points of the pre-test. Its measurement model was presented in Figure 1.4 in Chapter One. Additionally, the "shared paradigm" dimension of clan-like structure was included in the pre-test since there was no empirical evidence for its reliability or validity in the literature.

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

2.1.2 Pretest Sample

In order to pretest the measurement model a limited size survey was used. The required respondents for the pretest were individuals that were responsible for managing a key relationship for their firm (same as the full study, see section 2.2.2 below). The desired sample size was approximately 75 respondents. This number was chosen because it would allow for sufficient power for the various measurement purification procedures proposed. The target respondents included business contacts assessable to the author.

2.1.3 Approach Strategy

The questionnaire was a one-page document that was designed to be able to be completed within ten minutes and mailed or faxed back. Contacts were approached personally or via phone and arrangements were made to fax or mail the pretest to these individuals. This approach strategy was pursued until a sufficient number of responses had been gathered (see Chapter Four for the specific results). Those who responded to the pretest survey were not re-targeted for the full study to avoid introducing a history threat to the internal validity of the full study.

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

2.1.4 The Pretest Questionnaire

The questionnaire included all the measures proposed for the dimensions that make up Constructive Conflict Outcomes (CCO). Additionally the measures for Shared Paradigm were included. The specific questions are presented in the appropriate parts of section three of this chapter. Additionally, five single item questions were used to represent other related constructs to allow for an initial assessment of the nomological validity of the model and constructs. A copy of the pre-test instrument is presented as Appendix B.

2.2 Full Study Design Issues

The following sub-section reviews the full study design issues and provides the rationale for that design.

2.2.1 General Issues

A cross-sectional survey design was employed to test the relationships put forth in the model. While this design failed to capture any dynamic change that could characterize the relationships in this area of study, it did allow for an initial test of the relationships in a practical and

relevant

research,

empirical

practical

test were

dissertat

of the s

What? Th

individual

relation

data fro

as both

addition

firms wa

levels o

it was p

of the p

the exch

avoid ne

relation

variable

relevant manner. As this area lacked significant prior research, and this dissertation represented the first empirical test of some of the proposed relationships, the practical considerations of conducting a relevant theory test were considered very important. Building on this dissertation, a future study can explore the dynamic nature of the supported relationships.

2.2.2 Sample

Who? The required respondents for this study were individuals that were responsible for managing a key relationship for their firm. The dissertation collected data from both buyers (purchasing) and sellers (marketing) as both were considered to be relationship managers. Additionally, the position in the channel of the represented firms was not a concern within this sampling plan, thus all levels or tiers of the channel were targeted. Lastly, while it was predicted that the model would hold true regardless of the product characteristics, this dissertation focused on the exchange of tangible goods (versus services) in order to avoid measurement complications. Therefore, the targeted relationship managers were those that manage the exchange of tangible goods.

to achieve
was design
appropriat
as the key
dispute of
this situat
was pract
relations
dissertat
operation
those per

Size? Be
relations
considera
However,
responder
proposed
measureme
a minimum
suggest a
potential
and incor
targeted
assured (

To achieve a successful sampling plan, an approach strategy was designed to get the questionnaire into the hands of the appropriate relationship managers. These individuals acted as the key respondents for their firms. While there is dispute over the efficacy of a key respondent approach, in this situation it did offer the following advantages; (1) it was practical, and (2) if the respondent was indeed the lead relationship manager, then it was their opinion that this dissertation sought to tap. As the constructs are operationalized as perceptions, it was appropriate to gain those perceptions from the specific relationship managers.

Size? Because the method employed to assess the relationships was structural equation modeling, the standard consideration of statistical power was not appropriate. However, Bagozzi and Yi (1988) suggest a minimum of five respondents per free parameter within a SEM design. The proposed model had 28 free parameters (if the entire measurement model is supported) and therefore, would require a minimum of 140 respondents. However, Bollen (1989) would suggest a sample size of at least 150 in order to remove any potential power problems. Thus, to follow Bollen's advise, and incorporate a larger margin of error, this dissertation targeted a sample size of 170. A response rate of 10% was assumed (a reasonable response rate considering the job

times of

target wa

A media

execute

1. an i

1. a re

stages

instrum

First A

'see Ap

postage

respons

The le

partici

partici

partici

encoura

postcard

postcard

duties of the target respondents) and thus the approach target was set at 1700 relationship managers.

2.2.3 Approach Strategy

A "modified" Dillman (1978) approach strategy was used. To execute this the survey was administered in three stages: (1) an initial survey mailing, (2) a postcard follow-up, and (3) a repeat of the full first mailing. Each of these stages is further discussed below and a copy of the survey instrument is presented as Appendix C.

First Mailing. The first mailing consisted of the survey (see Appendix C), a letter requesting participation, and a postage-paid envelope. The survey was designed to enhance response by being visually effective and easy to complete. The letter was on MSU letterhead and requested participation. The respondents were promised a report outlining the results of the study in return for their participation. The return envelope was postage-paid to encourage response.

Postcard. Two weeks after the first mailing went out, a postcard was mailed to all sample members. The postcard

reminded

first mail

Second Ma

second q

telling v

sent out

The cover

and than

With this

rate was

3. CON

This sec

construct

each fil

history

proposed

the cons

reflect

measur

proposed

concept

reminded the individuals that they should have received the first mailer and encouraged their participation.

Second Mailing. A revised cover letter accompanied the second questionnaire mailing, however, the remainder of the mailing was identical to the first mailing. The mailing was sent out approximately four weeks after the first mailing. The cover letter indicated that this was a follow-up mailing and thanked respondents who had already responded.

With this three-prong approach strategy the target response rate was achieved (see Chapter Four for details).

3. CONSTRUCT DEFINITION & MEASUREMENT

This section addresses the proposed measurement of each construct incorporated into the model. The definition of each first-order construct is presented and the measurement history of that construct addressed. Final measures are proposed. When there is a robust measurement history for the construct in question then the final measures most often reflect this pedigree. However, in some cases there is no measurement history for the construct and thus, the measures proposed represent an extension of the construct's conceptualization. In addition to the text that follows,

construct

Appendix A

The measur

order are

quality of

this chap

is import

measures

proposal

different

could ass

starting

3.1

In this

order co

decentra

if these

the meas

to summe

will be

process

construct conceptualization and measurement is presented in Appendix A1.

The measures for each construct (both first and second-order) are addressed below. The proposed tests of the quality of the measures presented are addressed later in this chapter.

An important note needs to be made. The discussion of the measures proceeds as it was written for the dissertation proposal. Thus, even though the final results were often different, the original language was kept so that the reader could assess the initial reasoning and understand the starting point for the measurement choices made.

3.1 Clan-Like Structure

In this dissertation, clan-like structure will be a second-order construct indicated by informalization, decentralization, participation and shared paradigm. Each of these first-order constructs will be directly measured. The measures for each of these first-order constructs will be summed to form construct scores, and then these scores will be used as the measures for clan-like structure. This process will occur with reliability and validity checks at

with the
specific
outlined

formal
making
and Ch. 1
like de
reverse

free w
first, I
their s
reliabi

both the first-order and second-order construct level. The specifics of the first-order construct measurement is outlined below.

3.1.1 Informalization

Formalization is defined as the extent to which decision making is regulated by explicit rules and procedures (Dwyer and Oh 1987). In the context of being a component of clan-like decision-making structure, this variable will be reversed in order to capture informalization.

Three works provide suggested scales for this construct. First, Dwyer and Welsh (1985) provide four questions that in their study provided an alpha of .78, thus showing adequate reliability. The question posed of the respondents in the

Over an

your rel

the

1.

2.

3.

4.

The sca

the foll

incision

It add t

the foll

1.

2.

the 1998

single

Dwyer and Welsh (1985) study was as follows: "Thinking about your relationship with suppliers, would you say..." (p. 412).

1. You follow strict operating procedures.
2. You have a high regard for existing rules and procedures.
3. Your responsibilities are clearly specified.
4. You follow previously written and verbal instructions.

The scale for these questions was a five point scale with the following categories, (1) never, (2) seldom, (3) occasionally, (4) rather often, and (5) nearly all the time.

To add to this set of measures, John (1984, p. 287) provides the following sample items:

1. My dealings with the supplier are subject to a lot of rules and procedures stating how various aspects of my job are to be done.
2. My contracts with the supplier and his representatives are on a formal, pre-planned basis.

John (1984) used a 5 point Likert scale with anchors of *strongly agree* and *strongly disagree*. The author reported

an internal consistency coefficient of .63, thus his scale showed poorer reliability than the Dwyer and Welsh scale.

Lastly, Reve and Stern (1986) provide these two additional items.

1. The relations between the supplier and our firm are governed by written contracts.
2. Complaints and returns from the retailer to us are handled through standard procedures.

Their scale was an 8-point scale that assessed the truth of that description concerning the relationship. The authors reported a Cronbach's Alpha of .701 for their five-item scale.

Based

on

the

of

The

and

Order

to

the

between

Based on these studies the following combination of items will be used to assess formalization:

Considering the relationship you identified, please respond to the following statements:

1. When decisions are made concerning this relationship, the parties rely on clearly specified operating procedures.
2. Existing rules and procedures are often ignored when relationship decisions are made (R).
3. The parties refer to previously written and/or verbal instructions to guide relationship decision making.
4. Formal, written contracts guide relationship decision making.
5. When faced with a relationship decision, the parties fall back on standard courses of action.
6. When faced with a relationship decision, the parties rely on behavior dictated by formalized roles and responsibilities.

The scale for these questions will be a seven point Likert scale anchored by *strongly agree* to *strongly disagree*.

3.1.2 Decentralization

Dwyer and Oh (1987) define this as "the extent that decision-making authority is concentrated" (p. 349). Within this dissertation an important distinction will be made between centralization and participation. The distinction

is bas

author

centra

concer

Wien.

to a

reide

centr

Thess

cond

Orge

to m

Wien

Say

the

Wien

Wien

is based on the research of Hage and Aiken (1967). These authors carefully distinguished between participation and centralization. When decision making authority is concentrated in a few individuals, this is centralization. When decisions are made based on the input of both parties to a relationship, this is participation. Prior to reviewing Hage and Aiken's (1967) conceptualization of centralization, other research works will be reviewed. These works measured "centralization", but not in the manner conceptualized in this dissertation.

Dwyer and Welsh (1985, p. 412) provide the following items to measure centralization: (The question posed was "Thinking about your relationship with suppliers, would you say....")

1. You go ahead with actions without checking with your supplier.
2. You refer marketing matters to your supplier.
3. You yield to the recommendation of your supplier.
4. You rely on your suppliers for an answer.

Unfortunately, while these measures showed strong reliability, they do not capture this dissertation's conceptualization of centralization. They are more

appropri-

will be

Reve an

defined

on dyad

are:

1

2

Again,

concep

replic

lastly

centra

to an

therea

appropriately participation measures. This distinction will be addressed later in this section.

Reve and Stern (1986) also measured centralization. They defined this construct as "the perceived degree of influence on dyadic actions" (p. 82). Two sample items they included are:

1. Our advertising campaigns for the supplier's products are determined in detail by the supplier.
2. The retailer determines which ordering procedures he is going to use.

Again, this conceptualization matches this dissertation's concept of participation. Thus, these measures will not be replicated for this dissertation.

Lastly, John (1984) also provides two sample items for his centralization scale. This scale achieved a reliability of .79 and was conceptualized to be measuring a component of "bureaucratic structuring" of an exchange relationship.

this is

the

1.

2.

The

the

this

the

the

and

part

the

the

this

the

relat

Thus, John's conceptualization is closely analogous to Robicheaux and Coleman's (1994).

1. I have to ask my supplier's representatives before I do almost anything in my business.
2. In my dealings with my supplier, even quite small matters have to be referred to someone higher up for a final answer.

The second question gets directly at the concept of centralization and an analogous question will be used in this dissertation

Hage and Aiken (1967) consider centralization to have two components. The first component is akin to participation, and is not the operationalization that this work will use as participation is considered a separate construct. However the second component is defined as "how power is distributed among social positions" (Hage and Aiken 1967, p. 78). It is this second component that captures the concentration of decision-making authority in a few individuals in the relationship.

The measures suggested (and supported) by Hage and Aiken (1967, p. 78) include:

1. There can be little action taken here until a supervisor approves a decision.
2. A person who wants to make his own decisions would be quickly discouraged here.
3. Even small matters have to be referred to someone higher up for an answer.
4. I have to ask my boss before I do anything.
5. Any decision I make has to have my boss's approval.

Based on the conceptualization outlined above and incorporating the measures presented above, measures of centralization are proposed below.

Considering the relationship you identified, please respond to the following statements:

1. Within this relationship, decision-making authority is concentrated in a few individuals.
2. If a decision needs to be made, the decision is often made by those directly involved in the situation, and does not need the approval of superiors (R).
3. A small percentage of the individuals involved in this relationship set the relationship policies.
4. Superiors must review all the important decisions before the decisions take effect.

5. The frontline employees involved in managing the relationship are free to make decisions involving this relationship (R).
6. There can be little action taken until relationship decisions have been approved through proper channels.

The scale for answering these questions is a seven-point Likert scale with anchors of *strongly agree* and *strongly disagree*.

3.1.3 Participation

Hage and Aiken (1967) develop the concept of participation as a sub-component of centralization. However, authors in marketing have considered it a separate component from centralization (Dwyer and Welsh 1985; Dwyer and Oh 1987). Dwyer and Welsh (1985) define participation as "the degree of actual participation in decision making" (p. 400).

Dwyer and Welsh (1985) employ a slightly different operationalization, in that, they also have the following set of questions to measure participation:

1. You play an active role in decision making
2. Suggestions from you are encouraged.
3. Supplier decisions are made without you.

Additionally, Dwyer and Oh (1987) offer the following sample item from their participation scale.

1. My ideas for ordering, selling, and servicing are welcomed by the manufacturer.

Question #2 from Dwyer and Welsh (1985) and #1 from Dwyer and Oh (1987) both deal with ideas and suggestions being welcomed in the decision making process. This is an indirect method of assessing participation. As long as the assumption is made that the collection of suggestions and ideas is a fundamental part of the decision-making process, then these measures would capture participation because the offering and welcoming of ideas would constitute "actual participation". However, it can be argued that the welcoming and encouraging of ideas does not constitute real participation as the decision-making process really is focused on the evaluation and selection of ideas and suggestions. In this case, a party could contribute ideas, but still not be directly involved in their evaluation. This case seems to represent "partial" participation.

The measurement strategy employed by Hage and Aiken (1967) offers a way to avoid this potential measurement confusion. Their strategy involves identifying areas of "organizational" decision making and directly asking about

the frequency

this method

participate

of actual

measurement

employee

below.

Consider

the amount

decision

of potential

party

The

control

the frequency of participation in those decisions. Since this method captures the spirit of the definition of participation as defined by Dwyer and Welsh (1985) ("degree of actual participation" (p. 400)), and avoids the potential measurement confusion outlined above, this method will be employed. The specific questions proposed are presented below.

"Consider the following decision making areas, and indicate the amount of mutual participation that is present in each decision in the relationship."

(7 point scale anchored by: *Decision is made entirely by one party* and *Decision is made equally by both parties*)

1. Delivery arrangements and terms
2. Product/service design changes
3. Length of contract/agreement
4. Ordering procedures
5. Product/service prices and/or margins
6. Scheduling of operational activities
7. Demand and/or supply requirement forecasting

The scores from each of these decision areas will be combined to form an overall participation score.

Share

share

the r

parad

derer

this

meas

prese

asses

A ser

disag

Consi

to th

S

3.1.4 Shared Paradigm

Shared paradigm considers whether the exchange partners share general assumptions and values related to conduct in the relationship (Robicheaux and Coleman 1994). It is the paradigm that they share that helps the participants determine what is in the best interest of the relationship. This construct has no empirical history and thus the measures suggested below are based on the conceptualization presented here and in chapter two. These measures will be assessed in this dissertation's pretest.

A seven-point scale with anchors *strongly agree* and *strongly disagree* will be used.

Considering the relationship you identified, please respond to the following statements:

1. The parties often agree on the appropriate course of action for this relationship.
2. Both firms share the same values.
3. The parties often disagree on what is in the best interest of the relationship (R).
4. The parties have different expectations for this relationship (R).
5. The parties often agree on what constitutes appropriate relationship behavior.

In the

second

assess

these

meas

sum

be a

prod

both

spec

and

The

193

reg

reg

the

the

resp

and

and

3.2 Operational Integration

In this dissertation, operational integration will be a second-order construct indicated by joint actions, assistances, monitoring and information sharing. Each of these first-order constructs will be directly measured. The measures for each of these first-order constructs will be summed to form construct scores, and then these scores will be used as the measures for operational integration. This process will occur with reliability and validity checks at both the first-order and second-order construct level. The specifics of the first-order construct measurement is outlined below.

3.2.1 Joint Actions

The construct, Joint Actions, is defined by Heide and John (1990) to represent the "degree of interpretation of organizational boundaries" (p. 25). Heide and John (1990) measure joint actions by identifying areas of operations that would be typical in a relationship and then assessed the level of joint actions in the relationship by asking the respondents to indicate whether there was "minimal joint action" or "extensive joint action" for that operational activity. Since there is no other available literature to

guide

method

and w

disse

To op

step

would

discu

past

Based

List b

action

been s

John (1

respons

guide measurement on this construct and the measurement method employed by Heide and John showed strong reliability and validity, this method will be employed in this dissertation.

To operationalize joint action via this method the first step is to identify a set of operational activities that would characterize the typical relationship. Through discussions with some relationship managers and calling on past experience the following list has been generated.

1. forecasting
2. component / product testing
3. personnel training
4. product design and development
5. promotional activity
6. inventory control

Based on this list, the respondents will be asked to assess the list based on a seven point scale with the anchors "no joint action" or "extensive joint action". These anchors have been slightly modified compared to those used by Heide and John (1990) in order to allow for a "no joint action" response.

Moore

giving

beta

stan

time

on t

1999

Moore

the

and

ass

rel

the

from

3.2.2 Assistancess

Noordewier, John and Nevin (1990) define assistances as the giving of help to an exchange partner even when such behavior is not specifically called for by the preset standards of the relationship, and/or, when there is no immediate compensation given in return for that help. Based on this, the measures used by Noordewier, John and Nevin (1990, p. 92) are appropriate for this dissertation.

1. Supplier calls in advance to advise us of shipment problems.
2. Supplier makes an effort to help us in emergencies.
3. Supplier recommends stock substitutes when delivery troubles develop.
4. Supplier helps us in value analysis ideas, cost reductions, problem solving, etc.
5. Supplier advises us of potential problems in meeting our needs.

Noordewier, John and Nevin (1990) showed strong support for this construct. It was assessed as a first-order construct and each of the measures above loaded significantly on the assistances construct. This study did not report reliability. There are no other uses of this construct in the literature, thus there are no other measures to draw from. With this in mind the measures above will be used

with the

measur

consid

to the

1

2

3

For t

strong

Needing

regard

part

expec

that a

with the appropriate adjustments. The final proposed measures are listed below.

Considering the relationship you identified, please respond to the following statements:

1. The parties in this relationship advise each other in advance of potential operational problems (such as delivery delays or stock outs).
2. The parties help each other in emergencies.
3. Unless payback is immediate, help is not offered to the other party (R).
4. The parties help each other in value analysis, cost reductions, problem solving, etc.
5. The parties advise each other of potential problems in meeting each other's needs.

For these questions a seven-point Likert scale with anchors *strongly agree* and *strongly disagree* will be used.

3.2.3 Monitoring

Noordewier, John and Nevin (1990) define this construct to capture the monitoring or supervisory actions that the parties undertake to ensure partner performance during the execution of the exchange relationship. The authors contend that a more relational realization of monitoring will

Intro

perfo

The m

Thes

CONS

Ther

in cl

Study

Study

involve "active supervision ... to ensure specified performance" (p. 84).

The measures used by these authors are as follows (p. 92):

1. We advise supplier of its performance in relation to that of other suppliers.
2. We monitor supplier's inventory levels.
3. We assess supplier's performance through a formal vendor evaluation program.
4. In this arrangement, supplier must provide summary usage reports, tally sheets, or some similar kind of report (on a quarterly or monthly basis).
5. We conduct quality training for vendor personnel.
6. The relationship we have with this supplier makes use of many controls.

These measures all loaded significantly on the monitoring construct and thus showed convergent validity (Noordewier, John and Nevin 1990). No reliability results were reported in this study. As the Noordewier, John and Nevin (1990) study is specific to purchasing arrangements, some adjustments of these measures is necessary.

there

disse

based

respo

As o

info

disse

is o

exch

Robi

infor

Netw

infor

Therefore the following measures will be used in this dissertation in order to capture monitoring.

Based on the relationship you have with this party please respond to the questions below:

1. The parties spend little time checking on each other's performance (R).
2. The parties monitor each other's inventory levels.
3. The parties assess relationship performance through a formal evaluation program.
4. The parties share performance reports regularly.
5. The relationship makes use of many controls.

3.2.4 Information Sharing

As outlined in chapter two, there are three areas of information exchange that require operationalization in this dissertation. First, the frequency of information exchanged is considered important as high frequency of information exchange indicates higher levels of operational integration (Robicheaux and Coleman 1994). Second, the type of information exchanged is relevant. Noordewier, John and Nevin (1990) predict that more strategic and planning information will be exchanged when the relationship is

chaya

last

relat

carab

forma

The

comp

the

cond

time

1999

save

stro

Freq

freq

form

type

1999

characterized by a high level of operational integration. Lastly, it is logically consistent that highly integrated relationships will be characterized by high level of capability to exchange information in a timely and useful format.

The three sets of questions (after measure purification is completed) will be combined to form an overall assessment of the level of information sharing in the relationship. That combined score will be used as an indicator of operational integration as conceptualized by Robicheaux and Coleman (1994). The scale used for all the questions below is a seven-point Likert scale anchored by *strongly agree* and *strongly disagree*.

Frequency of Information Exchanged. Measurement of the frequency of information exchange will be done with the following three items.

1. Communication between the parties happens often.
2. The parties frequently share information.
3. Information / data is exchanged infrequently (R).

Type of Information Exchanged. Noordewier, John and Nevin (1990) offer the following measures that attempt to capture

the t

effect

cond

the t

stud

the t

the t

to a

shar

the type of information exchanged. The measurement effectiveness of these four items was supported by a CFA conducted by the authors.

1. We give the supplier usage information to help him plan for our needs.
2. We keep our supplier informed of production plans.
3. We regularly provide supplier with long-range forecasts of supply requirements.
4. We inform the supplier in advance of impending design changes.

While these measures were supported, the domain of this study is different, thus some changes are needed to make these measures appropriate for this study. Specifically, the measures will become more generic and not directly refer to a "supplier". The following measures of information sharing type are offered.

1. Strategic information is readily shared in this relationship.
2. Production plans are readily shared.
3. Long-range forecasts are readily shared.
4. Impending design changes are readily shared.
5. Financial planning information is rarely shared in this relationship (R).

Exchange Capability. Bowersox, et al. (1995) used the frequency of the use of EDI, bar-coding and real-time communication systems to capture connectivity. This approach was relevant for that research, however, in this research the measures need to be more generic and thus are based on the definition of this concept.

1. Information shared between the parties is easily understood and used by both parties.
2. Although information is shared between the parties it is often unusable because it is in a format that cannot be understood by the other party (R).
3. The parties are able to exchange data or information easily and in usable formats.

3.3 Constructive Conflict Outcomes

Since Constructive Conflict Outcomes is a newly created construct, measurement for it arises from its conceptualization and not past empirical work. Based on the conceptualization laid out in chapter two, three dimensions of Constructive Conflict Outcomes will be operationalized. First, the release of hostilities will be measured. Second, the adjustment of norms will be measured. And finally, the adjustment of activities will be measured. It is anticipated that these three dimensions will form the higher order construct of Constructive Conflict Outcomes. This

will be

conside

are pre

Cesar

is the

before

blow-

benef

infer

this

opera

base

resp

will be explicitly tested when the measurement model is considered. Below, the measures proposed for each dimension are presented.

3.3.1 Hostilities Release

Cosar (1956) claims that a constructive outcome of conflict is that it allows the system members to release hostilities before those hostilities build up and lead to a destructive blow-up. Assael (1969) found that hostility release was a benefit of conflict in an automotive distribution channel. Unfortunately, Assael did not operationalize this component, thus the questions proposed below represent a logic driven operationalization, not one based on past literature.

Based on the relationship you have with this party please respond to the questions below:

1. The relationship conflict has often cleared the air between the parties.
2. The conflict that occurs helps to defuse the more serious and destructive conflict.
3. The conflict in this relationship has gotten to be too extreme to handle (R).

Cosar

and n

condi

aditus

const

theor

reassu

based

resp

4. Conflict is generally over issues that this relationship can easily handle.
5. Conflict helps the parties release hostilities before they become too volatile.

3.3.2 Norm Adjustment

Cosar (1956) sees conflict as a mechanism by which new rules and norms are created in the relationship. Because changing conditions require changes in the relationship, the adjustment of norms caused by conflict, becomes a constructive function of conflict. The measures below are theory based and will be explicitly tested when the measurement model is considered.

Based on the relationship you have with this party please respond to the questions below:

1. Conflict between the parties has rarely resulted in beneficial policy changes (R).
2. Beneficial policy adjustments have been made in response to conflict.
3. Conflict has forced the parties to rethink and adjust the relationship norms of behavior.

Deutsche

behind

the mo

role.

relati

charac

concep

histor

based

respo

4. When changing conditions have caused friction, the parties have been able to make the necessary adjustments to restore balance to the relationship.
5. In response to the relationship conflict, new agreements have been forged as to what constitutes acceptable relationship behavior.

3.3.3 Activity Adjustment

Deutsch (1973) considers conflict to act as the impetus behind creative change. He considers conflict to provide the motivation for change, and thus play a constructive role. Assael (1969) found that the reassessment of relationship activities was indeed a constructive outcome of channel conflict. The measures below are based on this conceptualization and do not arise from an empirical history.

Based on the relationship you have with this party please respond to the questions below:

1. Beneficial operational changes have been made in response to the relationship conflict.
2. Conflict often makes the relationship less effective (R).
3. Conflict has pushed this relationship to higher performance levels.

4. Conflict has made us review past actions and make improvements.
5. Conflict has forced the parties to come up with innovative solutions to relationship problems.
6. After conflict has been resolved, the relationship returns to the status quo without making the changes required to avoid the reoccurrence of the conflict (R).

3.4 Conflict

Conflict is assumed to occur in any relationship that is characterized by interdependence between the parties to the relationship. However, as Brown and Day (1981) illustrated, conflict measurement is best approached by considering multiple facets of conflict. In this case, the frequency, intensity, importance and focus of the conflict will be measured. These characteristics of conflict are predicted to have effects on the level of constructive conflict according to the predictions of social conflict theory. Thus, although Brown and Day (1981) suggest a multiplicative combination of these characteristics, this dissertation will consider these characteristics separately.

Simi

freq.

opera

source

of co

indi.

freq.

disse

The

area

of c

conf

1991

1976

Res

Site

3.4.1 Conflict Frequency, Intensity & Importance

Similar to the approach of Brown and Day (1981) the frequency, intensity and importance of conflict will be operationalized by identifying issues that are standard sources of conflict and then measuring the characteristics of conflict for each issue. A combined sum of these individual measures will provide the final conflict frequency, intensity and importance measure in this dissertation.

The first step of this procedure is to identify a set of areas within the relationship that could be common sources of conflict. Using past studies that operationalized conflict in a similar manner (e.g. Brown, Lusch and Smith 1991; Schul and Babakus 1988; Brown and Day 1981; Lusch 1976b) combined with the sources of conflict approach (Rosenberg and Stern 1970; Etgar 1979) the following list of potential conflict areas is proposed.

1. Minimum order quantities
2. Payment terms
3. Product quality
4. Level of sales support
5. Level of service support
6. Advertising support
7. Performance objectives
8. Terms of the contract
9. Inventory policies
10. Warranty policies
11. Delivery terms
12. Delivery performance
13. Communication of problems
14. Performance expectations
15. Frequency of communication
16. Strategic objectives
17. Control of resources
18. Sharing of market information
19. Design issues
20. Price and/or margins
21. Ease of communication

Frequency. For this list of twenty items the respondents will be asked to identify the frequency of conflict related to each issue based on a 7-point scale with the following anchors; *never* and *very frequently*. After checking for the internal consistency of these items and deleting the issues that fail this test, the frequency scores for the remaining issues will be summed to form a final measure of conflict frequency.

Intensity. Respondents will also be asked to identify how intense the conflict is on each issue. A seven point scale with the anchors, *not very intense* and *very intense* will be used to tap this construct. A sum of the individual issue intensity scores will be used as an overall intensity estimate.

Importance. Based on the issues identified above the respondents will be asked to identify how important each issue is within the context of the relationship. A seven point scale with the anchors, *not very important* and *very important* will be used. An overall conflict importance scale will be calculated by summing the individual issue importance scores.

3.4.2 Conflict Focus

Conflict focus is designed to capture whether the conflict in the relationship centers mostly on operational issues or on core or strategic issues. Social conflict theory proposes that conflict will have greater constructive outcomes when conflict is not focused on core or central issues. There is no literature support for this construct, and thus the following measures are based on the construct's conceptualization.

Based on the relationship you have with this party please respond to the questions below:

1. The conflict in this relationship has focused mostly on operational issues.
2. The parties have disagreements over fundamental issues (R).
3. Conflict in this relationship centers on how to achieve goals, not the goals themselves.
4. Much of the conflict centers on disagreements over the basic goals of the relationship (R).
5. The relationship is characterized by strong disagreements over strategic issues (R).

3.5 Relationship Satisfaction

Conflict and satisfaction have often been considered in conjunction. (see Brown, Lusch and Smith 1991 for a review of these findings). Relationship satisfaction will be captured using the following questions. (seven-point Likert scale)

Based on the relationship you have with this party please respond to the questions below:

1. We are very satisfied with this relationship.
2. This relationship meets or exceeds our expectations.
3. This relationship has performed poorly (R).
4. Based on the objectives we hold for this relationship, we are very satisfied with the performance of this relationship.
5. This relationship has not performed up to our expectations. (R)

4. STRUCTURAL HYPOTHESES

There are eight structural hypotheses. The relationships were illustrated in Figure 1.1 contained with Chapter One. The hypotheses correspond to the logic laid out in Chapter Two. Support for the hypotheses constitutes support for that logic, given the way the logic was operationalized.

This section is organized by reviewing each of the specific hypotheses being offered. The specific hypothesis will be preceded by a brief review of the theory and/or logic that supports the hypothesis.

4.1 Conflict Frequency and Constructive Conflict Outcomes

Social conflict theory indicates that high conflict frequency is likely to produce constructive conflict (Turner, 1986). The reason for this connection is that frequent conflict will allow the relationship parties to release hostilities before they polarize the parties. Thus, the following hypothesis is put forth:

H1: Conflict frequency (CFREQ) will have a significant and positive effect on constructive conflict outcomes (CCO).

4.2 Conflict Intensity and Constructive Conflict Outcomes

Social conflict theory defines intensity to include people's involvement in, and commitment to, pursuing the conflict.

SCT predicts an inverse relationship between conflict intensity and constructive outcomes (Turner, 1986).

Constructive outcomes are considered to be more likely when conflict intensity is low because the parties will stay more focused on realistic issues, the parties will communicate more effectively and the parties will be more likely to allow norms of conflict resolution to work effectively.

Therefore, the following hypothesis is put forth:

H2: Conflict intensity (CINTS) will have a significant and negative effect on constructive conflict outcomes (CCO).

4.3 Conflict Importance and Constructive Conflict Outcomes

Social conflict theory postulates that low violence conflicts will be characterized by more constructive outcomes (Turner, 1986) and conflict issue importance is closely connected to SCT's concept of conflict violence. Cosar (1956) defines conflict violence as the degree to which the parties are seeking to injure or eliminate the other party. Conflict violence is said to rise when the parties are fighting over a centrally important issue because their emotional arousal and involvement related to the issue will be increased (Turner, 1986). Assuming this relationship holds true allows us to make the inference that when conflict is over more important issues, the conflict will tend to be more violent and then the likelihood of constructive conflict would be reduced.

H3: Conflict importance (CIMP) will have a significant and negative effect on constructive conflict outcomes (CCO).

4.4 Conflict Focus and Constructive Conflict Outcomes

The focus of the conflict captures whether the conflict is centered around different goals or different methods of achieving similar goals. In the context of this dissertation, a high level of conflict focus will indicate that the respondent perceives that the conflict in the focal relationship is not over the strategic goals of the relationship, but is instead, over the operational choices designed to achieve common goals. Cosar (1956) indicates that this is an important distinction when he states "conflicts arising within the same consensual framework are likely to have a very different impact upon the relationship than those that put the basic consensus in question" (p. 73). Cosar (1956) argues that when conflict is related to issues that do not call into question the basic consensus (goals) of the relationship then the conflict is more likely to have constructive outcomes.

H4: Conflict focus (CFOC) will have a significant and positive effect on constructive conflict outcomes (CCO).

4.5 Decision-Making Structure and Constructive Conflict Outcomes

Decision-making structure runs the gamut from bureaucratic to clan-like. When the structure is clan-like, decisions will be made in a decentralized, informal, participative structure that shares similar norms. These characteristics form the basis for why clan-like decision making structure should lead to higher levels of constructive conflict. Specifically the following should occur; (1) the sharing of similar norms and values will improve the chance that conflict outcomes will be agreed upon, (2) the informal structure will be less rigid in the face of conflict, (3) the participative nature of decision making will help create perceptions of positive change, and (4) the decentralized structure will allow small grievances to have a forum for resolution. These factors lead to the following hypothesis:

**H5: Clan-like decision-making structure (CLAN)
will have a significant and positive effect
on constructive conflict outcomes (CCO).**

4.6 Operational Integration and Constructive Conflict Outcomes

High levels of operational integration would be characterized by the presence of significant joint actions and information exchange. These attributes should bring problems to the attention of managers quickly, and thus there is a lower likelihood that the hostilities brought forth by the conflict will become unmanageable.

Additionally, since the parties have a high level of assistances they should avoid a scorecard mentality and should recognize positive change even when it has been induced by conflict. Lastly, the integrated relationship should exhibit a greater concern for the joint operations and thus will make the parties more likely to seek out and recognize productive change. Based on the logic outlined above, the following hypothesis is made:

H6: Operational integration (OPINT) will have a significant and positive effect on constructive conflict (CC).

4.7 Constructive Conflict Outcomes and Relationship Satisfaction

Satisfaction is an important variable and is often an appropriate proxy for performance (Brown, Lusch and Smith, 1991). Constructive conflict will be characterized by low levels of pent-up hostilities and the recognition that conflict has produced positive change. These should make the party more satisfied with the relationship's performance. If the party considers the relationship to have weathered some storms, and subsequently gained in strength, then they should be more satisfied with the relationship. Based on this logic, the following hypothesis is made:

H7: Constructive conflict outcomes (CCO) will have a significant and positive effect on relationship satisfaction (SAT).

4.8 Constructive Conflict Outcomes and Relationship Trust

The inclusion of trust as another relevant outcome variable was done because Trust is a highly considered construct in the relationship marketing literature. The proposed relationship is positive because it is assumed that the "local" positive outcome (CCO) would be directly associated with the more "global" positive outcome. Therefore, the following hypothesis is made:

H8: Constructive conflict outcomes (CCO) will have a significant and positive effect on relationship trust (TRUST).

5. STATISTICAL ANALYSIS

The analysis employed in this dissertation was structural equation modeling (SEM). This section is designed to lie out the criteria that will be used to determine if a specific model has been confirmed or disconfirmed by this statistical methodology. The criteria will be applied to two classifications of models: (1) the measurement models, and (2) the structural model. Those two classifications will be considered below.

5.1 Measurement Model

The measurement models were assessed separately from the path model. Additionally, the original, full measurement model was very complex. Four of the constructs incorporated in this model had multiple dimensions that had multiple measures. Thus, the intention was to test the model at the first-order level, then sum the measures of the dimensions and have those calculations act as the dimension score. This, in effect would allow for the second-order measurement model to be actually tested as a single-order model. This was desirable so that the overall model complexity could be reduced

The plan was to initially conduct any measurement model assessments using traditional statistical procedures such as Cronbach's alpha and exploratory factor analysis (EFA). This would be followed by the use of confirmatory factor analysis (CFA) procedures. It is the confirmatory factor analysis procedures that are addressed below.

5.1.1 Measurement Model Fit

There are two basic procedures that were incorporated into the design in order to assess CFA model fit: (1) assessment of preliminary model fit, and (2) statistical and other assessments of model fit. These assessments are both recommended by Bagozzi and Yi (1988). They are discussed below.

Preliminary Fit. According to Bagozzi and Yi (1988) the model should not exhibit any of the following:

1. Negative error variances
2. Factor loadings that are smaller than .5 or larger than .95
3. Very large standard errors.

The preliminary fit of the measurement model was assessed against these criteria. Failure to meet these criteria often indicates identification or specification problems (Bagozzi and Yi 1988).

Statistical and Other Assessments of Model Fit. The second assessment that was made was the overall fit between the proposed measurement model and the sample data. Since there is no entirely conclusive way to assess model fit, a series of tests were considered as recommended by Bollen (1989).

Listed below are the tests and test values that were used to assess model fit. The majority of these are based on the recommendations of Bagozzi and Yi (1988).

1. A non-significant chi-square value
2. A BBNNFI value of .85 or greater
3. A RMSEA value of under .5
4. A CFI of .85 or greater
5. No standardized residual greater than 2.0

There was a high probability that the models tested would not meet the criteria on all of these tests. Thus, the final conclusions made concerning the fit of the various

measurement models were made based on a preponderance of evidence and not a single test.

5.1.2 Construct Validity Tests

There are two main assessments that were made. First, the convergent validity of the model's measures was assessed. Second, the discriminant validity of the constructs was considered. These are discussed below.

Convergent Validity. Defined as "the confirmation of a relationship by independent measurement procedures" (Churchill 1979, 1991), convergent validity is sufficient support for the internal consistency of a construct (Anderson and Gerbing, 1982). When using SEM, if the factor loadings of the indicators on their posited constructs are significant, then convergent validity is supported (Anderson, 1987).

Discriminant Validity. Peter (1981) considers discriminant validity to be supported when a measure does not correlate very highly with another measure from which it should differ. Discriminate validity supports external consistency, that combined with the convergent validity - internal consistency confirmation from above, will support

the unidimensionality of the construct under consideration (Anderson and Gerbing 1982). Using SEM, the manner in which this dissertation assessed discriminant validity was the following: using a pairwise series of nested CFA models the discriminant validity was assessed by considering if a model that had a pair of constructs with their covariance constrained to one had worse fit than the model with no constraint (using a chi-square difference test). If this was the case then the discriminant validity of the constructs was supported (Anderson 1987).

5.1.3 Conclusion

Before the structural tests proceeded the measurement models needed to pass the tests outlined in the sections above. Chapter Five documents the actual process of applying those criteria to the measurement models. Models that failed to gain support were either eliminated or altered in theory consistent ways and re-tested against the criteria. Any model that was respecified is explicitly identified as such in Chapter Five.

A two-stage assessment approach was used as recommended by Burnkrant and Page (1982) and Anderson and Gerbing (1988). Thus, the final confirmed measurement model was not

explicitly re-assessed while the structural model was assessed.

5.2 Structural Model

A structural, or path model was examined using SEM with the purpose of assessing the quality of the proposed model. Two main considerations addressed were: (1) the overall fit of the model, (2) internal structure fit. These are discussed below.

5.2.1 Structural Model Fit.

The same model fit standards that were applied to the measurement model were relevant for addressing the structural model fit. However, there are the additions discussed below.

Preliminary Model Fit. In addition to the items identified in section 5.1.1 the additional criteria for preliminary model fit included:

1. Non-significant error variances (because this would be unrealistic)
2. Correlations greater than one

Bagozzi and Yi (1988) indicate that the presence of these two conditions would indicate a misspecified or unidentified model.

Statistical Model Fit. Since there is no entirely conclusive way to assess model fit, a series of tests were conducted as recommended by Bollen (1989). Listed below are the tests and test values that were used to assess model fit. These are based mainly on the recommendations of Bagozzi and Yi (1988).

1. A non-significant chi-square value
2. A BBNNFI value of .85 or greater
3. A RMSEA value of less than .5
4. A CFI of .85 or greater
5. No standardized residual greater than 2.0

It was anticipated that the path model would not meet all of these criteria, thus, the final conclusion concerning path model fit was based on a preponderance of evidence and not a single test.

5.2.2 Internal Structure Fit

There are three basic criteria Bagozzi and Yi (1988) suggest for assessing the internal structure of the model. The first is reliability. Cronbach's Alpha was used to determine this. The second area for consideration is the significance of the structural parameter estimates. These were assessed using the t-tests reported by EQS. The third element is the examination of the modification indices provided by EQS (specifically the multivariate LM test results). A significant LM test that suggests a structural respecification would cast suspect on the efficacy of the model (Bagozzi and Yi 1988), thus these were also examined. The specific results are reviewed in Chapter Five.

6.0 CONCLUSIONS

This chapter outlined the research design and the execution plan. The two chapters that follow specifically highlight the results of that execution. Any deviation from the plan laid out in this chapter is reviewed and justified.

Chapter 4

Research Plan Execution

1. INTRODUCTION

This chapter details two events: (1) the collection and analysis of data designed to act as a pretest of the final dissertation model, and (2) the execution and results of the data collection for the main test of the dissertation model. Each be will discussed below. Chapter Five will document the statistical analysis of the data, while Chapter Six will present the interpretation of those results and the final conclusions drawn.

2. THE PRETEST

The pretest was designed to test the measurement properties of a sub-group of the constructs, as well as test the initial nomological validity of the model. This section will cover the following items: (1) the pretest sample and data collection, (2) pretest data analysis, and (3) the results and implications for the project.

2.1 Pretest Sample and Data Collection

The pretest sample was obtained in two different ways. First, associates of the principle researchers were contacted and asked to assist in distributing surveys to qualified respondents. As a result of this approach strategy, multiple responses were received from a single firm in several cases. This was deemed appropriate as the unit of analysis was a relationship and the responses all came from different relationships. In addition, this method was efficient from a data collection standpoint.

The second data collection method involved two mailings, one to the Western New York Roundtable for the Council of Logistics Management and the other to the Michiana Chapter of the American Marketing Association. Both of these organizations volunteered their mailing lists for the project. Each of these mailings consisted of approximately 125 individuals. A cover letter requesting participation and a copy of the survey were included in the mailing. The intention was for the respondent to fax back the survey, and the vast majority of the participants did respond via fax, although a few were returned via mail.

Between the two methods a total of 56 usable surveys were returned. Although difficult to calculate exactly due to the dual contact method, the approximate response rate was 15%. The response rate per se was not of serious concern, instead the contact strategy was designed to achieve enough responses to do the preliminary analysis that was part of the design. The 56 surveys, while not as many as initially hoped, were sufficient to calculate basic reliability and conduct exploratory factor analyses on the included constructs.

2.2 Pretest Data Analysis

The data were entered on an Excel spreadsheet and then transferred to an SPSS data file. Reliability and factor analysis techniques were applied to the constructs. The results are indicated below. Measurement tests (reliability and exploratory factor analyses) were conducted for the proposed first-order constructs that make up Constructive Conflict Outcomes (CCO) and Integrative Conflict Resolution Approach (ICRA). This was done because these constructs (as specified) and their measurement models were being proposed for the first time in this dissertation. Thus, a preliminary test was in order.

2.2.1 Construct Reliability

Initial reliability for the constructs is documented below:

ICRA:

1. Mutual Interest (5 items): .8486
2. Common Goals (3 items): .4852
(.5958 without item #2)
3. Positive Sum Orientation
(5 items): .8636

CCO:

1. Hostilities Release
(5 items): .6336
2. Norm Adjustment (5 items): .5808
(.6749 without item #3)
3. Activity Adjustment (6 items): .7120

These figures give limited support to these constructs. Mutual Interest, Positive Sum Orientation, and Activity Adjustment all meet the .7 criteria set forth by Nunnally (1978). Hostilities Release & Norm Adjustment are both very close. Common Goals has a serious deficiency in this area. The items were reviewed with these results in mind and appropriate adjustments were made to the group of items designed to tap each construct. The items listed in Appendix A1 represent the measures as constructed after the

pretest results were considered and are the exact questions that appeared in the final dissertation instrument.

2.2.2 Exploratory Factor Analysis

The items that are proposed to make up the three sub-constructs in Integrative Conflict Resolution Approach were evaluated via an exploratory factor analysis with principle components as the extraction method (eigenvalues over 1 as the decision rule) and varimax rotation. No theoretically consistent solution was initially found. However, after several iterations a single factor solution that consisted of 5 individual items was achieved. The items included at least one question from each of the original three sub-constructs and showed a reliability value (alpha) of .8530.

The items that are proposed to make up the three sub-constructs in Constructive Conflict Outcomes were evaluated via an exploratory factor analysis with principle components as the extraction method (eigenvalues over 1 as the decision rule) and varimax rotation. No theoretically consistent solution was initially found (that is, a solution with three factors, each representing a proposed sub-construct). However, after several iterations a

single-factor solution was found that consisted of 5 individual items. The items included at least one question from each of the original three sub-constructs and showed a reliability value (alpha) of .7992.

These items from the two analyses above were included in another exploratory factor analysis with the same parameters and a two-factor solution was obtained. Each factor cleanly (loading > .6 and no cross-loading over .4) consisted of the expected items and could correctly be labeled as (1) Integrative Conflict Resolution Approach (ICRA) and (2) Constructive Conflict Outcomes (CCO).

Table 4.1 below documents these results.

Table 4.1 - Pretest EFA Results

Item	Factor 1	Factor 2
Common Goal 1	.721	.177
Mutual Interest 2	.765	.179
Mutual Interest 3	.849	.121
Positive Sum Orientation 2	.789	.002
Positive Sum Orientation 2	.811	.191
Activity Adjustment 3	.252	.722
Activity Adjustment 4	.193	.649
Activity Adjustment 5	.006	.803
Hostility Release 2	.340	.647
Norm Adjustment 4	.000	.820

2.2.3 Initial Nomological Validity

A correlation matrix of the principle variables was run. This matrix showed support for a positive and significant relationship between the respecified ICRA construct and the respecified CCO construct. It also showed a positive relationship between CCO and both Satisfaction (3 items with $\alpha = .9556$) and Trust (single global measure). These results all support the hypotheses identified in the proposed structural model. These results lend nomological validity support to the project but fall far short of supporting any causal paths. That task will be left to the full test with the full data set.

2.3 Pretest Results and Implications

The pretest results were a mixture of support for the measurement model proposed. While in general, the constructs were supported, the exact proposed specification of those constructs was not. The data indicated that certain respecifications would be appropriate. The pretest data analysis suggests two significant respecifications. First, it suggests changing the three component (factor) Constructive Conflict Outcomes construct to a single factor

construct. This new construct would contain questions representing all three proposed sub-factors of the original second-order construct, but not possess the proposed measurement model complexity of the original. Second, a similar change would be suggested for the construct titled Integrative Conflict Resolution Approach. The suggested respecification would also be to make this second-order construct into a single factor construct with questions from each of the original three components. These two new single factor constructs (CCO & ICRA) were shown to be distinct via an exploratory factor analysis (no cross loading over .4) that included all the questions from both of the suggested constructs. Both of these simpler constructs also showed adequate reliability.

In addition to these measurement issues, the pretest provided support for the nomological net that forms the basis for the proposed structural model. The proposed associations between Constructive Conflict Outcomes and Integrative Conflict Resolution Approach, Relationship Satisfaction and Relationship Trust were all supported via a simple correlation analysis.

Due to the results of the pretest, changes were made in the final set of questions asked on the dissertation questionnaire. Although the original three-factor, second-order models of Constructive Conflict Outcomes and Integrative Conflict Resolution Approach were not supported via exploratory factor analysis, the final instrument will still attempt to test that configuration. Because the pretest sample was small it was decided that a full-scale measurement respecification based on the results of the pretest was premature. However, certain items (questions) were either eliminated or modified in accordance with the pretest result (see Appendix A1 for the final set of questions that appeared on the questionnaire). The potential for a single factor solution in the final analysis exists, and will be looked for if the more complex, originally proposed measurement model fails to be supported again.

3. DATA COLLECTION RESULTS

This section documents the collection of the data for the dissertation model test. Included in this section is a description of the data collection procedure and the results of that effort. In addition, evaluations will be discussed as to whether the presence of two distinct subsamples poses a serious threat to the model test proposed. Other evaluations will be made, including general descriptions of the data obtained and evaluation of potential biases in that data set due to situations such as non-response bias.

3.1 Data Collection

Data was collected from the members of two organizations:

- (1) the National Account Management Association (NAMA), and
- (2) the National Association of Purchasing Management (NAPM).

NAMA members are individuals who manage national accounts for their firms and would generally be considered marketing representatives. The NAPM members surveyed were from a classification of membership that was most likely to include those that manage purchasing relationships (versus manage the purchasing department), and can best be

classified as purchasing representatives. These two organizations were chosen in order to allow data to be collected from both marketers and purchasers. Some of the common titles of the respondents from both groups are listed in the Table 4.2 below:

Table 4.2 - Common Respondent Position Titles

NAMA	NAPM
National Account Manager	Purchasing Manager
National Sales Director	Senior Purchasing Agent
Director of Sales	Senior Buyer
Account Executive	Purchasing Specialist
Corporate Account Manager	Supply Chain Manager

3.1.1 The NAMA group

NAMA provided their mailing list of 977 US based members and \$1500 to support the research. In addition, their executive director co-signed the contact letter as well as provided the envelopes for the mailing. The NAMA members received the cover letter and survey in the NAMA envelope. In addition, a follow-up postcard was sent to all members approximately 3 weeks after the initial mailing. Lastly, the NAMA staff followed up with some members to gain their support directly. A total of 77 usable responses were received from NAMA members. This translates to a response

rate of 7.27%. As NAMA members are generally managers who travel frequently and have direct customer relationships to manage, this low response rate was not contrary to what was expected.

3.1.2 The NAPM Group

NAPM provided a mailing list representing 1400 members. NAPM provided no financial support for the project. NAPM members were sent a full mailing (cover letter & survey), followed by a postcard, and concluded with a second full mailing. The total response rate was 148 usable responses for a response rate of 10.57%. The lower than anticipated response rate may have been due to the number of surveys the NAPM members receive. Some NAPM members had expressed frustration with "survey overload", and this attitude could have accounted for the lower response rate.

3.2 Response Rate

The total number of usable surveys returned was 219, for a response rate of 9.28%. The 219 surveys are sufficient for the proposed analysis and exceed the minimum goal of 170.

Table 4.3 below indicates the week-by-week response tally for this project.

Table 4.3 - Weekly Response Rate Tally

WEEK	NAPM Re- turned	NAPM Total	NAPM Response Rate	NAMA Re- turned	NAMA Total	NAMA Response Rate
Week 1	45	45	3.2%	16	16	1.6%
Week 2*	27	72	5.1%	19	35	3.6%
Week 3	14	86	6.1%	14	49	5.0%
Week 4**	12	98	7.0%	12	61	6.2%
Week 5	13	111	7.9%	3	64	6.6%
Week 6	27	138	9.9%	5	69	7.1%
Week 7	10	148	10.6%	2	71	7.3%
TOTAL:	219	9.28%				

* The postcard reminder was mailed to members of both organizations on the Thursday of this week.

** The second full mailing was sent to NAPM members on the Friday of this week.

3.2.1 Non-Response Bias

Traditionally, a check of non-response bias is included in studies similar to this one. However, the validity of such a check is questionable because the non-respondents cannot be compared to the actual respondents because we do not have data from the non-respondents. Both Leslie (1972) and Armstrong & Overton (1977) suggest that comparing the late vs. early respondents is an acceptable proxy for a true non-response bias test. Their belief is that late

responses are the most similar to non-responses and thus act as an acceptable proxy. In this study there is no sound basis to make such an assumption. There are numerous arguments against this assumption, which include:

1. As many of the respondents are individuals that would travel as a central part of their job, some may have only happened upon the survey after it had sat idle for quite some time. Thus, their response was late, but not because they were similar in attitude and intention to those that did not respond.
2. It can be more convincingly argued that those that responded immediately share a very similar trait to those that did not respond at all; they practice the same time management principle. "Touch it Once" is a popular adage in time management and would dictate that individuals either, respond immediately, or discard the survey. Thus, many of the intentional non-respondents could just as easily be represented in proxy by the "first" respondents.

What both of these examples illustrate is that there is no sound basis for determining that late responders are the best proxy for non-responders. Thus, as much as a valid non-response bias test is desired, the proposed tests by Leslie and/or Armstrong & Overton do not suffice.

With that said, it is not without value to look at early vs. late respondents. This was done, not as a proxy for a non-response test, but to see if there was an "order of response" effect. If an effect were detected, an attempt to isolate and explain that effect could be undertaken to ascertain if that effect might impact the validity of the proposed model test. To that end, the sample was split into thirds (early-middle-late) and a series of ANOVA tests were run to see if there was any differences between these groups on the variables of interest. The results indicated that there were no significant differences between the respondents, their firms, or the relationships they selected to be evaluated. In addition, only 5 of the items (out of 90+) that make up the model constructs were found to show significant differences in means across these three groups. With such a small number of differences it can be assumed that these represent a random, not systematic, set

of differences. Thus, there is no evidence that "order of response" effects pose a threat to this study's validity.

4. THE SAMPLE DESCRIPTION

This section details the actual sample obtained. It also discusses the evaluations made concerning any potential problems that having two separate sub-samples may have posed.

4.1 NAPM vs. NAMA

Of obvious concern are any significant differences that the two sub-samples may have. It can be expected that there will be some differences, in fact these are desired to increase the variance on the items measured and allow for a model test that captures relationship management from both the marketing and purchasing perspectives. A later project may attempt to isolate the important differences between what could be considered a "marketers" model of conflict versus a "purchasers" model. However, at this point the dissertation aims to begin such a process by identifying a base model that is built based on the

perceptions of both groups. Thus, to evaluate the differences between the NAPM & NAMA sub-samples, a large number of cross-sample analyses were conducted. The results of those are discussed below.

A two-tailed t-test executed with SPSS was conducted on a large array of variables, both those that describe the samples, and those that are intended to be part of the dissertation model. The results relevant to the descriptive variables are presented first. This section will not only compare the two sub-samples but also summarize the descriptive statistics related to the combined sample.

4.1.1 The Respondents

The respondents were intended to be those that have direct management responsibility over a business-to-business relationship. Table 4.4 documents that the respondents can be considered qualified to share their perceptions as they have managed the specific relationship which forms the basis of their observations for an average of 4.6 years and have been in their industry an average of 16.6 years. Of the four descriptives shown in the table below only the

"time in current position" shows a significant difference (at $\alpha = .05$) between the NAPM and NAMA sub-samples. The NAPM group had a significantly higher mean in that case. There is no logical reason why this difference should be considered significant and may simply reflect more position stability in the purchasing function.

Table 4.4 - Respondent Demographics

Descriptive	Combined Mean	NAPM Mean	NAMA Mean	Significant at .05?
Time Managing Relationship	4.6 years	4.3 years	5.1 years	Not significant
Time in Current Position	5.6 years	6.2 years	4.4 years	Significant
Time with Current Firm	11.2 years	10.8 years	11.9 years	Not Significant
Time in Industry	16.6 years	15.9 years	17.9 years	Not Significant

4.1.2 The Respondents' Firms

In addition to details on the respondent, details related to the firm they represented were of interest. In this case three descriptive measures were obtained: (1) firm size as measured by respondent-reported annual sales dollars, (2) the years the firm has been in business, and (3) the number of employees. The only significant difference between the NAPM & NAMA sub-samples is that the NAPM organizations have a smaller number of employees on average. There is no *a priori* reason that this difference should be of concern. Table 4.5 presents these findings.

Table 4.5 - Respondent Firm Demographics

Descriptive	Combined Mean	NAPM Mean	NAMA Mean	Significant at .05?
Organization Size (annual sales)	2.6 Billion	2.15 Billion	3.4 Billion	Not Significant
Number of Years in Business	57 years	55 years	61 years	Not Significant
Number of Employees in firm	11,000	8,600	15,850	Significant

Table 4.5 indicates that the firms represented are generally large, long-standing firms. This does pose a potential bias to the generalizability of the results as it could be argued that the results would only apply to similarly sized firms. However, if we look at other descriptive statistics this potential bias does not seem quite as large. First, within the combined NAPM - NAMA sample, the median firm size is \$500 million in sales. The mean (\$2.6 Billion in sales) is obviously driven up by the extremely large firms (the largest being a 40 billion dollar firm). In addition, the smallest firm is only \$1 million in sales. Similarly, the number of employee median is 2,000. The mean is skewed by the presence of a few very large firms (the largest employing 200,000 individuals). The smallest firm in this category employs only 15 individuals. Thus, upon further analysis the sample tends to broadly represent the population of firms and while no sample is perfectly representative there is no reason to believe that this sample does not provide an adequate theory test for the model proposed.

4.1.2 The Evaluated Relationship

As each respondent was asked to select a relationship they managed, the next relevant evaluation is whether the relationships selected have any significant differences between the NAPM and NAMA sub-samples.

Three relationship descriptive measures were employed. First, the length of the relationship was documented, second, the percent of business that this relationship represents was recorded, and third, the overall quality rating of the relationship was documented. Some differences were found. Table 4.6 documents these results.

Table 4.6 - Relationship Demographics

Descriptive	Combined Mean	NAPM Mean	NAMA Mean	Significant at .05?
Length of Relationship	10.83 years	10.89 years	10.72 years	Not significant
% of business	33.1%	44.4%	9.86%	Significant
Overall Quality (1=best, 7=worst)	2.27	2.27	2.27	Not Significant

The percent of business is statistically different. The likely cause of this result is embedded in the question itself: "What percent of purchases/sales (with this product category) does this relationship represent to your firm?" It can be expected that the purchaser would only source from a few suppliers for each product category (and have many product categories purchased) and thus the percent of purchases represented by a single relationship would be high within each category. On the other hand, the marketer, whose entire business is often focussed on this single product, would have many customers, and thus the percent of sales that a single relationship represents within that product category is likely to be much smaller. Because this explanation is logically consistent the significant "percent of business" result was not deemed a serious threat to the validity of the overall research results.

The overall quality rating of relationships, while not different between the NAPM & NAMA sub-samples, does indicate a potential generalizability threat. The mean is 2.27 where 1 = a "best" relationship and 7 = a "worst" relationship. This apparent lack of variance in this area does weaken the generalizability of the findings, as the

model will be tested on relationships that are generally considered "best" or "near best." This problem should have been handled in the data collection stage where certain potential respondents could have been asked to rate the "best" relationship they manage, and others could have been asked to rate the "worst" relationship they manage. This would have ensured a greater amount of variance in this area. However, this was not done and there are other circumstances that mitigate the seriousness of the resultant problem. First, there is nothing in the theory that indicates that the general model being tested should not hold for a sample of generally better relationships over one with a broader range of relationship quality. In addition, the vast majority reported that the relationship had encountered conflict as recently as the past year. Thus, even these high quality relationships had to deal with conflict and its potential effects on overall relationship quality. And it is the phenomena of conflict and conflict outcomes that this dissertation addresses. Therefore, although a greater amount of relationship quality variance would have been preferred, the lack of such variance does not destroy the value of the model test nor the results obtained from that test. The potential to

retest the model on a broader range of relationship quality remains open for a future study.

4.1.2 The Focal Variables

If the proposed model fully represents the true model then 90 measured variables would be included in that final model. Of these variables only 23 show significant differences between the NAPM and NAMA samples. This is not deemed a serious threat to the validity of the model test for the following reasons:

1. In no cases are all the questions for a single construct deemed to be different. There are 16 first order constructs in the full model and in 5 cases there are no differences for any of the items that make up that construct, while in the worst cases no more than 50% of the items within a single construct show differences.

2. Where there are differences, no specific pattern fully emerges. The NAPM sample is the sample with the higher mean in 15 of the cases, while NAMA is higher in 8 of the cases. Within specific constructs, the specific pattern of which group has the higher mean on different items is also often inconsistent.

4.1.3 NAPM vs. NAMA Conclusion

Based on these findings outlined above, the two samples will be combined to form a single sample that will be used to test the dissertation model. While some differences do exist, there seems to be no differences that would *a priori* invalidate a model test with a combined sample. In addition, the differences that do exist can just as easily be deemed as helpful because they confirm the value of having both marketers and purchasers involved in the study as they both bring different perceptions to bear on the evaluation of the model. This will allow for a robust and broad theory test (a goal from the onset of the project).

4.2 INDUSTRIES REPRESENTED

There were 23 industry categories that the respondents could choose from to identify themselves. Table 4.7 documents the industries identified. The results indicate that a primary goal of the research design was achieved; a broad representation of industries. As no single industry category comprises more than 10% of the sample and a great number are represented overall, the sample should allow for a robust test of the model without any concerns of a serious industry effect. Therefore, the results should have generalizability over a great number of industries, and more importantly the specific effects of any industry should be captured in a positive way without skewing the entire set of results.

Table 4.7 - Industries Represented

Industry	Frequency of Response	Percent of Total
Appliances	4	1.8%
Automotive	5	2.3%
Building Materials	6	2.8%
Chemicals/Plastics	20	9.2%
Clothing Textiles	3	1.4%
Computer	11	5.1%
Construction Equipment	5	2.3%
Department Store	1	0.5%
Electrical Machinery	6	2.8%
Electronics	8	3.7%
Food & Beverage	7	3.2%
Furniture	1	0.5%
Hardware	0	0.0%
Machine Tools	2	0.9%
Metal Products	7	3.2%
Mining/Minerals	4	1.8%
Office Equipment	1	0.5%
Paper Products	11	3.2%
Petroleum Products	1	0.5%
Pharmaceuticals	7	3.2%
Primary Metals	1	0.5%
Rubber Products	3	1.4%
Other	103	47.5%

5. SAMPLE CONCLUSIONS

To summarize the highlights of the above discussions the following conclusions are offered:

1. No serious problems should have arisen from the combination of the NAPM & NAMA sub-samples as there were few important differences between these sub-samples.
2. The respondents had considerable experience managing the relationship they used as the basis for the completion of the questionnaire, and they also had considerable time in their industry. Therefore, the tests conducted on the model using the respondent's perceptions should be considered appropriate.
3. A broad range of industries is represented and should have provided a highly robust test of the proposed theory.

4. The response rate was low, however, a sample large enough to use the proposed methodology was obtained.
5. No serious effects were found based on the order in which the surveys were received.

With these results it can be concluded that the sample obtained should have provided a legitimate test for the theory proposed. The following chapter (Chapter 5) will review the measurement and structural testing of the model and whether the data supports these proposed models. Chapter six will document the findings and offer managerial and theoretical evaluations.

Chapter 5

Results of the Statistical Analysis

1. INTRODUCTION

This chapter outlines the results of the data analysis. At the basic level, the chapter reports the answers to two questions:

1. Were the proposed constructs supported by the data?
2. Were the hypotheses supported by the data?

As will be reported in this chapter, there were mixed answers to both questions. The measurement results indicated that a sufficient number (but not all) of the key constructs gained measurement support and thus the structural tests of the hypotheses could proceed. The structural results were also mixed as some of the hypotheses gained support while others did not. This chapter reviews the results of the procedures executed to

analyze the data, beginning with the measurement model results, followed by the tests of the hypotheses.

1.1 Chapter Organization

This chapter has four sections following this introduction. Section 2.0 presents details of the data, with special attention given to the normality of the data obtained. Section 3.0 documents the results of the measurement testing. This section includes a table that summarizes the support for the constructs and a pair of figures that are visual representations of the measurement models tested. The results of the hypothesis tests are reported in Section 4.0. A path model that captures the hypotheses was specified and tested and these results are reported. Lastly, Section 5.0 offers a conclusion to the analyses and acts as a bridge to Chapter Six where the implications of the findings are discussed.

2. DETAILS ABOUT THE DATA

This section briefly reviews the key distribution attributes of the variables collected in this study.

Specifically, the univariate and multivariate normality of those variables is assessed.

2.1 The Distributions of the Variables

The key concern with the data was its conformity to a normal distribution for both the univariate and multivariate cases. This was of concern because the choice of estimation method in both the measurement tests and the path model could be influenced by these evaluations. The structural equation modeling estimation technique of first choice, Maximum Likelihood (ML), is sensitive to violations of normality and thus this evaluation was needed. The assumption used is that multivariate normality is desired and this requires univariate normality. Both of these are evaluated below.

2.1.1 Univariate Descriptions

Both kurtosis and skewness were evaluated. EQS reports this for each set of variables used and this was evaluated during the execution of each CFA. Univariate normality was supported in each case with no extreme cases of kurtosis

(over 3) or skewness (over 7). This provides a basis for evaluating multivariate normality below.

2.1.2 Multivariate Normality

For each run of EQS, the Mardia coefficient is reported. While there is no exact definition of what is "too large," this dissertation determined that any value over 40 would be considered suspicious. When 40 was exceeded, the Robust Chi-Square and parameter significance tests developed by Sattora-Bentler and recommended by West, Finch & Curran (in Hoyle, 1997) were used and reported.

3. TESTING THE MEASUREMENT MODELS

The proposed measurement model was rather complex, and thus to facilitate analysis within the sample size constraints the entire measurement model was first divided into groups to allow for some respecifications within these groups before the full measurement structure was assessed. This section presents the results of all the relevant measurement model tests and documents the necessary measurement respecifications.

The criteria for evaluating the measurement models are set out in chapter three. The originally specified models, as well as the respecified models, were subjected to these criteria and judgments concerning the model's adequacy were made. In some cases respecifications were required. In order to execute these respecifications, an iterative process was used that involved the evaluation of reliability values as well as the results of EFA and CFA procedures. However, the final respecifications were based on the following two criteria (presented in appropriate rank order):

1. **Theory** - since all constructs had multiple measures assigned to them, within-factor respecifications could be made that remained consistent with the originally proposed theory. If other respecifications were suggested by the statistical techniques employed, these modifications were acted upon only when the resultant measurement structure remained consistent with the proposed theory.

2. Statistical Evidence - a combination of reliability (Cronbach's Alpha), EFA, and CFA procedures were reviewed to obtain the best measurement model. Statistical evidence was used only in theory consistent ways to avoid a statistically strong, but theoretically and practically weak result.

To start the measurement model assessment process, two sub-groups of constructs were considered. The first sub-group of constructs evaluated were those that were conceptualized to make up Relationship Structure (as proposed by Robicheaux and Coleman, 1994). The second sub-group of constructs considered was the conflict characteristics (frequency, intensity and importance). These constructs were primarily culled from Brown & Day (1981). Both of these sub-groups were evaluated and necessary measurement respecifications were made. In addition to these two sub-groups of constructs, the proposed second-order measurement model for Constructive Conflict Outcomes was assessed and respecified. With these tasks completed, all the relevant constructs were subjected to a CFA to verify their

measurement properties. All of these procedures and the associated results are reported in the following sections.

3.1 Relationship Structure

Relationship structure was conceptualized to consist of two components: Decision-Making Structure and Operational Integration. Both of these components were conceptualized (and operationalized) to consist of multiple sub-components or second-order constructs. The results of the tests of these original conceptualizations, and the subsequent respecified models, are presented in sections 3.1.1 and 3.1.2.

3.1.1 Decision-Making Structure

A multi-factor model for Decision-Making Structure was proposed. The four first-order constructs that made up Decision-Making Structure were 1) Formalization, 2) Decentralization, 3) Participation, and 4) Shared Paradigm. The reliability of the items that made up these four constructs was assessed first. The results are presented in Table 5.1.

**Table 5.1 - Decision-Making Structure
Item Reliabilities**

Construct	# of Items	Cronbach's Alpha
Informalization	6 items	.5870
Decentralization	6 items	.5411
Participation	7 items	.7686
Shared Paradigm	5 items	.8130

The reliability scores point to potential problems with both the Informalization and the Decentralization constructs. However, for Decentralization, a four-item construction obtained a reliability score of .7439. This value, as well as the reliability scores for Participation and Shared Paradigm, exceeds the .7 cutoff adopted in this dissertation. No combination of the Informalization items could be found that exceeded this cutoff, therefore Informalization was removed from subsequent analysis.

The next stage in the measurement testing was to take the reliable measures and subject them to an exploratory factor analysis. The results indicated potential problems with

some of the measures. After interpreting the results of the EFA and eliminating a few items from the original factor structures, a confirmatory factor analysis was conducted to test the respecified constructs. Table 5.2 (on the following page) documents the results.

As indicated in Table 5.2, the items used showed acceptable reliability. The Participation items were only slightly below the .7 cutoff and this was not considered a serious concern considering the exploratory nature of these constructs (especially related to the intraorganizational to interorganizational transfer of these constructs).

The respecified measurement model is supported via the CFA. Since no indication of a multivariate kurtosis problem was found, Maximum Likelihood was used as the estimation technique. The model met the criteria for preliminary fit, indicating that the results should be legitimate. Violations of these preliminary fit criteria would indicate unrealistic results and would point to identification or specification problems. The model as a whole also performed well against the relevant criteria. The Chi-square value was acceptable considering the sample size. In addition, the fit indices both surpassed .85.

Table 5.2 - Decision-Making Structure CFA Results

RELIABILITY: Centralization (4 items): Alpha = .7439 Participation (4 items): Alpha = .6839 Shared Paradigm (5 items): Alpha = .8130 (See Appendix A2 for final items used)	
CFA RESULTS	
CRITERIA:	RESULTS:
Normality:	
Mardia Coefficient:	28.53 - no multivariate Kurtosis problem, thus ML estimation was used.
Preliminary Fit:	
Negative Error Variances:	No
Factor Loading < .5:	No
Factor Loadings > .95:	No
Model Fit:	
Chi-Square & p-value:	94.268 with 74df p=.05613
BBNNFI:	.968
CFI:	.974
Construct Validity:	
Convergent Support:	All Loadings Significant on predicted factor.
Discriminant Support:	LM Test Method: Only 1 crossloading, not theory relevant.

Convergent validity was assessed by reviewing the factor loadings. All factor loadings were significant and each item loaded on the proposed construct. Discriminant validity was supported via an assessment of the LM test results. In this case one modification was suggested, however, if this path was allowed there would be no support for it in theory (thus it would have been data driven, not theory driven). Because the support for this measurement model was strong, the constructs will be carried into the next test as constructed in this test.

3.1.2 Operational Integration

A four-factor model of Operational Integration was initially proposed. The four constructs were: 1) Assistances, 2) Monitoring, 3) Joint Actions, and 4) Information Exchange. The original items for each of these constructs are outlined in Appendix A1. The reliability test results are presented in Table 5.3.

Table 5.3 - Operational Integration Item Reliabilities

Construct	# of Items	Cronbach's Alpha
Assistances	5 items	.7700
Monitoring	5 items	.5060
Joint Actions	6 items	.6884
Information Exchange	11 items	.8265 (combined)
Frequency	3 items	.5654
Type	5 items	.6998
Capability	3 items	.7447

The reliability results pointed to problems with Monitoring as a construct. Using a three-item version of the construct, a reliability of .6627 was obtained, which still falls short of the .7 guideline. In addition, the poor reliability of the frequency component of Information Exchange indicated problems. With this in mind, and using the assumption that factor analysis is the more important analysis (as it relates to validity, versus simple reliability), the items were subjected to a series of EFA

tests. Items were deleted in an attempt to get a "clean" factor structure (.6 loading, with no cross-loading of .4). After many iterations and a great deal of respecification a "clean" two-factor structure was achieved.

The resulting two-factor solution is substantially different from the original specification. The new structure involves the items grouping around two groups of functional activities related to integration. The first involves the integration of the activities that enable effective communication and coordination within the relationship (titled Communication & Coordination Integration). The second involves grouping the activities that relate to the facilitation of efficient transactions within the relationship (titled Transactional Integration).

These new constructs remain logically consistent with the original conceptualization in that, between them, they incorporate questions from each of the original four Operational Integration sub-constructs. The data indicated that the grouping by activities was stronger than a conceptual grouping. Unfortunately, there is no way to tell if this was idiosyncratic to the sample or represented a proper reconceptualization without having another sample

to retest this configuration. However, it was decided that this conceptualization would be carried forward and subjected to a CFA. This decision was made because the new conceptualization makes logical sense given the relationship as the unit of analysis (thus activities related to integrating the relationship form a logical basis for construct development). In addition, this new conceptualization incorporates all the originally proposed components of integration (in one or the other of the two new constructs). The results of CFA are presented in Table 5.4 (on following page).

The reliabilities of the items making up the two constructs meet the .7 cut-off. The model as a whole fairs well. The chi-square is significant, but this is expected given the sample size and number of variables. The Fit Indices show adequate fit. As no single measure of model fit is without problems, this combined assessment makes the most sense and this model satisfies the overall criteria set out in chapter three.

Table 5.4 - Operational Integration CFA Results

RELIABILITIES: Communication & Coordination Integration (6 items): .8334 Transactional Integration (4 items): .7245 (see Appendix A2 for the actual measures used)	
CFA RESULTS	
CRITERIA:	RESULTS:
Normality:	
Mardia Coefficient:	24.6 No serious multivariate kurtosis problem.
Preliminary Fit:	
Negative Error Variances:	No
Factor Loading < .5:	YES (.468, .491)
Factor Loadings > .95:	No
Model Fit:	
Chi-Square & p-value:	57.891 with 34df p=.00649
BBNNFI:	.949
CFI:	.961
Construct Validity:	
Convergent Support:	All Loadings Significant on predicted factor.
Discriminant Support:	LM Test: Only 1 crossloadings suggested, not theory relevant.

Convergent validity support is mixed. While all factor loadings are significant (based on the t-statistic test) there are two standardized factor loading values that are below .5. This is a problem as there are only four items for this construct. This result, combined with the fact that this construct was a creation of the data structures (versus a proposed structure), was considered sufficient evidence to reject the Transactional Integration construct (it did not explain sufficient variance in the items it was suppose to indicate). Therefore, only the Communication and Coordination Integration construct was carried forth into subsequent analyses.

3.1.3 Relationship Structure Measurement Conclusions

In conclusion, there were four first-order constructs representing Relationship Structure that gained preliminary measurement support and thus were carried forward into the full model CFA. These are Participation, Decentralization, Shared Paradigm and Communication and Coordination Integration. These constructs showed sufficient reliability and validity. The second-order structures originally proposed for both Decision-Making Structure and

Operational Integration did not gain support as some of the proposed first-order constructs failed to gain reliability support, thus eliminating the chance to fully test such structures. However, the remaining first-order constructs, if supported in the full-construct CFA, are sufficient to test the proposed Relationship Structure related hypotheses with only limited modifications to those hypotheses.

3.2 Conflict Characteristics

There were four original conflict characteristics proposed. However, the items intended to tap Conflict Focus failed to gain reliability support and thus this construct was removed from the analysis. The remaining proposed constructs were Conflict Frequency, Conflict Intensity, and Issue Importance.

Conceptually there was a problem with the data collection related to these constructs. The respondents were asked to identify how frequent conflict was, how intense the conflict was and how important the issue was for twenty-one (21) separate issues. The potential problem arose because it was logical to assume that there were underlying groupings of issues within the list of twenty-one. To

assess this, a series of EFA procedures were conducted. The "issue importance" scores were used within these EFA runs because it was most logical to have the issues form groups based on their underlying importance. A three-factor structure emerged. Table 5.5 presents these results.

The first factor (or grouping of issues) was titled "Relationship Management," the second "Logistical," and the third "Strategic." The individual issues that represent each category are presented in Table 5.5. The individual scores on each group of issues for each of the three conflict characteristics were averaged and in the end nine variables were created.

Table 5.5 - Conflict Characteristic Issue Groupings

ISSUE GROUPING	INDIVIDUAL ISSUES	ROTATED FACTOR LOADING*		
Relationship Management Issues	Level of sales support	.711		
	Level of service support	.783		
	Communication of problems	.698		
	Frequency of communication	.745		
	Ease of communication	.673		
Logistical Issues	Inventory policies		.789	
	Warranty policies		.757	
	Delivery terms		.671	
Strategic Issues	Strategic objectives			.764
	Control of resources			.809
	Sharing of market information			.677

* Varimax rotation was used and only loadings over .4 are reported.

The nine variables created are listed below:

- (1) Relationship Management Conflict Frequency (RMCFREQ)
- (2) Relationship Management Conflict Intensity (RMCINT)
- (3) Relationship Management Issue Importance (RMCIMP)
- (4) Logistical Conflict Frequency (LOGCFREQ)
- (5) Logistical Conflict Intensity (LOGCINT)
- (6) Logistical Issue Importance (LOGCIMP)
- (7) Strategic Conflict Frequency (STRCFREQ)
- (8) Strategic Conflict Intensity (STRCINT)
- (9) Strategic Issue Importance (STRCIMP)

Table 5.6 presents these variables and the associated reliabilities. These nine variables were then used as indicators of three constructs: (1) Conflict Frequency, (2) Conflict Intensity, and (3) Issue Importance (i.e. RMCFREQ, LOGCFREQ & STRCFREQ indicated Conflict Frequency). These constructs and their associated indicators were carried into the full model CFA and their measurement support was derived from that analysis. The results will be presented subsequently in this chapter.

**Table 5.6 - The Conflict Characteristic
Construct Indicators**

Reliabilities for Each Conflict Characteristic - Issue Group Variables*			
	Frequency	Intensity	Importance
Relationship Management (5 issues)	RMCFREQ $\alpha = .7961$	RMCINT $\alpha = .7990$	RMCIMP $\alpha = .8133$
Logistical (3 issues)	LOGCFREQ $\alpha = .6913$	LOGCINT $\alpha = .6906$	LOGCIMP $\alpha = .6619$
Strategic (3 issues)	STRCFREQ $\alpha = .7897$	STRCINT $\alpha = .7839$	STRCIMP $\alpha = .7056$

* Variable Names: issue group + conflict characteristic
(i.e. LOGCINT = logistical issue conflict intensity)

3.3 Constructive Conflict Outcomes (CCO)

Constructive Conflict Outcomes was originally proposed to be a second-order construct comprised of the following first-order constructs: (1) Hostilities Release, (2) Activity Adjustment and (3) Norm Adjustment. That structure failed an EFA analysis in the pretest. However, since the sample size was small in the pretest, a second attempt was made to confirm such a structure. The first appropriate assessment was a reliability analysis of the first-order constructs. The results are presented in Table

5.7 and indicate that there are severe problems with the reliability of those constructs.

Table 5.7 - CCO Item Reliabilities

CCO Sub-Construct	Reliability	
Hostilities Release	5 items	.4434
Activity Adjustment	3 items	.4174
Norm Adjustment	4 items	.4146

All three sets of items showed poor reliability. This is consistent with the pre-test results. No confirmatory factor analysis was attempted because of these extremely poor reliabilities. However, a single-factor solution consisting of five items (similar to the pre-test result) was constructed Via an EFA and was carried forth into the full-model CFA presented subsequently.

3.4 The Full-Model CFA

As presented in the previous sections the constructs listed below would be tested in a CFA designed to simultaneously test of all the relevant model constructs.

CFREQ - Conflict Frequency

CINT - Conflict Intensity

CIMP - Conflict Issue Importance

CCINT - Communication & Coordination Integration

PART - Participation

DECENT - Decentralization

SHARPAR - Shared Paradigm

CCO - Constructive Conflict Outcomes

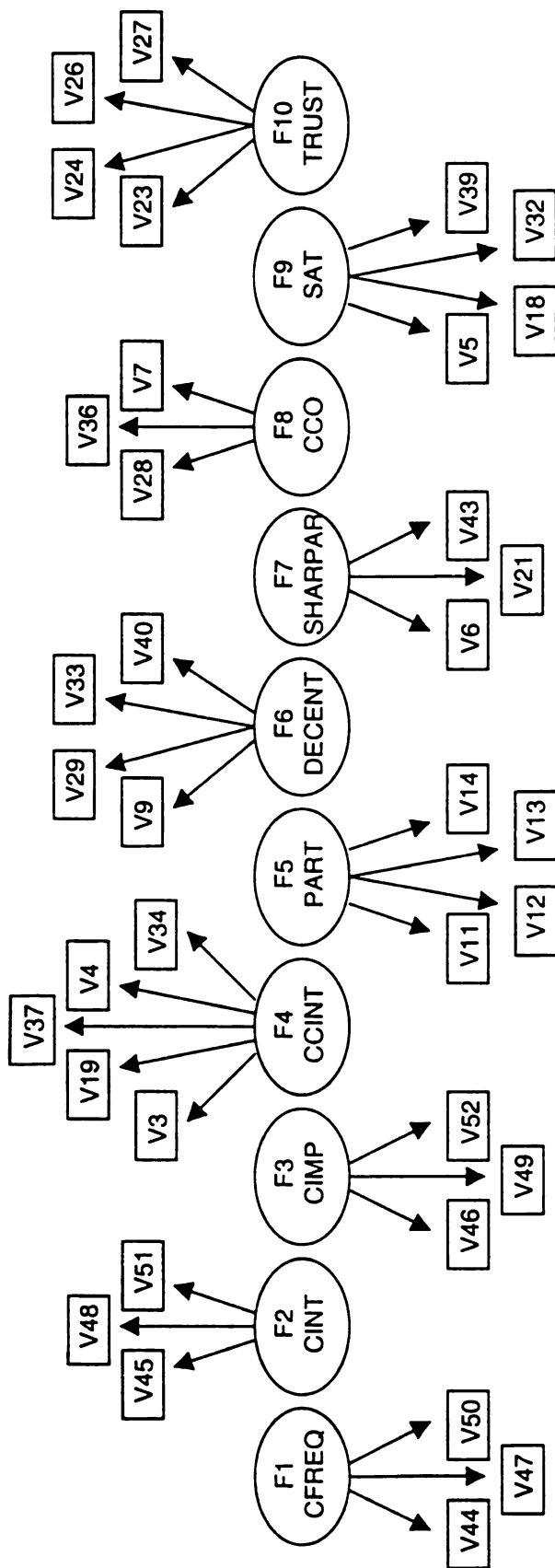
In addition to these constructs previously discussed, there were two more relevant constructs that were in the proposed model. These two are listed below.

SAT - Relationship Satisfaction

TRUST - Relationship Trust

Thus, in the end there are ten (10) constructs that were incorporated into the full-model CFA. The measurement

model tested is presented in Figure 5.1 (on following page). The exact number of items used to indicate each construct and each item's variable number is represented in that figure. In some cases the number of items used is fewer than when the CFA process began. A few minor modifications were made to improve the performance of the measurement model, however the final-model presented and defended in the following sections still involves all ten relevant constructs.



EVALUATIONS OF MODEL FIT

Chi-Square = 741.872, 539 df, $p < .001$

S-B Chi-Square = 650.729, 539 df, $p = .00066$

BBNFI: .829

BBNNFI: .936

CFI: .945

RCFI: .965

RMR: .137

RMSEA: .045

PARAMETER PERFORMANCE

All path coefficients (lambda) are significant at $p < .01$

All variables load on hypothesized factor (Convergent Validity)

LM test suggests significant cross-loadings
Nested model performs as well as unrestricted model
(Discriminant Validity not supported)

Figure 5.1 - The All-variable Measurement Model

3.4.1 Statistical Support for the Model

The model was evaluated in a series of ways. First, the reliability was assessed and the model gained sufficient support in that area. Second, the goodness-of-fit measures were reviewed and again the model was supported. The third review was an evaluation of the construct validity of the constructs in the model. In this evaluation, problems were found with the content validity of Constructive Conflict Outcomes as well as problems with the discriminant validity of Communication & Coordination Integration and Shared Paradigm. Each of the evaluations is addressed more fully in the sections that follow. After those evaluations are reviewed, a "Conclusions" section is presented that indicates that a set of model respecifications is necessary for the measurement model. The respecified model is discussed in Section 3.5 of this Chapter.

Reliability. The reliability of the set of items making up each construct was assessed and the results are presented in Table 5.8. All but three of the constructs achieved a reliability of .7 or greater, and the remaining three all exceeded .64. These results indicate that the

items used to indicate the constructs generally hang together as is required for a suitable measurement model.

Table 5.8 - Item Reliabilities

Construct	# of Items	Reliability
CFREQ	3	.7904
CINT	3	.7862
CIMP	3	.6429
CCINT	5	.8126
PART	4	.6839
DECENT	4	.7439
SHARPAR	3	.7025
CCO	3	.6590
SAT	4	.9292
TRUST	4	.8345

Model Fit. The confirmatory factor analysis was executed using EQS. At a technical level, the EQS program ran without error messages or conditions codes indicating that the results were the product of a properly executed program run. In addition, the results were rational (e.g. no negative error variances or parameters that were

unreasonably large or small) indicating that the run was legitimate.

Hoyle and Panter (in Hoyle, 1995) recommend that a group of model fit evaluations be made. Specifically these authors recommend that the Chi-square statistic and its associated p-value be presented and the value of at least two incremental fit indices (that compare the model to a baseline model) be reported. In addition, Hair et. al. (1995) recommend that the evaluation of the Chi-square statistic be complimented by a second evaluation of absolute fit such as the root mean square error of approximation (RMSEA). All of these recommendations and/or suggestions are heeded and a full set of model fit measures are presented in Table 5.9.

Table 5.9 - Goodness-of-Fit Measures for Initial Measurement Model

GFI Measure		Value
Chi-Square		741.87, 539 df p < .001
S-B Scaled Chi-Square		650.73, 539 df p = .00066
BBNNFI		.936
CFI		.945
RMSEA		.045

Based on the overall evaluation of the fit measures presented in Table 5.9, the general conclusion is that the model proposed passed the goodness-of-fit evaluation. Specifically, the BBNNFI and the CFI exceed .90 and this is generally considered to represent values that indicate acceptable model fit. Additionally, the RMSEA was below .05 and thus is considered acceptable (Hair, et. al., 1995). Both of these results indicate good model fit. The Chi-Square value is significant indicating that the covariances implied by the proposed model do not match the observed covariances. This indicates a lack of model fit.

However, this statistic has been shown to perform poorly when sample sizes are in the range used in this study (n=200) and thus the significant result is not surprising, nor fatal to an assessment of model fit. Thus the final conclusion is that this measurement model has an acceptable level of model fit.

Construct Validity. There are four components of construct validity that are considered for the measurement model: (1) content validity, (2) nomological validity, (3) convergent validity, and (4) discriminant validity. Each of these is discussed in the following paragraphs.

Validity is the extent to which a set of items properly represents the concept under study (Hair, et. al., 1995). The content validity (or face) validity is an assessment of whether the content of the items appropriately taps the concept under study. For the majority of the constructs there are no problems in this area. However, for the Constructive Conflict Outcomes (CCO) construct the content validity of the items is questionable. The items that represent CCO only tap the conflict outcomes from a positive or constructive viewpoint. That is, they do not capture negative or destructive outcomes. The original set

of items designed to tap CCO did include some questions that attempted to address destructive outcomes of conflict, however, the EFA procedures indicated that these items would not load with the items that addressed the constructive outcomes of conflict. The elimination of these questions is problematic because the intent of this dissertation was to include a full range of outcomes (destructive to constructive) and the current CCO construct only assesses the conflict from a neutral to constructive standpoint. The steps taken to rectify this problem are outlined in Section 3.5.

In addition to the content validity, a second type of validity was considered. That is the nomological validity of the measurement model. Nomological validity is supported when the web of relationships suggested by theory is supported by the data. A review of the correlations between the constructs shows basic support for the nomological validity of the model. There were strong correlations between trust and satisfaction (.930), conflict frequency and conflict intensity (.856), conflict frequency and satisfaction (-.450) and trust and communication and coordination integration (.888). All of these results are logically and theoretically consistent.

Thus, the support for the nomological validity of this model was obtained.

Convergent validity assesses the degree to which the items "converge" upon the construct that was proposed to be associated with each item. Convergent validity is supported when the path coefficients (λ) are significant and each item loads on the construct it is supposed to load on. Within the model tested, all of the path coefficients were highly significant and each variable loaded on the construct it was proposed to load on. Therefore, there is support for the convergent validity of the constructs within this measurement model. The support for this is presented in Table 5.10.

Table 5.10 - Convergent Validity Support for the Constructs within the Initial Measurement Model

CONSTRUCT	VARIABLES	LAMBDA	T-VALUE	STD. LAMBDA
F1 - CFREQ $\alpha = .7904$	V44 - RMCFREQ	1.040	14.20	.899
	V47 - LOGCFREQ	.795	10.26	.600
	V50 - SRTCFFREQ	.792	10.59	.678
F2 - CINT $\alpha = .7862$	V45 - RMCINT	1.037	13.86	.884
	V48 - LOGCINT	.760	10.08	.574
	V51 - SRTCINT	.821	11.72	.724
F3 - CIMP $\alpha = .6429$	V46 - RMCIMP	.998	9.24	.747
	V49 - LOGCIMP	.830	7.66	.494
	V52 - SRTCIMP	.949	8.43	.610
F4 - CCINT $\alpha = .8126$	V3 - ASSIT1	.738	7.54	.531
	V19 - ASSIT4	1.075	11.50	.743
	V37 - ASSIT5	.846	11.34	.735
	V4 - INFOTYP1	1.005	9.36	.635
	V34 - INFOCAP3	.972	10.53	.696
F5 - PART $\alpha = .6839$	V11 - PART1	1.127	9.29	.714
	V12 - PART4	1.200	8.95	.690
	V13 - PART5	.896	6.81	.538
	V14 - PART6	.869	6.45	.512
F6 - DECENT $\alpha = .7439$	V9 - CENT2	1.103	9.24	.666
	V29 - CENT4	1.149	8.96	.649
	V33 - CENT5	.902	8.40	.616
	V40 - CENT6	1.114	10.27	.725
F7 - SHARPAR $\alpha = .7025$	V6 - SHARPAR1	.819	11.31	.748
	V21 - SHARPAR3	1.020	9.56	.651
	V43 - SHARPAR5	.735	8.33	.582
F8 - CCO $\alpha = .6590$	V28 - ACTAD2	1.194	9.53	.769
	V36 - ACTAD4	.806	6.70	.537
	V7 - HOSTREL1	.857	7.84	.625
F9 - SAT $\alpha = .9292$	V5 - SAT1	1.335	15.20	.882
	V18 - SAT2	1.282	15.80	.902
	V32 - SAT4	1.205	14.52	.858
	V39 - SAT5	1.313	14.13	.843
F10 - TRUST $\alpha = .8345$	V23 - TRUST1	1.166	11.71	.750
	V24 - TRUST2	.979	11.88	.759
	V26 - TRUST4	1.255	11.59	.746
	V27 - TRUST5	1.167	11.54	.744

Discrimination

each construct

assessment

no difference

constructs

initially a

were twelve

test. There

loading was

Coordination

Paradigm (S

change = 7.

of the stro

(.955) susp

constructs

further ass

a nested mo

original mo

covariance

If the cons

constraint

Specificall

model, the

3.84 if t

Discriminant validity is an assessment of the uniqueness of each construct in the model. A model that fails this assessment does so because the data indicate that there is no difference between a pair (or set of pairs) of constructs in the model. Discriminant validity was initially assessed by reviewing the LM test results. There were twelve significant cross-loadings suggested by this test. There was one path that was troublesome. A cross-loading was suggested between a Communication and Coordination Integration (CCINT) item and the Shared Paradigm (SHARPAR) construct (V4,F7 : predicted Chi-square change = 7.791). Considering this cross-loading in light of the strong correlation between these two constructs (.955) suspicion was raised as to whether these two constructs were truly distinct from one another. To further assess this potential discriminant validity problem a nested model review was conducted. In this test the original model is compared to a model that has the covariance between these two constructs set equal to one. If the constructs are distinct it can be expected that this constraint would cause the model to perform worse. Specifically, with the one degree of freedom change in the model, the Chi-square should change (increase) by at least 3.84 if the constructs are indeed distinct. When this test

was conducted

SHARPAR se

was not si

df). This

validity

Other sig

determine

relevant.

on all pa

suggested

over .8.

fit was s

Therefore

construct

In a fina

perform a

nomologic

it fails

discrimin

the meas

was conducted, with the covariance between CCINT and SHARPAR set equal to one, the deterioration of model fit was not significant (change in Chi-square < 3.84 with 1 df). This indicates a lack of support for the discriminant validity of these two constructs.

Other significant LM Test results were reviewed and it was determined that releasing these paths would not be theory relevant. In addition, the nested model test was conducted on all pairs of constructs where a cross-loading was suggested or the correlation between the two constructs was over .8. In all of these cases the deterioration of model fit was significant (change in Chi-square > 3.84). Therefore, the discriminant validity of the other constructs was supported.

3.4.2 Conclusions

In a final assessment, the measurement model does not perform adequately. While there is support for the nomological validity and convergent validity of the model, it fails to gain full support in the content and discriminant validity areas. With these failures in mind, the measurement model was respecified in an attempt to

overcome the
of Construct
as a combi
the tests
following

3.5

Because of
measureme
created a
This mode
while sti
basic ess
2). Spec
Construct
construct
Coordinat
received
model fit
section pr
constructs
the results
assess the

overcome these problems. Specifically a new construction of Constructive Conflict Outcomes was considered, as well as a combined CCINT/SHARPAR construct. These changes and the tests of this respecified model are presented in the following section.

3.5 The Respecified Measurement Model

Because of the problems with the previously presented measurement model, a revised or respecified model was created and tested. This model is presented in Figure 5.2. This model overcame the shortcomings of the previous model while still allowing for hypothesis tests that capture the basic essence of the originally proposed model (See Chapter 2). Specifically, the model used a single-item measure of Constructive Conflict Outcomes and a newly created construct that captured the combination of Communication & Coordination Integration and Shared Paradigm. This model received full support as it showed acceptable reliability, model fit and passed all four validity assessments. This section presents the conceptual support for the two new constructs (sub-sections 3.5.1 and 3.5.2) and then reviews the results of the statistical tests (e.g. CFA) designed to assess the support for the model (sub-section 3.5.3).

This se
that po
forward

This section finishes with a conclusion (sub-section 3.5.4) that positions this model as the one that was carried forward into the path model testing.

V48

V37

V34

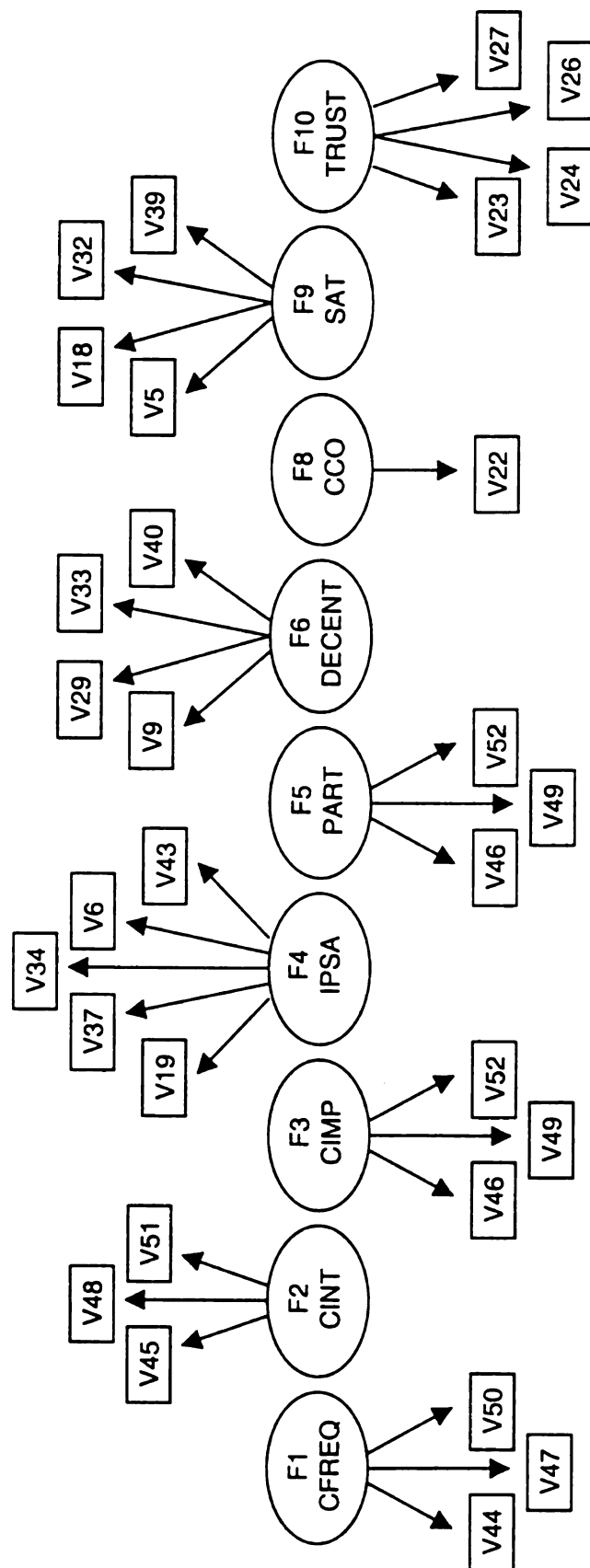
V6

V29

V33

V18

V32



EVALUATIONS OF MODEL FIT

Chi-Square = 463.25, 361 df, $p < .001$
 S-B Chi-Square = 405.86, 361 df, $p = .0516$

BBNFI:	.870
BBNNFI:	.960
CFI:	.967
RCFI:	.983
RMR:	.116
RMSEA:	.040

PARAMETER PERFORMANCE

All path coefficients (lambda) are significant at $p < .01$
 All variables load on hypothesized factor (Convergent Validity)
 LM test suggests no theory relevant cross-loadings
 No restricted model outperforms base-model (Discriminant Validity)

Figure 5.2 - The Respecified Measurement Model

As was p
Conflict
validity
destructi
different
follows:

Refl
the p
of tl

DEST
(hinc

1

This item
from both
disadvant
no good v
can be a
reliabil
present
constru
present

3.5.1 **Changes to Constructive Conflict Outcomes**

As was presented in sub-section 3.4.1, the Constructive Conflict Outcomes construct had questionable content validity because the group of items failed to capture the destructive side of the outcomes. To overcome this a different CCO variable was considered. The item was as follows:

Reflecting on the conflict that has occurred between the parties, I would characterize the overall impact of that conflict as:

DESTRUCTIVE (hindered/hurt relationship)				CONSTRUCTIVE (improved relationship)		
1	2	3	4	5	6	7

This item has the advantage of addressing conflict outcomes from both the destructive and constructive sides. Its disadvantage is that it is a single item and thus there is no good way to assess its reliability. However, validity can be assessed, and if validity is supported, then reliability can be assumed. The measurement model presented in section 3.4 was altered and the 3-item CCO construct was replaced with the single-item version presented above. The model performed equivalently to the

original

fit, all

validity

presented

overcome

existed b

Integrati

of the fu

sub-secti

The resul

indicated

Communica

Paradigm.

separate c

Even thoug

level of m

capture cor

the resear

relations

(the foca

combine

original model on the relevant measures (equivalent model fit, all loading paths significant and discriminant validity mostly supported). The specific results are not presented because the model was further respecified to overcome the discriminant validity problem that still existed between the Communication & Coordination Integration and Shared Paradigm constructs. The results of the fully respecified model test will be presented in sub-section 3.5.3.

3.5.2 Changes to Relationship Structure

The results of the original measurement model test indicated a lack of discriminant validity between Communication & Coordination Integration and Shared Paradigm. These two constructs were supposed to tap separate components of the structure of the relationship. Even though these constructs failed to gain an appropriate level of measurement support, it is still desirable to capture components of the relationship structure because the research made hypotheses concerning the effects of relationship structure on Constructive Conflict Outcomes (the focal variable). Therefore, an attempt was made to combine these two constructs. Obviously, the data already

support

level

would

follow

constru

for the

To begi

the two

present

questio

structu

had the

was cre

supported such a merger, however, there needed to be a level of conceptual acceptability to the merger before it would be executed in this research. Therefore the following paragraphs outline the process by which the new construct was developed and provides the conceptual support for the new construct.

To begin the process, the individual questions that made up the two original constructs were reviewed. These are presented in Table 5.11 (on following page). All eight questions were subjected to an EFA and a single factor structure emerged. After removing the three questions that had the lowest factor loading scores a five-item construct was created. This construct is presented in Table 5.12.

Table 5

Coor
ASSIT this r each o potent problem delays
ASSIT each o analys problem
ASSIT each o problem other'
INFOTY inform shared
INFOCA able t inform usable

Table 5.11 - The CCINT and SHARPAR Items

Communication & Coordination Integration (5 items)		Shared Paradigm (3 items)
ASSIT 1: The parties in this relationship advise each other in advance of potential operational problems (such as delivery delays or stock outs)		SHARPAR1: The parties often agree on the appropriate course of action for this relationship
ASSIT 4: The parties help each other in value analysis, cost reductions, problem solving, etc.		SHARPAR3: The parties often disagree on what is in the best interest of the relationship (R).
ASSIT 5: The parties advise each other of potential problems in meeting each other's needs		SHARPAR5: The parties often agree on what constitutes appropriate relationship behavior
INFOTYP1: Strategic information is readily shared in this relationship		
INFOCAP3: The parties are able to exchange data or information easily and in usable formats.		

Table 5

ASSIT
ASSIT
INFOCA
SHARPA
SHARPA

Table 5.12 - The IPSA Construct Items

Integrated Problem Solving Approach (IPSA) $\alpha = .8303$		
ASSIT 4		The parties help each other in value analysis, cost reductions, problem solving, etc.
ASSIT 5		The parties advise each other of potential problems in meeting each other's needs
INFOCAP3		The parties are able to exchange data or information easily and in usable formats
SHARPAR1		The parties often agree on the appropriate course of action for this relationship
SHARPAR5		The parties often agree on what constitutes appropriate relationship behavior

The new

Approach

problem

(the pa

issues a

and (2)

viewpoint

within t

The crea

specific

configur

because

Structur

separate

Coordinat

Operation

construct

Therefore

theoretic

configura

and inco

relation

two con

The new construct was titled Integrated Problem Solving Approach (IPSA). The IPSA construct taps an "integrated problem solving approach" at two levels; (1) Operationally (the parties interact directly to deal with important issues and share necessary information in usable formats) and (2) Philosophically (have a coordinated or integrated viewpoint as to what constitutes appropriate behavior within the relationship).

The creation of this variable makes it more difficult to specifically test the "Relationship Structure" configuration proposed by Robicheaux and Coleman (1994) because it blurs the distinction between "Decision-Making Structure" and "Operational Integration," which are separate components of that structure. Communication and Coordination Integration was a construct under the Operational Integration umbrella, while the Shared Paradigm construct belonged to the Decision-Making Structure group. Therefore, this combination of these two constructs is a theoretical disadvantage. The Robicheaux and Coleman (R&C) configuration offered a formal framework by which to assess and incorporate the underlying structure of the exchange relationships under study and with the elimination of these two constructs as separate entities it now becomes very

difficult

the severe

The first

structure

Assistant

already

measurements

purpose

to incorporate

underlying

relationship

fits with

the underlying

practical

the R&C

on a continuous

with Dec

to assess

relationship

assessment

structure

fundamental

specific

relationship

difficult to test the efficacy of that structure. However, the severity of this problem is mitigated for two reasons. The first reason is that the ability to fully test the R&C structure was already hindered because the Formalization, Assistances, Monitoring, and Participation constructs had already been eliminated from the research project due to measurement problems. The second reason is that the purpose of using the Robicheaux and Coleman structure was to incorporate a formal framework that captured the underlying condition or structure of the exchange relationship. And even though this new construct no longer fits within the R&C framework, it still helps to capture the underlying condition of the relationship. Thus, on a practical level, the ability to fully test the specifics of the R&C framework had already been severely diminished and on a conceptual level the new construct (in conjunction with Decentralization and Participation) does offer a way to assess the underlying condition of the exchange relationship. Furthermore, the ability to make an assessment of the effect the underlying relationship structure has on Constructive Conflict Outcomes is more fundamental to the research than the use of any one specific framework for describing that underlying relationship structure.

On a statistical level this construct is sufficiently reliable ($\alpha = .8303$) and has very strong factor loading values in an EFA setting (all over .7). Its measurement performance is also strong when assessed in the all-construct CFA. The results of that CFA will be reported in the sub-sections that follow.

3.5.3 Statistical Support for the Respecified Model

The respecified model gained strong support on a variety of measures. The first assessment was reliability. This tests whether the items used to tap each construct have consistency in their measurement. As indicated in Table 5.13 (on following page), the groups of items showed acceptable levels of reliability. Conflict Importance and Participation were below the generally accepted .7 level, however, their reliability values were still strong enough to be acceptable for this research.

Table 5.13 - Item Reliabilities for Respecified Measurement Model

Construct	# of Items	Reliability
CFREQ	3	.7904
CINT	3	.7862
CIMP	3	.6429
IPSA	5	.8303
PART	3	.6620
DECENT	4	.7439
CCO	1	n/a
SAT	4	.9292
TRUST	4	.8345

The model was evaluated via a confirmatory factor analysis that was executed using EQS. The program ran without errors or condition codes and no irrational results were found (such as a negative error variance). The model did require one nontraditional programming component. The measurement errors between each set of conflict issues were allowed to covary. Specifically, the errors between the three relationship management conflict variables (RMCFREQ, RMCINT & RMCIMP), the errors between the three logistics conflict variables (LOGCFREQ, LOGCINT & LOGCIMP) and the errors between the three strategic conflict variables (STRCFREQ, STRCINT & STRCIMP) were allowed to covary. This was done because of the obvious connection between these variables. The intent of the research was to evaluate the effect of the conflict characteristics (frequency, intensity & issue importance), however it is perfectly logical that the data would also attempt to group by the underlying issues. Thus, to account for this logical connection, and to still stay focussed on the intent of the research, these errors were allowed to covary. (This programming action was also taken when the previous measurement model had been evaluated, thus this was not a point of difference between the two CFA programs).

The results of the CFA supported the measurement model. The model as a whole showed adequate model fit. As Table 5.14 displays, the Chi-Square statistic was significant, however the Satorra-Bentler Scaled Chi-Square indicated a non-significant model. The Satorra-Bentler Scaled Chi-Square does a better job dealing with any normality violations that the data may exhibit (and are suggested by the Mardia Coefficient value that is over 40) and thus may be the more appropriate measure of model fit. A non-significant model indicates a match between the model-implied covariances and the actual covariances. This result, combined with the high CFI (.967) and low RMSEA (.040) indicate a model with acceptable fit.

Table 5.14 - Goodness-of-Fit Measures for Respecified Measurement Model

GFI Measure	Value
Chi-Square	463.25, 361 df p<.001
S-B Scaled Chi-Square	405.86, 361 df p=.0516
BBNNFI	.960
CFI	.967
RMSEA	.040

The model had an acceptable level of content validity as was discussed earlier. In addition, the pattern of correlations between the constructs provides support for nomological validity. Conflict Frequency and Conflict Intensity are highly correlated (.861) as would be expected. Satisfaction and Conflict Frequency have a negative and significant correlation (-.436) as do Satisfaction and Conflict Intensity (-.437). Satisfaction and Trust also have a strong positive association (.917). All of these associations are logical and are supported by past research findings.

Convergent validity of the measurement model is supported because the items "converge" on the predicted construct and have highly significant path coefficients. Table 5.15 (on following page) presents these results.

Lastly, this respecified model passes tests of discriminant validity (a problem with the previous measurement model). A review of the LM test indicates that there are some significant modifications suggested, however there is no theory compelling reason to release the suggested paths. In addition, a series of nested models were considered and

under no circumstances did a model that had two constructs with their covariance set equal to one outperform the non-restricted model. These two results support the discriminant validity of the constructs in the model.

In summary, the model shows acceptable validity in the four categories considered: (1) content validity, (2) nomological validity (3) convergent validity, and (4) discriminant validity.

Table 5.15 - Convergent Validity Support for the Constructs within the Respecified Measurement Model

CONSTRUCT	VARIABLES	LAMBDA	T-VALUE (robust)	STD. LAMBDA
F1 - CFREQ $\alpha = .7904$	V44 - RMCFREQ	1.024	13.756	.905
	V47 - LOGCFREQ	.816	9.470	.621
	V50 - SRTCfreq	.789	9.581	.673
F2 - CINT $\alpha = .7862$	V45 - RMCINT	1.031	13.210	.904
	V48 - LOGCINT	.780	10.592	.593
	V51 - SRTCINT	.783	11.049	.690
F3 - CIMP $\alpha = .6429$	V46 - RMCIMP	1.038	7.731	.789
	V49 - LOGCIMP	.820	7.989	.486
	V52 - SRTCIMP	.973	7.990	.606
F4 - IPSA $\alpha = .8303$	V19 - ASSIT4	1.062	10.434	.734
	V37 - ASSIT5	.823	8.928	.729
	V34 - INFOCAP3	.966	8.939	.695
	V6 - SHARPAR1	.785	12.111	.735
	V43 - SHARPAR5	.763	8.563	.599
F5 - PART $\alpha = .6620$	V11 - PART1	.991	7.688	.623
	V12 - PART4	1.285	9.572	.738
	V13 - PART5	.950	6.581	.577
F6 - DECENT $\alpha = .7439$	V9 - CENT 2	1.105	8.919	.668
	V29 - CENT4	1.056	8.865	.606
	V33 - CENT5	.878	7.127	.613
	V40 - CENT6	1.101	10.463	.713
F8 - CCO	V22 - CCO1	n/a	n/a	1.000
F9 - SAT $\alpha = .9292$	V5 - SAT1	1.308	14.354	.877
	V18 - SAT2	1.268	13.035	.896
	V32 - SAT4	1.189	13.149	.853
	V39 - SAT5	1.303	11.919	.839
F10 - TRUST $\alpha = .8345$	V23 - TRUST1	1.171	11.903	.752
	V24 - TRUST2	.943	9.268	.742
	V26 - TRUST4	1.218	10.180	.733
	V27 - TRUST5	1.153	10.653	.744

3.5.4 Conclusions Concerning the Respecified Measurement Model

The respecified model performs well and was the model carried forward into the path model evaluations. The model had a more appropriate Constructive Conflict Outcomes variable (based on face validity and research intent grounds), had a new structure construct that did not suffer from discriminant validity problems, and the groups of items used for each construct showed acceptable reliability. In addition, the model showed acceptable fit and passed all the validity assessment tests. Thus, the constructs in this measurement model possess acceptable construct validity support. Table 5.16 (on following page) summarizes the measurement model and its statistical support.

Table 5.16 - Summary of the Measurement Results for the Supported Constructs

CONSTRUCT	# OF ITEMS	ALPHA	VALIDITY SUPPORT
CONFLICT FREQUENCY (CFREQ)	3	.7904	Convergent & discriminant validity supported via CFA.
CONFLICT INTENSITY (CINT)	3	.7862	Convergent & discriminant validity supported via CFA.
CONFLICT ISSUE IMPORTANCE (CIMP)	3	.6429	Convergent & discriminant validity supported via CFA.
INTEGRATED PROBLEM SOLVING APPROACH (IPSA)	5	.6620	Convergent & discriminant validity supported via CFA.
PARTICIPATION (PART)	3	.6839	Convergent & discriminant validity supported via CFA.
DECENTRALIZATION (DECENT)	4	.7439	Convergent & discriminant validity supported via CFA.
CONSTRUCTIVE CONFLICT OUTCOMES (CCO)	1	N/A	Content validity support. Discriminant validity support via the CFA.
RELATIONSHIP SATISFACTION (SAT)	4	.9292	Convergent & discriminant validity supported via CFA.
RELATIONSHIP TRUST (TRUST)	4	.8345	Convergent & discriminant validity supported via CFA.

4.0 TESTING THE STRUCTURAL RELATIONSHIPS

In order to test the hypotheses a path model was created and tested. This section outlines that process. Section 4.1 discusses the proposed path model and illustrates how that model represents the hypotheses developed and documented in Chapters Two and Three. Section 4.2 reviews the results of the testing of the path model and includes an assessment of the path coefficients and the overall model fit. The implications of the statistical findings will be discussed in Chapter Six.

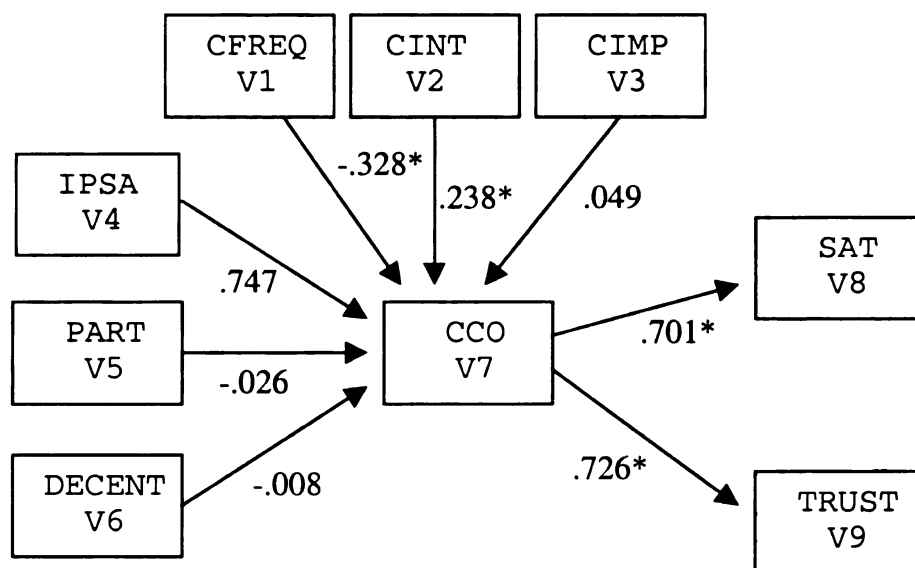
4.1 The Path Model

In order to test the hypotheses set forth in Chapter Three, a path model was created. The path model is illustrated in Figure 5.3 (on following page). Each path in the model represents one of the hypotheses this dissertation is designed to test. Table 5.17 lists the hypothesis that each path represents. The variables in the model are the same nine as were tested in the repecified model CFA. The measurement support for those constructs is highlighted in Table 5.16.

To test the path model the covariances between the factors from the final measurement model were used as the input covariance matrix for the EQS program. The matrix is presented in Table 5.18. This method allowed the path model to incorporate the results of the measurement model tests and thus the path model accounts for the measurement error associated with the constructs (variables) used.

**Full-Variable Path Model
with Standardized Coefficients**

* Significant at $p < .01$



MODEL FIT MEASURES

Chi-Square:
1096.5, 28df
 $p < .001$
CFI: .324
RMSEA: .417

TOTAL EFFECTS

V1 - V8: -.224
V2 - V8: .162
V4 - V8: .510
V7 - V8: .720

V1 - V9: -.232
V2 - V9: .168
V4 - V9: .527
V7 - V9: .744

Figure 5.3 - The Full-Variable Path Model

Table 5.17 - The Paths and the Hypothesis Each Represents

Path	Hypothesis Represented by the Path
V1 - V7	Conflict Frequency (CFREQ) will have a significant and positive effect on Constructive Conflict Outcomes (CCO)
V2 - V7	Conflict Intensity (CINT) will have a significant and negative effect on Constructive Conflict Outcomes (CCO)
V3 - V7	Issue Importance (CIMP) will have a significant and negative effect on Constructive Conflict Outcomes (CCO)
V4 - V7	Integrated Problem Solving Approach (IPSA) will have a significant and positive effect on Constructive Conflict Outcomes (CCO)
V5 - V7	Participation (PART) will have a significant and positive effect on Constructive Conflict Outcomes (CCO)
V6 - V7	Decentralization (DECENT) will have a significant and positive effect on Constructive Conflict Outcomes (CCO)
V7 - V8	Constructive Conflict Outcomes (CCO) will have a significant and positive effect on Relationship Satisfaction (SAT)
V7 - V9	Constructive Conflict Outcomes (CCO) will have a significant and positive effect on Relationship Trust (TRUST)

Table 5.18 - The Input Matrix for the Path Model

	V1	V2	V3	V4	V5	V6	V7	V8	V9
V1 CFREQ	1								
V2 CINT	.861	1							
V3 CIMP	.067	.129	1						
V4 IPSA	-.343	-.439	.280	1					
V5 PART	-.076	-.094	.156	.378	1				
V6 DECENT	-.331	-.352	.307	.657	.356	1			
V7 CCO	-.378	-.360	.263	.758	.264	.516	1		
V8 SAT	-.436	-.437	.192	.889	.277	.576	.701	1	
V9 TRUST	-.496	-.479	.173	.856	.295	.615	.726	.917	1

* The matrix is equivalent to a correlation matrix because the variances of the constructs were set equal to one when conducting the CFA (to allow the model to be identified). This had the effect of standardizing the covariance values that were reported in the EQS output.

4.2 The Path Model Analysis Results

The path model analysis was executed using EQS. The program ran without errors and no condition codes were identified. The presence of either of these would indicate problems with the legitimacy of the EQS output reported. Since the program run was deemed valid, the results are reported in the following sections. The results were highlighted within the previously presented Figure 5.3. Sub-sections 4.2.1 and 4.2.2 discuss the model fit evaluations and the results of the path significance tests respectively. This section includes with Table 5.21 that presents a summary of the results of the hypothesis tests.

4.2.1 Model Fit

The path model tested does not fit the data according to the EQS output. As documented in Table 5.19 the fit measures are in agreement: the model lacks fit. Because of this lack of fit, any path tests that arise from the program run have to be interpreted with caution.

Table 5.19 - Path Model Goodness-of-Fit Measures

GFI Measure	Value
Chi-Square	1096.48, 28 df p<.001
BBNNFI	.130
CFI	.324
RMSEA	.417

There are two logical reasons why the model fit so poorly:

1. There are missing variables in the model. This is highly likely for two reasons. Statistically, the LM test results imply that there are missing variables and the highly significant Disturbance terms also point to this situation. This result is predictable for a second reason; theory. For instance, the dependent variables are concepts that theory links to many other concepts such as dependence, commitment, communication frequency and others. These concepts were not modeled to keep the model simple. Therefore, both the statistics and theory suggest that there are missing variables and thus, it is highly likely that this contributes to the poor model fit.

2. There are paths not modeled or existing paths are modeled incorrectly. This is supported by the LM test results. In addition, theory and past research results would predict other paths such as a direct path between conflict frequency and satisfaction (also suggested by the LM test).

With these reasons in mind, a great deal of caution is necessary when considering the structural path coefficients.

4.2.2 Structural Path Testing

As indicated previously, due to the lack of model fit the structural tests need to be viewed with caution. For instance, the model could be misspecified in a way that causes a path to be significant when it is not (or vice versa). However, the results can provide evidence as to whether a particular path (and thus hypothesis) is supported by the data. The results are presented in Table 5.20.

As can be seen from the results highlighted in Table 5.20, some of the paths are significant, while others are not.

Section 4.3 connects these statistical results with the appropriate hypotheses, while Chapter Six reviews the implications of these results.

4.3 The Support for the Hypotheses

Table 5.21 reviews the evidence of support for each hypothesis made. As documented, there is support for three of the eight hypotheses. Those not supported include some that are deemed to have no significant effect, and some that the data indicates have a reversed effect versus the effect set forth in the hypothesis. The implications of each result are discussed in Chapter Six.

Table 5.20 - Path Test Results

Path	Unstandard- ized Coefficient	T-Test Value	Standard- ized Coefficient
V1 - V7 Conflict Frequency - Constructive Conflict Outcomes	-.328	-7.800	-.311
V2 - V7 Conflict Intensity - Constructive Conflict Outcomes	.238	5.655	.226
V3 - V7 Issue Importance - Constructive Conflict Outcomes	.052	1.226	.049
V4 - V7 Integrated Problem Solving Approach - Constructive Conflict Outcomes	.747	17.747	.708
V5 - V7 Participation - Constructive Conflict Outcomes	-.028	-.661	-.026
V6 - V7 Decentralization - Constructive Conflict Outcomes	.009	-.211	-.008
V7 - V8 Constructive Conflict Outcomes - Relationship Satisfaction	.701	15.351	.720
V7 - V9 Constructive Conflict Outcomes - Relationship Trust	.726	16.488	.744

Table 5.21 - The Results of the Hypothesis Tests

Path	Hypothesis Represented by the Path	Overall Statistical Finding
V1 - V7	Conflict Frequency (CFREQ) will have a significant and positive effect on Constructive Conflict Outcomes (CCO)	NOT SUPPORTED The effect found is significant and negative
V2 - V7	Conflict Intensity (CINT) will have a significant and negative effect on Constructive Conflict Outcomes (CCO)	NOT SUPPORTED The effect found is significant and positive.
V3 - V7	Issue Importance (CIMP) will have a significant and negative effect on Constructive Conflict Outcomes (CCO)	NOT SUPPORTED The effect is insignificant.
V4 - V7	Integrative Problem Solving Approach (IPSA) will have a significant and positive effect on Constructive Conflict Outcomes (CCO)	SUPPORTED Strong positive effect found.
V5 - V7	Participation (PART) will have a significant and positive effect on Constructive Conflict Outcomes (CCO)	NOT SUPPORTED The effect is insignificant.
V6 - V7	Decentralization (DECENT) will have a significant and positive effect on Constructive Conflict Outcomes (CCO)	NOT SUPPORTED The effect is insignificant.
V7 - V8	Constructive Conflict Outcomes (CCO) will have a significant and positive effect on Relationship Satisfaction (SAT)	SUPPORTED Strong positive effect found.
V7 - V9	Constructive Conflict Outcomes (CCO) will have a significant and positive effect on Relationship Trust (TRUST)	SUPPORTED Strong positive effect found.

5. STATISTICAL ANALYSIS CONCLUSION

In the final conclusion, there was sufficient measurement support for the constructs used, thus allowing for a path model to be constructed that tested the majority of the hypotheses originally proposed.

From a measurement standpoint, there was strong support for the constructs used in the final path model, however, further measurement refinement is suggested for the group of constructs that were supposed to make up Relationship Structure and the construct designated to represent Constructive Conflict Outcomes.

From a structural standpoint the results indicate only limited support for the model as constructed. The data thus suggest that a different model is needed to capture the correct set of relationships that comprise the antecedents and consequences of Constructive Conflict Outcomes. However, the results from the path model do provide a good starting point for building such a model. The implications of these statistical results will be discussed in Chapter Six.

Chapter 6

Dissertation Conclusions

1. INTRODUCTION

This final chapter reviews the implications of the data analysis and offers conclusions related to the measurement and structural findings. This chapter also reports a set of managerial conclusions. In addition, a set of limitations of the research, as well as a set of future research directions are reviewed. The chapter is organized so each of the five areas, (1) measurement conclusions, (2) structural conclusions, (3) managerial conclusions, (4) limitations, and (5) future research are contained in their own section. Lastly, a final section acts as a conclusion to the chapter and the entire dissertation.

2. MEASUREMENT CONCLUSIONS

As this research was exploratory in nature, and many of the concepts that were addressed lacked a measurement pedigree, the measurement conclusions reviewed in this section are

very important. The specific areas reviewed include the measurement properties of the focal variable, Constructive Conflict Outcomes, the variables that were designed to capture relationship structure and the variables used to represent the perceived relationship conflict. Each is discussed in the sub-sections that follow.

2.1 Relationship Structure Conclusions

The "relationship structure" configuration proposed by Robicheaux and Coleman (1994) was not supported. Some of the constructs lacked reliability (e.g. formalization, monitoring) while others did not distinguish themselves as distinct concepts (the CCINT - SHARPAR discriminant validity problem). Whatever the reason, the theoretical impact is that there is still no supported group of measures that fully taps the underlying structure of an exchange relationship. Why did these concepts perform poorly?

The interorganizational setting. The constructs mainly come from intraorganizational settings where their construct validity has been supported via past research. However, in order for these constructs to perform as well

in the interorganizational setting the respondents would have needed to perceive the exchange relationships in the same way as they might perceive an intra-department relationship. In other words, the exchange relationship would have needed to be an "organization" in its own right. This is probably not the way the average exchange relationship manager perceives the relationships they manage. More likely, there is still a strong perception that the relationship is the meeting of two points (each organization representing one of the points) and not the overlap of two organizations to the point where the relationship has an underlying structure in its own right. Thus, in this research, some level of the relationship as actual organization was captured (measurement support for Participation and Decentralization for instance), but not to the level that would have provided measurement support to the full set of constructs that have proven useful in an intraorganizational setting.

The wrong configuration was proposed. A second explanation is that the configuration proposed by Robicheaux and Coleman was not correct. This is supported by the problems with the "operational integration" constructs as a whole. Perhaps a better conceptualization of the level of

integration is required before such a concept can be successfully tapped from a measurement standpoint.

Even given the poor overall performance, the research still supports the use of relationship structure (or a related concept) to capture the underlying situation in the relationship when building models that attempt to explain how those relationships arrive at positive outcomes such as constructive conflict. The significant effect that Integrative Problem Solving Approach was shown to have on Constructive Conflict Outcomes supports the further refinement of this and other related constructs so that a model that fully specifies the effect of structure on outcomes can be created and tested. Until the measurement performance is improved, the concept of structure will remain a logical antecedent to outcomes, but not a concept with strong empirical support.

2.2 Integrative Problem Solving Approach

The construct titled Integrative Problem Solving Approach shows promise, but at this point lacks full construct validity support. Because of this the results associated with this construct need to be viewed with caution. There

are two inherent weaknesses to this construct and its current level of measurement support.

The construct is a creation of the data set that then provided the measurement-support test. This construct was not proposed prior to the analysis of the data. Therefore, it may exist only in relation to the particulars of the data collected. Before this construct can be considered confirmed it needs to perform adequately in other relevant data sets and other relevant contexts. This construct's actual items came from what were originally three separate constructs. The original conceptualization proposed that these questions would not tap the same concept, the data indicated otherwise. Therefore, further research is essential to provide confirmation as to the adequacy of this construct.

It performed too well within the path models. This construct had the strongest effect on the outcome variables. There are two explanations for its performance:

- (1) it is a great construct that really captured an important concept for exchange relationship management, and
- (2) any first-time construct that performs that well must be tapping other concepts and probably lacks true

conceptual distinctness from those. Obviously the first explanation is an optimistic account, while the second is highly pessimistic. Since the construct gained measurement support in the CFA executed, this dissertation takes a position that this construct shows promise, but that further conceptual refinement is warranted and desired before IPSA is allowed to be considered "an important construct." In other words its current status would be that of "a potentially important construct." Further research will be required to adequately consider that potential.

2.3 CCO conclusions

The original conceptualization of Constructive Conflict Outcomes (CCO) was that of a multi-layered construct that had three valid sub-components. This was not supported. There was basic measurement support for a single, multi-item construct that captured CCO. However, this version of the construct failed to pass a face validity test in relation to it capturing the full range of conflict outcomes (negative to positive). In addition, its nomological validity support was weak as it tended to have weak connections to the other constructs it was supposed to

have strong connections to. This normally indicates measurement problems. What then went wrong?

The first explanation for these results is simply that the construct is too new and thus still requires further refinement. Only one study documented in the literature review actually had an operationalized Constructive Conflict Outcomes variable. Most other studies just assumed the presence of the concept without attempting to capture it in the data collected. Thus, the simplest explanation is that this author did a poor job of employing a set of items that would capture this concept. While the total set of items passed a face validity review originally, after the EFA / CFA procedures reduced the number of items, the remaining items in the new statistically valid construct became troublesome from a face validity standpoint. The new collection of items included none of the originally proposed items that were designed to capture the destructive side of conflict outcomes. This was a serious problem as the intended construct was supposed to represent the full range of conflict outcomes, not only those outcomes that were positive.

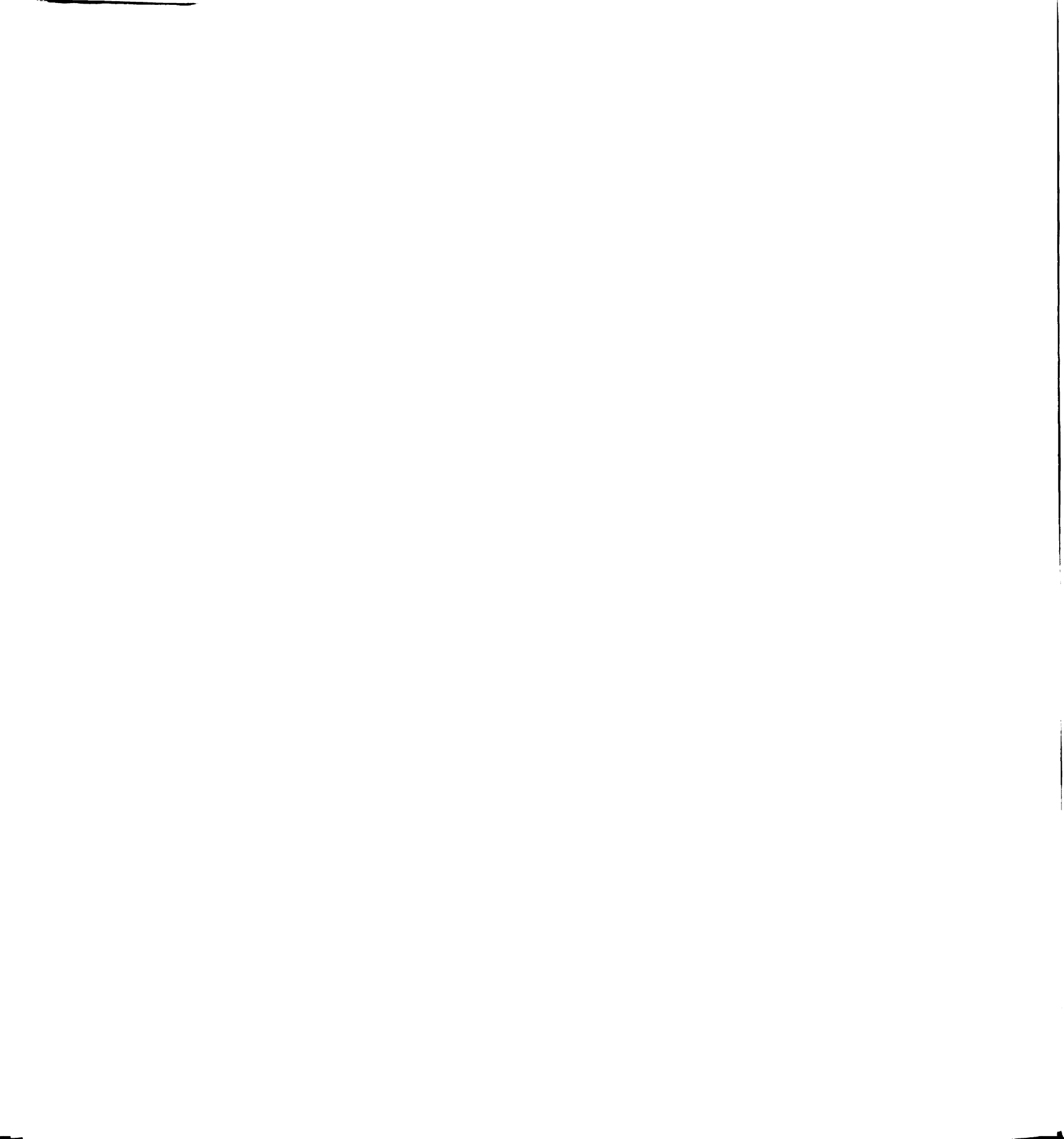
A second possible explanation for these results is that the endpoints of the continuum (highly destructive and highly constructive) actually represent separate variables that can exist simultaneously in the relationship. In other words, the respondents saw nothing inconsistent about perceiving a cluster of questions that captured the destructive endpoint, and a set of questions that captured the constructive endpoint. This scenario is made more likely by the fact that the respondents were asked to assess the conflict that had occurred over the previous year in the relationship (versus a single episode). Thus, that year could have had individual conflict episodes that resulted in both destructive outcomes, and constructive outcomes. Working against this explanation is the fact that while a cluster of items emerged that could be labeled "constructive conflict" (and passed the majority of the standard validity tests), a second grouping did not cleanly emerge to represent a "destructive conflict" construct. There was some measurement support for such a cluster, but not enough to declare the construct valid. This may be because the explanation is off base, or may be because the design of the study did not preconceive of such a result and thus did not create an appropriate scenario that would

have allowed that result to emerge. Future study will be required to address this issue.

Even though the Constructive Conflict Outcomes variable that ended up being used for the structural tests was the single item measure, the near success of the multi-item Constructive Conflict Outcomes construct was encouraging. This construct had no real measurement history, and this dissertation came close to creating an operationalizable version of it. Further effort will be required, but a good starting point has been set. This construct (based on the use of the single item version in the statistical analysis) does seem to be theory significant, that is, it existed and had relatively strong relationships with other constructs relevant to a business-to-business relationship manager. The further refinement of a multi-item version of this construct will make for stronger tests of the relationships surrounding this concept.

2.4 Conflict Characteristic Conclusions

Conflict Focus. The first measurement conclusion is that Conflict Focus, as a construct, shows no promise as operationalized in this study. The concept was derived



from Social Conflict Theory, but it completely failed the relevant measurement tests. Therefore, if a future study wishes to incorporate a similar construct it will be forced to create a suitable set of items to capture the concept.

Conflict Intensity, Frequency and Issue Importance.

Measuring conflict was a popular topic for the marketing literature during the 1970's and up into the early 1980's. The seminal piece on the topic was Brown & Day (1981). Its conclusion was that a multiplicative combination of conflict frequency, conflict intensity and conflict importance was the best method to capture conflict as a construct. The results of this dissertation casts doubt on that recommendation. As was shown in the path model, conflict frequency and conflict intensity have opposite effects. This means that a multiplicative combination of these two constructs is not logical because it would only hide and/or confuse the effects of the individual conflict characteristic. The statistical results related to these three characteristics (Intensity, Frequency & Issue Importance) and their relationship with CCO were not fully conclusive. Thus, the exact relationship in and between the three conflict characteristics is not yet confirmed. However, the results do indicate that the effects may be in

opposition to each other and thus make a strong case for incorporating these characteristics as separate elements of a theoretical model. The Brown and Day (1981) configuration, where the three characteristics are combined through multiplying their scores, would thus be inappropriate. Additionally, if the distinction between the three characteristics is relevant in this study, then there is reason to believe that it would also be relevant in other studies where these three conflict characteristics were used. If this is so, then past studies that used the multiplicative conflict variable took an incomplete and possibly misleading look at the effects of conflict.

3. STRUCTURAL CONCLUSIONS

This section reviews the conclusions related to the structural hypothesis tests that were conducted. There is a sub-section that reviews the conclusions related to each hypothesis. The purpose of each sub-section is to attempt to explain why the results occurred and what those results mean for further theory development in this area.

3.1 The Overall Effect of Relationship Structure

The findings in this area were highly mixed. There is some support for the general contention that relationship structure variables do have an effect on relationship outcomes because of the three structure variables that survived the measurement testing, one had a strong effect on CCO. This finding indicates that before the presence or degree of presence of relationship outcome variables is assessed and interpreted, some consideration needs to be given to the structure of the relationships under consideration.

What emerges from integrating these results with those of the numerous relationship studies that preceded this research is that outcome variables are indeed impacted by the structure of the given relationships. Morgan & Hunt (1994), Anderson & Narus (1990), Crosby, Evans & Cowles (1990), Anderson & Weitz, (1989) and others all found some connection between a construct (or set of constructs) that can be considered a "relationship structure" construct and a construct (or set of constructs) considered to be "relationship outcomes". This dissertation adds to this general finding.

However, two problems emerge from this. First, there is disagreement on the exact variables that should be used to capture relationship structure as a concept. The contribution of the results of this dissertation in that area will be discussed a bit later. The second problem is that many different outcome variables have been used and their exact order and position within the models proposed also varies. The literature and the specific results of this research indicate that there is a group of interconnected outcomes such as Constructive Conflict Outcomes, Satisfaction, Trust, Commitment and others. In addition, it has been shown that these outcomes are influenced by relationship structure variables. However, the past research has failed to identify the exact structure of the relationships amongst and between the outcome variables themselves. Thus, the question remains, what is their correct order or structure? The studies that have addressed such issues (including this one) are all cross-sectional in design and thus capture a "snap shot" of the phenomena, leaving the exact temporal nature of the relationships as an open question. This dissertation positioned Constructive Conflict Outcomes as an antecedent of both Trust and Satisfaction (and support for those relationships was found), however, Hunt & Morgan in their

1994 piece had Trust as an antecedent of the "functionality of conflict", a similar set of constructs, but in reverse order. The question then boils down to the chicken & egg question. Unfortunately, unless a set of relationships can be tracked through their development and maintenance, it will be impossible to answer that question definitively.

While this problem does limit the full usefulness of the results for one purpose (correctly specifying the exact nature of the connections among the various relationship outcomes) it is not an overly severe theoretical problem for the main purpose of this area of the research. The findings still allow a look at the effect of relationship structure on the constructiveness of the conflict within the relationship. The interconnectedness of Constructive Conflict Outcomes with other relationship outcomes does not preclude making conclusions in this area.

3.2 Decentralization and Constructive Conflict Outcomes

The results indicate that Decentralization does not have a direct effect on Constructive Conflict Outcomes. This in turn indicates that the level of decentralization has no

effect on the constructiveness of the conflict outcomes. This contradicts the hypothesis that indicated that there would be a significant and positive effect between Decentralization and Constructive Conflict Outcomes. A possible explanation for this is that Decentralization belongs elsewhere in a fully specified model. Given the very poor overall model fit, this explanation cannot be ignored. Further review of the data could help to determine if there is indeed a different path structure that would connect Decentralization with CCO. However, the data does not support the direct effect that was proposed.

3.3 Participation and Constructive Conflict Outcomes

The results indicate that Participation does not have a direct effect on Constructive Conflict Outcomes. This in turn indicates that the level of participation has no effect on the constructiveness of the conflict outcomes. This contradicts the hypothesis that proposed that there would be a significant and positive effect between Participation and Constructive Conflict Outcomes. A possible explanation for this is that Participation belongs elsewhere in a fully specified model. Given the very poor overall model fit, this explanation cannot be ignored.

Further review of the data could help to determine if there is indeed a different path structure that would connect Participation with CCO. However, the data does not support the direct effect that was proposed.

3.4 Integrated Problem Solving Approach and Constructive Conflict Outcomes

The results showed a strong relationship between these two constructs. Theoretically this implies that the approach firms have for handling problems in general is strongly connected to the effectiveness of their conflict resolution. This implies that there is a carry-over effect. Firms that communicate problems, jointly attempt to solve problems, share relevant information in usable ways, and generally share a problem-solving paradigm are also likely to consider the outcomes of conflict to be constructive. Conceptually this is logical because the firms would use the problem solving approach to create opportunity out of conflict. Whereas in a relationship not characterized by a problem solving approach, it is very likely that conflict would lead to greater hostility and not lead to productive solutions. This would be so because the two firms would lack the environment and past history

that would allow them to use the conflict as a way to improve the relationship.

3.5 Issue Importance and Constructive Conflict Outcomes

Social Conflict Theory (SCT) proposed a negative relationship between these two concepts. However, the data indicated a non-significant effect between these two constructs. This result could have arisen because the relationships under consideration would disband in the face of severe conflict over a highly important issue. Since these are commercial relationships, there is no requirement that these relationships must continue. Social Conflict Theory is a large group sociology theory that normally is applied to nations, ethnic groups and such. Therefore, it deals with groups that are much less likely to disband in the face of conflict. Thus, while SCT predicts that issue importance will have a negative effect on CCO, in the context of commercial relationships, this relationship may not exist. The non-significant effect could exist because if the parties disagree on a fundamentally important issue, it is likely that the relationship would disband and the parties would find other firms to do business with. In

this case, the negative effect would not exist in the data set because there was no data collected from disbanded relationships. Thus within the context of business-to-business exchange relationships Social Conflict Theory may not be an appropriate theory.

There is a second possible explanation for the result. The insignificant relationship may be the result of the unit of measurement. That unit was the relationship, whereas it may require a conflict episode unit of measurement to truly capture the relationship between these two constructs.

With the unit of measurement used, the actual relationship between Issue Importance and CCO may be obscured because some issues may have the negative relationship predicted, some may have the insignificant effect found, and others could even have a positive effect on CCO. If this indeed the case, the relationship level would not capture these individual effects and thus could lead to confused results. And these confused results could be manifested in the non-significant result that was obtained. A future study would be required to see if this explanation is indeed the correct one.

A third explanation for this result has to do with the "professionalism" of the relationship. Because these are commercial relationships with paid relationship managers, the importance of the issue may not have an effect on the constructiveness of the conflict outcomes. The logic behind this explanation is that the manager is paid to handle all conflict, whether over important issues or not, and thus no effect based on this attribute would be expected.

There is no way to verify which of these explanations (if any) is correct without future research. However, the data in this project does indicate that a significant, negative relationship does not exist.

3.6 Conflict Frequency and Constructive Conflict Outcomes

The hypothesis that proposed a positive effect between Conflict Frequency and Constructive Conflict Outcomes was not supported. The data indicated a significant, negative relationship. The original hypothesis was made because Social Conflict Theory reasons that an organization requires a certain level of conflict to be healthy and thus

a relationship that does not exhibit "enough" conflict would actually under-perform a relationship that had greater levels of conflict frequency. Why did the data not support this contention? There are a couple explanations:

Social Conflict Theory does not accurately describe the situation when interorganizational exchange relationships are considered. SCT is a large group sociology theory and perhaps the fact that it deals in the aggregate (large groups interacting over periods of time) and deals with aggregate outcomes makes it inappropriate for use in the lesser scope context of an individual exchange relationship. Additional tests in this area would be required to firmly make a conclusion as to SCT's application to the study of exchange relationships.

Another explanation is that the relationships in question exhibited "enough" conflict to be healthy, and the additional conflict found in some of the relationships began to have a negative effect. Thus, the explanation is based on the potential existence of a non-linear effect between these two concepts. Further research could also look into this area.

A third explanation is that the respondents don't perceive "more to be better" when it comes to conflict in the relationships they manage. Most people are conditioned to view conflict to be a negative phenomenon, and thus when perceptions form the basis of measurement it may be difficult to accurately uncover a positive relationship between conflict frequency and constructive outcomes, even if such a relationship does in fact exist. Additionally, since the relationship managers would be intimately involved in the management of conflict, and that conflict can often create tension and stress for those managers, their perceptions of its outcome may be biased. In effect, they may be too close to the conflict and the conflict management, to accurately perceive its positive outcomes.

3.7 Conflict Intensity and Constructive Conflict Outcomes

Social Conflict Theory predicted that conflict intensity would have a significant and negative effect on CCO. However, the data indicated a significant, positive effect. There are three possible explanations for this result. First, the result may be a false statistical result caused by the strong correlation between conflict frequency and

conflict intensity. A further review of these variables and their effect on CCO is warranted. The simple correlation between Conflict Intensity and CCO is strongly negative, and then in the context of the model the relationship reverses. Thus, there may be some sort of interaction or moderated effect in place that is causing this. Further review of the data, especially in the context of a better fitting model, should help to shed light on this peculiar result.

If the result is a legitimate statistical outcome there exists a couple of plausible explanations. First, the parties to the relationship may find constructive outcomes are the result of a "good fight". It may be that in a highly intense dispute there is the greatest opportunity for positive outcomes. This goes against the reasoning of Social Conflict Theory (SCT) which reasons that a "violent" or intense dispute will be unable to create positive outcomes because it will be too focused on the violence or intensity to deal with the issues that warrant attention. So if the statistical result is legitimate, SCT is not supported.

A second explanation is that the commercial relationship setting is one where systems have been put in place to handle conflict. It is what the relationship managers are paid to do. Thus, even in the face of intense conflict, the relationship's conflict resolution system kicks in and produces constructive outcomes. This explanation positions commercial relationships as an improper context for Social Conflict Theory.

Before any of these explanations is considered best, further review of the current data will be required and/or additional data will need to be collected and analyzed. Firm conclusions need to be made concerning whether the result is legitimate or a product of the statistical peculiarities of the data. Once that is done, the appropriate conceptual explanation can be determined. Because this is beyond the scope of this dissertation, the significant and positive result between Conflict Intensity and CCO should be viewed with the greatest amount of caution.

3.8 Relationship Satisfaction / Trust and Constructive Conflict Outcomes

The data indicated a strong relationship between Constructive Conflict Outcomes and both Relationship Trust and Relationship Satisfaction. These were the predicted relationships. The purpose of including these two hypotheses in the overall model was to add a level of credibility to the concept of Constructive Conflict Outcomes. Because CCO was found to be a significant antecedent of these two constructs, it adds to the importance of CCO. With these results, CCO is firmly embedded as an important construct that should be considered when building a model of how exchange relationships handle conflict.

The results of this dissertation, while positioning CCO as an important construct, fail to confirm the exact structure of the relationship between CCO and Satisfaction and Trust. The research is a cross-sectional methodology, and thus there is no way to assess if there is a building process between these constructs. It is conceptually logical to assume that these constructs would grow in strength as time passed in a highly productive exchange relationship. Thus,

while the results indicate a strong effect by CCO on Satisfaction and Trust, the actual structure could involve a circular building of these closely related outcomes. Only future research can verify this potential theoretical structure.

4. MANAGERIAL CONCLUSIONS

Because the overall model fit so poorly, and many of the hypotheses were not supported, this section should be viewed with great caution. There needs to be stronger statistical and theoretical support for the relationships between the focal constructs before managers should use the results to guide their behavior. That said, there is a logical set of managerially relevant findings that should be reviewed.

4.1 Conflict Can be Constructive

The results indicate that conflict can be constructive. Support was found for the existence of constructive conflict outcomes. This is important for managers to realize so that they do not adopt strategies or tactics simply designed to avoid conflict, assuming it can only

hurt the relationship. Hopefully, the extension of this research will help to more firmly identify the situations that are most likely to lead to constructive outcomes, thus giving managers a road map by which to navigate through the relationship conflict. However, the current research results are individually strong enough to suggest that the wise manager should recognize the existence of constructive outcomes and incorporate that recognition into the relationship management strategies he or she employs.

4.2 An Integrated Approach Leads to Greater Constructiveness

One part of the roadmap for managers that did emerge from this dissertation is that an integrated approach is strongly connected to constructive conflict outcomes. Thus, managers who wish to produce constructive outcomes should strive to create an integrated relationship management approach. This would entail creating open and effective communication between the firms while also sharing a similar outlook as to what constitutes appropriate relationship behavior. This boils down to firms having the same view of the relationship on two key levels. First, the firms need to be able to view the

relationship similarly on a practical information exchange level. In addition, they need to see the relationship similarly from a philosophical level. This two-level, integrated approach was shown to lead to greater levels of Constructive Conflict Outcomes based on the data collected for this dissertation.

4.3 Greater Constructiveness is connected to Greater Satisfaction

There was support for the relationship between Constructive Conflict Outcomes and Relationship Satisfaction.

Therefore, it makes sense for a relationship manager to use the handling of conflict as a way to improve the other relationship outcomes as well. Thus, from a "why bother" standpoint, the management of conflict becomes relevant because handling it in a way that produces constructive conflict outcomes should also create a situation where overall relationship satisfaction is maximized. Since conflict episodes are real, tangible events, the direct management of them is a controllable factor that warrants management attention. And this management attention should have direct benefits (increased levels of relationship satisfaction) according to the results of this research.

5. LIMITATIONS

This section deals with five limitations of the research. These limitations are factors that can limit the usefulness of the findings from either a theoretical or managerial standpoint. In most cases the limitations were the result of explicit choices made by the researcher in relation to data collection, construct measurement and statistical analysis. Had different choices been made, a different set of limitations would have arisen. Thus, the reason these limitations are reviewed is not to invalidate what was done but to highlight how some of the practical research execution decisions that were made create limitations in what was accomplished and create cause for caution when interpreting and applying the results.

5.1 Measurement of Conflict

The measurement of conflict at the relationship level is problematic. As was seen in the research results, the data wants to group both by the underlying issue (e.g. Logistics issues) and the underlying characteristic of the conflict (e.g. the frequency). It is difficult to cleanly account for the groups and also cleanly account for the

characteristics. This problem created a fairly large amount of measurement error and required that the errors of the conflict characteristic variables be correlated to allow the underlying issues to remain linked. It would have been preferable to have less measurement error associated with these key constructs. Because of this, the results need to be viewed with caution in case the findings are flawed due to the higher than desired measurement error in this area. To overcome this problem, a future study would most likely have to collect data at the conflict episode level so that each data point is only associated with a single conflict issue. This would in essence eliminate the variance for the groupings within a single respondent's data points, thus allowing the research to focus on the conflict characteristic - conflict outcome relationship.

5.2 Non-dyadic Approach

A limitation of this study is that the respondents answered questions concerning the relationship without the help of their counterpart within the other party. Additionally, there was no attempt made to collect data from the other party. Thus, the fact that the relationships are actually

dyadic was not captured within the data. (However, the questions were posed with wording that encouraged the respondent to answer on behalf of the "relationship" not just the firm he or she represented.) This means that a relationship that was classified as "decentralized" by the respondent may not have been classified similarly by the other party's relationship manager. If there would have been many divergent responses in a dyadic approach then different results may have been achieved. Only a future study could test for such problems. The future study though would be able to use the research findings from this study to achieve stronger measurement and to begin with a more reality reflective model. That, in essence, is why this study did not attempt a dyadic approach. The non-dyadic data collection both simplified the research and also allowed for an initial model to be tested. The results from this research give a starting point to future studies, including a dyadic approach study.

5.3 Reliance on Perceptions

This research relied on the respondent's perceptions. Whenever this is the case there is a risk that one person's perception is vastly different from the next person's, even

though the situation under consideration may truly be similar. Without direct observation, there is not much that can be done about this problem. However, the problem is mitigated by two factors. First, it is likely that a person's perceptions may be equally biased, thus the association between two factors for two individuals would have the same spread, even if the exact positions the variables occupy on the scale may not be identical. Since this study mainly considers factors based on their underlying correlation, it is the simultaneous movement of (or spread between) factors that is most relevant, versus the exact location on the measurement scales used. The second factor that should act to reduce the negative impact of relying on perceptions is that there is no reason to believe that the biases in the data aren't randomly distributed. In other word, for every respondent that "inflates" their scores, there is likely one that "deflates" their scores. In the end it is likely that these cases cancel each other out and do not fatally bias the entire data set. Therefore, the reliance on perceptions, while creating some risks, does not invalidate the results and did provide a workable and pragmatic way to collect data.

5.4 The Cross-Sectional Methodology

The data collection in this study is cross-sectional and it is likely that some of the relationships captured in this "snap-shot" arrived at their position through iterations or feedback loops. Such development is not captured in the data. Thus, questions that address such issues as how the relationship arrives at a decentralized structure, or whether there is a point at which a certain amount of past conflict creates a conflict intolerant situation cannot be answered. A related limitation to the research is that the path model methodology, which cannot allow dual direction paths, is inappropriate to capture feedback situations. Thus, it is likely that the style of data collection, combined with the statistical method used fails to capture the presence of feedback loops and/or the effect that time has on the development of the constructs in the model. This limitation is deemed acceptable at this stage in the research program. The current methodology was efficient and allowed for an initial model to be crafted and tested. This model is both useful in the short term (provides usable insights for theory and practice) and in the long term (as a starting point for future studies, including a time sensitive study).

5.5 The Skewed Level of Relationship Quality

A limitation of the research is that the respondents generally picked very high quality relationships to use as the basis for their observations. This limits the generalization capabilities of this research. However, from a theoretical standpoint, this limitation is not overly damaging because the research was designed to test a theory, and the sample obtained can be considered to provide a valid test of that theory. The design used rests on the philosophy that this research represents a theory test. Therefore, if the theory is supported by a valid sample, then there is support for the theory and thus the theory can be generalized to other relevant or valid settings, whether those were explicitly represented in the sample, or not. While it would be ideal to use a sample that fully represents the population of interest, such samples are most often unobtainable. In addition, most published marketing studies that are intended to test theory fail a strict generalizability test and rely on the "test the theory" method utilized in this research. Therefore, while recognizing this limitation is important, it does not diminish the theory test that occurred, nor does it invalidate the results.

From a managerial standpoint, this limitation means that the conclusions are best applied to higher quality relationships. This is where the limitation is of more immediate concern. While the testing of theory in this area is an on-going process involving the results of this research and those of future studies (whereby a body of evidence is created), the managerial usefulness of the study is more time sensitive. Managers would like to be able to use any relevant findings as quickly as possible, and thus in the managerial realm the results should be viewed as representing the high quality relationship condition. Until other studies are done that create a preponderance of evidence in favor of the theory (thus allowing the theory to earn "strongly supported" status and be applied to any relevant context), or other studies are done using other relationship quality contexts (thus expanding the direct generalizability of the results to the populations represented by those samples), the results of this study, from a managerial standpoint, should be considered to directly apply only to higher quality business-to-business relationships. While this limitation is significant, its impact is mitigated by the amount of attention such relationships have received and the reported need to understand and effectively manage such

relationships. According to most accounts such relationships have become more desired and more numerous in numbers. Therefore, there are still many relationship managers who can benefit from the managerial conclusions / prescriptions made as a result of this research because it is their responsibility to effectively manage the high quality relationships that their firm has become involved in.

6. FUTURE RESEARCH

This section reviews four directions for future research that are suggested by the results of this project. In the first three cases the current data set can offer at least preliminary results on the point. The final direction for future research that is identified would require a new data set. These points are identified to offer direction for additional research that would have the potential to add to the insight gained directly from the research reported in this dissertation.

6.1 An Interaction Effect?

The characteristics of conflict and their relationship to the conflict outcomes are an area ripe for research. In the data collected there were few cases that did not have a closely coordinated Conflict Frequency and Conflict Intensity score. A future study could aim to capture situations where there is high frequency and low intensity (or vice versa) and see if such conditions have similar effects. The basic question to answer would be: Do the characteristics interact and if so, is there an interaction effect when considering the level of Constructive Conflict Outcomes?

6.2 An Issue Group Effect?

An additional consideration would be looking at this area of research on an issue grouping level. Thus, instead of looking at the cumulative conflict and the cumulative impact of the conflict outcomes, look at the specific groups of issues as separate models. A multiple group path model could be tested first to see if the underlying issue groupings have an impact and then if different models are found to have different results, the research could

strive to answer why. What is it about one set of issues over another that causes the different outcomes? And how can managers use such information to improve their chances of managing the conflict successfully?

6.3 Is Relationship Structure a Moderator?

A third way to consider the constructs used in the model is to manipulate relationship structure so to be able to test its role as a moderator, not an antecedent. This research considered the structure of the relationship to have a direct impact on the outcomes of conflict. A second way to consider the impact of structure is as a moderator. Does the model that connects the conflict characteristics to the conflict outcomes perform differently given different conditions of relationship structure? This would offer a competing model to the direct effect model tested in this dissertation.

6.4 Are the Results the same at the Conflict Episode Level?

A final direction for future research is to tie the constructiveness of the conflict outcome to a specific episode of conflict. In other words change the unit of

analysis to the conflict episode, versus the relationship as a whole (the unit of analysis in this study). This would enable the research results to point to more specific situations that result in constructive outcomes. This episode-level research would be a strong compliment to the relationship- level results obtained in this dissertation.

7. CONCLUSIONS

This dissertation attempted to create and test a theoretical model that described how conflict could lead to constructive outcomes. Social Conflict Theory and marketing channel theory were combined to create a model that identified a set of antecedents and consequences of Constructive Conflict Outcomes. A group of relationship managers were questioned and a theory test was executed. This theory test occurred at two levels: the measurement level and the structural level.

The measurement tests revealed that the concept of constructive conflict was a relevant concept for the respondents. A basic level of measurement support was found for a Constructive Conflict Outcomes (CCO) construct. However, the data also indicated that further measurement

refinement is necessary before there is full support for a multi-item CCO construct. Such a construct is desirable and the results of this dissertation provide a starting point for the creation of that construct. The measurement tests also revealed that the relationship structure configuration proposed by Robicheaux and Coleman (1994) did not successfully describe the structure of the interorganizational exchange relationships that were the units of measurement in this dissertation. This result means that the correct way to describe the underlying structure of such relationships remains an open question.

The structural testing indicated that the model proposed was highly deficient. The model fit statistics indicated that it was highly likely that there were missing variables and mis-specified paths in the model. While this result was disappointing, the dissertation research did provide an interesting set of conclusions. First, the hypotheses made based on the tenets of Social Conflict Theory were not supported. This indicates that this theory does not hold great potential for explaining the role of conflict in exchange relationships. In addition, although the structure configuration of Robicheaux and Coleman was not supported by the measurement tests, the structural tests

indicated that there is value in assessing the structure when considering the constructiveness of conflict outcomes. An integrated approach was shown to have a strong positive effect on the constructiveness of conflict outcomes. This result warrants further attention with special attention being given to identifying other structure variables that may have a direct, or indirect effect on CCO. Again, the dissertation does not provide firm answers, but does offer a valuable starting point to that quest.

In the final conclusion, the dissertation made a contribution to the building of a productive, theoretical model that should eventually describe when and how conflict leads to constructive outcomes, and how those outcomes can also lead to other, more general relationship outcomes. The dissertation made the majority of its contributions to this task by showing what does not work. However, these results are still highly valuable and provide an excellent spring-board to further research that will hopefully create and confirm such a model in a more definitive way.

APPENDICES

APPENDIX A1

Construct Conceptualizations and the Items Used in Questionnaire

CLAN-LIKE STRUCTURE

(CLAN)

Robicheaux & Coleman (1994) conceptualize this construct as ranging from "Clan-like" to "Bureaucratic"

Clan-like:

Common sense of well-being among system members and shared values. Decision making is decentralized and informal communications are common. Members are more likely to subordinate their short-term individual self-interests to those of the system and, through participatory governance, compromise is common (p. 47).

Bureaucratic:

Relationship is governed by rules and bureaucratic machinations. Power and influence strategies are key determinants of outcomes. There is an absence of shared values and there is little if any community of interests (p. 47).

Conceptualized by Robicheaux & Coleman (1994) to be indicated by four dimensions:

- (1) formalization**
- (2) centralization**
- (3) participation**
- (4) shared paradigm**

1. FORMALIZATION:

The extent to which explicit rules & procedures regulate decisions made concerning the relationship.

Considering the relationship you identified, please respond to the following statements:

- FORM1. When decisions are made concerning this relationship, the parties rely on clearly specified operating procedures.
- FORM2. Existing rules and procedures are often ignored when relationship decisions are made (R).
- FORM3. The parties refer to written and/or verbal instructions to guide decision making.
- FORM4. Formal, written contracts guide relationship decision making.
- FORM5. When making a relationship decision, the parties fall back on standard courses of action.
- FORM6. When faced with a relationship decision, the parties rely on behavior dictated by formalized roles and responsibilities.

Strongly agree

Strongly disagree

1

2

3

4

5

6

7

Based on:

Dwyer & Oh 1987

Dwyer & Welsh 1985

John 1984

Reve & Stern 1986

2. CENTRALIZATION:

The extent that decision making authority is concentrated.

Considering the relationship you identified, please respond to the following statements:

- CENT1. Within this relationship, decision-making authority is concentrated in a few individuals.
- CENT2. If a decision needs to be made, the decision is often made by those directly involved in the situation, and does not need the approval of superiors (R).
- CENT3. A small percentage of the individuals involved in this relationship set the relationship policies.
- CENT4. Superiors must review all important decisions before the decisions take effect.
- CENT5. The frontline employees involved in managing the relationship are free to make decisions involving this relationship (R).
- CENT6. There can be little action taken until relationship decisions have been approved through proper channels.

Strongly agree

Strongly disagree

1

2

3

4

5

6

7

Based on:

Hage & Aiken 1967
Dwyer & Welsh 1985
Dwyer & Oh 1987
Reve & Stern 1986
John 1984

3. PARTICIPATION:

The degree of actual participation in decision making

Consider the following decision making areas, and indicate the amount of mutual participation that is present for each decision in the relationship.

- PART1. Delivery arrangements and terms
- PART2. Product/service design changes
- PART3. Length of contract/agreement
- PART4. Ordering procedures
- PART5. Product/service prices and/or margins
- PART6. Scheduling of operational activities
- PART7. Demand and/or supply requirement forecasting

The decision is made.....						
Entirely by One party			Equally by both parties			
1	2	3	4	5	6	7

Based on:

Hage & Aiken 1967
Dwyer & Welsh 1985
Dwyer & Oh 1987

4. SHARED PARADIGM:

The extent to which the exchange partners share general assumptions and values related to conduct in the relationship.

Considering the relationship you identified, please respond to the following statements:

- SHARPAR1. The parties often agree on the appropriate course of action for this relationship.
- SHARPAR 2. Both firms share the same values.
- SHARPAR 3. The parties often disagree on what is in the best interest of the relationship (R).
- SHARPAR 4. The parties have different expectations for this relationship (R).
- SHARPAR 5. The parties often agree on what constitutes appropriate relationship behavior.

Strongly agree

Strongly disagree

1 2 3 4 5 6 7

Based on:

Measures are new but based on the conceptualizations of:

Wilkins & Ouchi, 1983

Robicheaux & Coleman, 1994

OPERATIONAL INTEGRATION

(OPINT)

Robicheaux & Coleman (1994) conceptualize this construct as ranging from "Discrete" to "Integrated"

The authors do not give elaborate descriptions of these end points, but instead refer to the components of integration in order to describe these states. Thus, a "integrated" relationship would exhibit a high level of joint action, assistance, monitoring, and information sharing.

There are four components to operational integration:

- (1) joint actions**
- (2) assistances**
- (3) monitoring**
- (4) information sharing**

1. JOINT ACTIONS:

The degree of interpenetration of organizational boundaries.

Consider the following relationship activities and indicate the degree of joint action that characterizes the execution of these activities in this relationship.

- JACT1. forecasting
- JACT2. component / product testing
- JACT3. personnel training
- JACT4. product design and development
- JACT5. promotional activity
- JACT6. inventory control

This activity involves....						
No Joint Action			Extensive Joint Action			
1	2	3	4	5	6	7

Based on:

Heide & John, 1990

2. ASSISTANCES:

The extent to which help is given in the relationship even when such help is not specifically called for by the preset standards of the relationship, and/or, when there is no immediate compensation given in return for such help.

Considering the relationship you identified, please respond to the following statements:

- ASSIT1. The parties in this relationship advise each other in advance of potential operational problems (such as delivery delays or stock outs).
- ASSIT2. The parties help each other in emergencies.
- ASSIT3. Unless payback is immediate, help is not offered to the other party (R).
- ASSIT4. The parties help each other in value analysis, cost reductions, problem solving, etc.
- ASSIT5. The parties advise each other of potential problems in meeting each other's needs.

Strongly agree

Strongly disagree

1

2

3

4

5

6

7

Based on:

Noordewier, John and Nevin, 1990

3. MONITORING:

The amount of monitoring or supervisory actions that the exchange partners undertake to ensure partner performance during the execution of the exchange relationship.

Based on the relationship you have with this party please respond to the questions below:

- MONITOR1. The parties spend little time checking on each other's performance (R).
- MONITOR2. The parties monitor each other's inventory levels.
- MONITOR3. The parties assess relationship performance through a formal evaluation program.
- MONITOR4. The parties share performance reports regularly.
- MONITOR5. The relationship makes use of many controls.

Strongly agree

Strongly disagree

1

2

3

4

5

6

7

Based on:

Noordewier, John and Nevin, 1990

4. INFORMATION SHARING

The extent of information sharing in the relationship. Characterized by the frequency, type and ease of information sharing.

Frequency of Information Exchanged.

- INFOFRE1. Communication between the parties happens often.
- INFOFRE2. The parties frequently share information.
- INFOFRE3. Information/data is exchanged Infrequently (R).

Type of Information Exchanged.

- INFOTYP1. Strategic information is readily shared in this relationship.
- INFOTYP2. Production plans are readily shared.
- INFOTYP3. Long-range forecasts are readily shared.
- INFOTYP4. Impending design changes are readily shared.
- INFOTYP5. Financial planning information is rarely shared in this relationship (R).

Exchange Capability (Ease & Usefulness).

- INFOCAP1. Information shared between the parties is easily understood and used by both parties.
- INFOCAP2. Although information is shared between the parties it is often unusable because it is in a format that cannot be understood by the other party (R).
- INFOCAP3. The parties are able to exchange data or information easily and in usable formats.

Strongly agree

Strongly disagree

1

2

3

4

5

6

7

Based on:

Noordewier, John and Nevin 1990
Robicheaux & Coleman 1994
Bowersox, et al 1995

CONSTRUCTIVE CONFLICT OUTCOMES **(CCO)**

Conflict has the potential to create positive outcomes. Cosar (1956) considers conflict to be a necessary component in all healthy social systems. Business relationships form a social system, and thus, if Cosar's predictions are correct, the business system should be characterized by "healthy" outcomes that were the result of system conflict. That is what constructive conflict is: the extent to which the relationship has exhibited healthy outcomes in response to conflict. Cosar (1956) predicts three specific categories of constructive outcomes; (1) the release of system hostilities before they grow unmanageable and destructive, (2) the adjustment of relationship norms, and (3) the beneficial adjustment of the activities that characterize the relationship.

CCO is conceptualized to be characterized by three components:

- (1) Hostilities Release**
- (2) Norm Adjustment**
- (3) Activity Adjustment**

1. HOSTILITIES RELEASE:

The extent to which conflict has allowed the release of anger and hostility between the parties before such anger has boiled over and caused destructive outcomes.

Based on the relationship you have with this party please respond to the questions below:

HOSTREL1. The relationship conflict has often cleared the air between the parties.

HOSTREL2. The conflict that occurs helps to defuse the more serious and destructive conflict.

HOSTREL3. Conflict has allowed the parties to vent frustration, but hasn't really hurt the relationship.

HOSTREL4. When meetings occur to discuss conflict, the parties often leave feeling even more upset. (R)

HOSTREL5. If the past had more open conflict, the parties would be less frustrated with each other now.

Strongly agree

Strongly disagree

1

2

3

4

5

6

7

Based on:

No literature history for this construct, however the conceptualization comes from:

Cosar, 1956, 1967

Turner, 1986

2. NORM ADJUSTMENT:

The extent to which conflict has initiated beneficial change in the norms that govern the relationship

Based on the relationship you have with this party please respond to the questions below:

- NORMAD1. Conflict has caused the parties to have a diminished working relationship (R).
- NORMAD2. The roles each party is to suppose to play in the relationship have been more accurately defined in response to conflict.
- NORMAD3. Because of the relationship conflict, the two parties have come to a better understanding of what is, and what isn't, acceptable relationship behavior.
- NORMAD4. When changing conditions have caused friction, the parties have been able to make the necessary adjustments to restore balance to the relationship.

Strongly agree

Strongly disagree

1 2 3 4 5 6 7

Based on:

No literature history for this construct, however the conceptualization comes from:

Cosar, 1956, 1967

Turner, 1986

3. ACTIVITY ADJUSTMENT:

**The extent to which conflict has initiated
beneficial change in the relationship activities.**

Based on the relationship you have with this party please
respond to the questions below:

- ACTAD1. Conflict has tied up many resources that
could have been used more productively (R).
- ACTAD2. Conflict has pushed this relationship to
higher performance levels.
- ACTAD3. Conflict has made us review past actions and
make improvements.
- ACTAD4. Conflict has forced the parties to come up
with innovative solutions to relationship
problems.
- ACTAD5. After conflict has been resolved, the
relationship returns to the status quo
without making the changes required to avoid
the reoccurrence of the conflict (R).

Strongly agree

Strongly disagree

1

2

3

4

5

6

7

Based on:

No literature history for this construct, however the
conceptualization comes from:

Cosar, 1956, 1967

Turner, 1986

CONFLICT FREQUENCY, INTENSITY & IMPORTANCE

In order to operationalize these characteristics of conflict, the following list of twenty issues is offered. Respondents will be asked to indicate how frequently there is conflict over each issue, how intense the conflict is over each issue, and how important each issue is to the relationship.

1. Minimum order quantities
2. Payment terms
3. Product quality
4. Level of sales support
5. Level of service support
6. Advertising support
7. Performance objectives
8. Terms of the contract
9. Inventory policies
10. Warranty policies
11. Delivery terms
12. Delivery performance
13. Communication of problems
14. Performance expectations
15. Frequency of communication
16. Strategic objectives
17. Control of resources
18. Sharing of market information
19. Design issues
20. Price and/or margins
21. Ease of communication

CONFLICT FREQUENCY, INTENSITY & IMPORTANCE

1. FREQUENCY:

For each issue, respondents will consider the following statement:

Conflict over this issue occurs:

Never						Very Frequently
1	2	3	4	5	6	7

2. INTENSITY:

Respondents will be asked to respond to the following statement:

Conflict over this issue is:

Not Very Intense						Very Intense
1	2	3	4	5	6	7

3. IMPORTANCE:

Respondents will be asked to respond to the following statement:

In this relationship, this issue is:

Not Very Important						Very Important
1	2	3	4	5	6	7

Based on:

Brown and Day, 1981

CONFLICT FOCUS:

The extent to which the conflict in the relationship focuses around operational issues versus strategic or fundamental issues.

Based on the relationship you have with this party please respond to the questions below:

CFOCUS1. The conflict in this relationship has focused mostly on operational issues.

CFOCUS2. The parties have disagreements over fundamental issues (R).

CFOCUS3. Conflict in this relationship centers on how to achieve goals, not the goals themselves.

CFOCUS4. Much of the conflict centers on disagreements over the basic goals of the relationship (R).

CFOCUS5. The relationship is characterized by strong disagreements over strategic issues (R).

Strongly agree

Strongly disagree

1

2

3

4

5

6

7

Based on:

No literature history for this construct, however the conceptualization comes from:

Cosar, 1956, 1967

RELATIONSHIP SATISFACTION:

The extent to which the party is satisfied with the performance of the relationship (relationship has lived up to the performance expectations set for it).

Based on the relationship you have with this party please respond to the questions below:

- SAT1. We are very satisfied with this relationship.
- SAT2. This relationship meets or exceeds our expectations.
- SAT3. This relationship has performed poorly (R).
- SAT4. Based on the objectives we hold for this relationship, we are very satisfied with the performance of this relationship.
- SAT5. This relationship has not performed up to our expectations. (R)

Strongly agree

Strongly disagree

1

2

3

4

5

6

7

Based on:

Brown, Lusch & Smith, 1990

RELATIONSHIP TRUST:

Confidence in the other party's reliability and integrity.

Considering the relationship you identified please respond to the following statements:

- TRUST1. This firm does not keep our interests in mind when making decisions or taking actions (R).
- TRUST2. This firm keeps the promises it makes to our firm.
- TRUST3. We believe the information this party provides us.
- TRUST4. We find it necessary to be cautious with this firm (R).
- TRUST5. The other party is not always honest with us (R).

Strongly agree

Strongly disagree

1

2

3

4

5

6

7

Based on:

Morgan & Hunt, 1994

Doney & Cannon, 1997

Appendix A2

Construct Conceptualizations and Final Items Used in the Analysis

CLAN-LIKE STRUCTURE

(CLAN)

Robicheaux & Coleman (1994) conceptualize this construct as ranging from "Clan-like" to "Bureaucratic"

Clan-like:

Common sense of well-being among system members and shared values. Decision making is decentralized and informal communications are common. Members are more likely to subordinate their short-term individual self-interests to those of the system and, through participatory governance, compromise is common (p. 47).

Bureaucratic:

Relationship is governed by rules and bureaucratic machinations. Power and influence strategies are key determinants of outcomes. There is an absence of shared values and there is little if any community of interests (p. 47).

Conceptualized by Robicheaux & Coleman (1994) to be indicated by four dimensions;

- (1) formalization
- (2) centralization
- (3) participation
- (4) shared paradigm

1. FORMALIZATION:

The extent to which explicit rules & procedures regulate decisions made concerning the relationship.

This construct was dropped from the final model. Although the questions were nearly verbatim from previous literature (where their construct validity was supported) they showed very poor reliability and were troublesome in the factor analysis procedures (both EFA & CFA). The question of the theoretical significance of this construct will remain unanswered by this dissertation. The "decision making structure" construct will be respecified without a "informalization" sub-component.

RELIABILITY: Alpha = .5870
 (with just items 3-4-5-6 alpha = .5983 and
 this still fails to meet the .7 cutoff point
 suggested by Nunnally 1978)

2. CENTRALIZATION:

The extent that decision making authority is concentrated.

Considering the relationship you identified, please respond to the following statements:

Final Questions Used (numbers from original system)

- CENT2. If a decision needs to be made, the decision is often made by those directly involved in the situation, and does not need the approval of superiors (R).
- CENT4. Superiors must review all important decisions before the decisions take effect.
- CENT5. The frontline employees involved in managing the relationship are free to make decisions involving this relationship (R).
- CENT6. There can be little action taken until relationship decisions have been approved through proper channels.

Reliability: .7439

Based on:

Hage & Aiken 1967
Dwyer & Welsh 1985
Dwyer & Oh 1987
Reve & Stern 1986
John 1984

3. PARTICIPATION:

The degree of actual participation in decision making

Consider the following decision making areas, and indicate the amount of mutual participation that is present for each decision in the relationship.

Final Questions Used (numbers from original system)

- PART1. Delivery arrangements and terms
- PART4. Ordering procedures
- PART5. Product/service prices and/or margins
- PART6. Scheduling of operational activities

Reliability: .6839

Based on:

- Hage & Aiken 1967
- Dwyer & Welsh 1985
- Dwyer & Oh 1987

4. SHARED PARADIGM:

The extent to which the exchange partners share general assumptions and values related to conduct in the relationship.

Considering the relationship you identified, please respond to the following statements:

Final Questions Used (numbers from original system)

- SHARPAR1. The parties often agree on the appropriate course of action for this relationship.
- SHARPAR 2. Both firms share the same values.
- SHARPAR 3. The parties often disagree on what is in the best interest of the relationship (R).
- SHARPAR 4. The parties have different expectations for this relationship (R).
- SHARPAR 5. The parties often agree on what constitutes appropriate relationship behavior.

Reliability: .8130

Based on:

Measures are new but based on the conceptualizations of:

Wilkins & Ouchi 1983

Robicheaux & Coleman 1984

OPERATIONAL INTEGRATION **(OPINT)**

Robicheaux & Coleman (1994) conceptualize this construct as ranging from "Discrete" to "Integrated"

The authors do not give elaborate descriptions of these end points, but instead refer to the components of integration in order to describe these states. Thus, a "integrated" relationship would exhibit a high level of joint action, assistance, monitoring, and information sharing.

There were four components originally specified to make up operational integration:

- (1) joint actions
- (2) assistances
- (3) monitoring
- (4) information sharing

This construct was respecified to have the following two components:

- (1) Relationship Management Integration**
- (2) Logistical Integration**

A question from each of the original 4 factors remains in the new structure and thus preserves the original concept to a certain extent.

1. COMMUNICATION & COORDINATION INTEGRATION:

The level of integration of the activities that enable effective communication and coordination within the relationship.

Final Questions Used (numbers from original system)

- ASSIT1. The parties in this relationship advise each other in advance of potential operational problems (such as delivery delays or stock outs).
- ASSIT4. The parties help each other in value analysis, cost reductions, problem solving, etc.
- ASSIT5. The parties advise each other of potential problems in meeting each other's needs.
- INFOTYP1. Strategic information is readily shared in this relationship.
- INFOCAP1. Information shared between the parties is easily understood and used by both parties.
- INFOCAP3. The parties are able to exchange data or information easily and in usable formats.

Reliability: .8334

Based on:

New construct creation within dissertation

2. TRANSACTIONAL INTEGRATION:

The level of the integration of the activities that facilitate efficient transactions within the relationship

Final Questions Used (numbers from original system)

- | | |
|-----------|---|
| JACT1. | There is a great degree of joint action involved in forecasting |
| MONITOR2. | The parties monitor each other's inventory levels. |
| INFOTYP2. | Production plans are readily shared. |
| INFOTYP3. | Long-range forecasts are readily shared. |

Reliability: .7245

Based on:

New construct creation within dissertation

CONSTRUCTIVE CONFLICT OUTCOMES **(CC0)**

Conflict has the potential to create positive outcomes. Cosar (1956) considers conflict to be a necessary component in all healthy social systems. Business relationships form a social system, and thus, if Cosar's predictions are correct, the business system should be characterized by "healthy" outcomes that were the result of system conflict. That is what constructive conflict is: the extent to which the relationship has exhibited healthy outcomes in response to conflict. Cosar (1956) predicts three specific categories of constructive outcomes; (1) the release of system hostilities before they grow unmanageable and destructive, (2) the adjustment of relationship norms, and (3) the beneficial adjustment of the activities that characterize the relationship.

Constructive Conflict was originally conceptualized to be characterized by three components:

- (1) Hostilities Release
- (2) Norm Adjustment
- (3) Activity Adjustment

This construct was respecified in two ways. First, a five item first-order construct was created via questions from the original three sub-constructs. Second, single-item, continuum-based question capturing destructive to constructive conflict outcomes was called into action.

1. CONSTRUCTIVE CONFLICT OUTCOMES:

The extent to which the relationship has exhibited healthy outcomes in response to conflict.

Based on the relationship you have with this party please respond to the questions below:

The final questions used for the CCO Construct:

- HOSTREL1. The relationship conflict has often cleared the air between the parties.
- NORMAD2. The roles each party is to suppose to play in the relationship have been more accurately defined in response to conflict.
- NORMAD3. Because of the relationship conflict, the two parties have come to a better understanding of what is, and what isn't, acceptable relationship behavior.
- ACTAD2. Conflict has pushed this relationship to higher performance levels.
- ACTAD4. Conflict has forced the parties to come up with innovative solutions to relationship problems.

The Single Global Measure of Conflict Outcomes:

Reflecting on the conflict that has occurred between the two parties, I would characterize the overall impact of that conflict as:

Destructive				Constructive		
(hindered & hurt relationship)				(improved relationship)		
1	2	3	4	5	6	7

CONFLICT FREQUENCY, INTENSITY & IMPORTANCE

In order to operationalize these characteristics of conflict, the following list of twenty issues is offered. Respondents will be asked to indicate how frequently there is conflict over each issue, how intense the conflict is over each issue, and how important each issue is to the relationship.

1. Minimum order quantities
2. Payment terms
3. Product quality
4. Level of sales support
5. Level of service support
6. Advertising support
7. Performance objectives
8. Terms of the contract
9. Inventory policies
10. Warranty policies
11. Delivery terms
12. Delivery performance
13. Communication of problems
14. Performance expectations
15. Frequency of communication
16. Strategic objectives
17. Control of resources
18. Sharing of market information
19. Design issues
20. Price and/or margins
21. Ease of communication

CONFLICT FREQUENCY, INTENSITY & IMPORTANCE

1. FREQUENCY:

The average frequency score was taken for the 21 issues. This score will act as a single question factor in the model.

2. INTENSITY:

The average intensity score was taken for the 21 issues. This score will act as a single question factor in the model.

3. IMPORTANCE:

The average issue importance score was taken for the 21 issues. This score will act as a single question factor in the model.

4. CONFLICT FOCUS:

All the original questions will be used and the average score will act as a single question factor in the model. The questions are below:

CFOCUS1. The conflict in this relationship has focused mostly on operational issues.

CFOCUS2. The parties have disagreements over fundamental issues (R).

CFOCUS3. Conflict in this relationship centers on how to achieve goals, not the goals themselves.

CFOCUS4. Much of the conflict centers on disagreements over the basic goals of the relationship (R).

CFOCUS5. The relationship is characterized by strong disagreements over strategic issues (R).

RELATIONSHIP SATISFACTION:

The extent to which the party is satisfied with the performance of the relationship (relationship has lived up to the performance expectations set for it).

Final Questions Used (numbers from original system)

- SAT1. We are very satisfied with this relationship.
- SAT2. This relationship meets or exceeds our expectations.
- SAT3. This relationship has performed poorly (R).
- SAT4. Based on the objectives we hold for this relationship, we are very satisfied with the performance of this relationship.
- SAT5. This relationship has not performed up to our expectations. (R)

Reliability: .9304

Based on:

Brown, Lusch & Smith 1990

RELATIONSHIP TRUST:

Confidence in the other party's reliability and integrity.

Final Questions Used (numbers from original system)

- TRUST1. This firm does not keep our interests in mind when making decisions or taking actions (R).
- TRUST2. This firm keeps the promises it makes to our firm.
- TRUST3. We believe the information this party provides us.
- TRUST4. We find it necessary to be cautious with this firm (R).
- TRUST5. The other party is not always honest with us (R).

Reliability: .8581

Based on:

Morgan & Hunt 1994

Doney & Cannon, 1997

APPENDIX B

The Pretest Questionnaire

The pretest questionnaire below has been reduced in size to fit the requirement of the dissertation. It originally was sent to the respondents in its full 8.5 x 11 inch format.

Michigan State University - Relationship Management Survey

Thank you for your cooperation. Please answer all questions and return by fax to (517-432-1112)

Please select a single exchange relationship (external to your firm) that your firm has with a supplier or customer where you have been significantly involved in the management of that relationship for at least a year. The relationship can involve either a good or service. Respond based on this relationship.

Considering the relationship you identified above, please respond to the following statements:	Strongly Disagree	Strongly Agree
When looking for solutions to conflict, the parties keep each other's interest in mind.	1	2 3 4 5 6 7
Conflict between the parties has rarely resulted in beneficial policy changes.	1	2 3 4 5 6 7
When approaching conflict resolution, the parties try to construct a win-win outcome.	1	2 3 4 5 6 7
We are very satisfied with this relationship.	1	2 3 4 5 6 7
The parties often agree on the appropriate course of action for this relationship.	1	2 3 4 5 6 7
The parties generally approach conflict resolution with the same goals.	1	2 3 4 5 6 7
Beneficial operational changes have been made in response to the relationship conflict.	1	2 3 4 5 6 7
The relationship conflict has often cleared the air between the parties.	1	2 3 4 5 6 7
Both firms share the same values.	1	2 3 4 5 6 7
Conflict in this relationship is rarely very intense.	1	2 3 4 5 6 7
Beneficial policy adjustments have been made in response to conflict.	1	2 3 4 5 6 7
When conflict occurs, one party often tries to come out on top.	1	2 3 4 5 6 7
Conflict often makes the relationship less effective.	1	2 3 4 5 6 7
The parties look out for each other when resolving conflict.	1	2 3 4 5 6 7
The conflict that occurs helps to defuse the more serious and destructive conflict.	1	2 3 4 5 6 7
This relationship meets or exceeds our expectations.	1	2 3 4 5 6 7
When facing a dispute, the parties refer to common objectives to overcome the dispute.	1	2 3 4 5 6 7
Conflict has forced the parties to rethink and adjust the relationship norms of behavior.	1	2 3 4 5 6 7
The parties often disagree on what is in the best interest of the relationship.	1	2 3 4 5 6 7
Relationship conflict is handled in a manner that attempts to make both parties better off.	1	2 3 4 5 6 7
When dealing with disputes, the parties only look out for their own interests.	1	2 3 4 5 6 7
Conflict has pushed this relationship to higher performance levels.	1	2 3 4 5 6 7
Conflict has made us review past actions and make improvements.	1	2 3 4 5 6 7
The conflict in this relationship has gotten too extreme to handle.	1	2 3 4 5 6 7
When resolving conflict, one party often seeks to become better off at the other's expense.	1	2 3 4 5 6 7
There is frequent conflict between the parties.	1	2 3 4 5 6 7
Based on our relationship objectives, we are satisfied with the performance of this relationship.	1	2 3 4 5 6 7
The parties seek to understand each other's positions before attempting to resolve conflict.	1	2 3 4 5 6 7
The parties have different expectations for this relationship.	1	2 3 4 5 6 7
Conflict is generally over issues that this relationship can easily handle.	1	2 3 4 5 6 7
Conflict has forced the parties to come up with innovative solutions to relationship problems.	1	2 3 4 5 6 7
When we approach conflict resolution, each party pursues its own goals.	1	2 3 4 5 6 7
Conflict has initiated changes in what is considered acceptable relationship behavior.	1	2 3 4 5 6 7
The other party's interests are not relevant when there is a dispute.	1	2 3 4 5 6 7
This relationship is characterized by a great amount of trust.	1	2 3 4 5 6 7
When resolving conflict, the parties look for mutually beneficial solutions.	1	2 3 4 5 6 7
Conflict helps the parties release hostilities before they become overly volatile.	1	2 3 4 5 6 7
The parties often agree on what constitutes appropriate relationship behavior.	1	2 3 4 5 6 7
When changing conditions have caused friction, the parties have been able to make the necessary adjustments in order to restore balance to the relationship.	1	2 3 4 5 6 7
After conflict has been resolved, the relationship returns to the status quo without making the changes required to avoid the recurrence of the conflict.	1	2 3 4 5 6 7

Thank you for the time, please fax the completed questionnaire to 517-432-1112

Appendix C

The Full-Survey Questionnaire

Each page of the survey has been reduced in size in order to conform to the margin requirements of this document. The survey, when used, was an eight-page (8.5x11) document. Each of those pages is included in this appendix.

Michigan State University Relationship Management Survey

Thank you for your cooperation. Please note the following instructions:

1. Please complete the entire questionnaire
2. Please mark only one answer per question
3. When completed, fold this survey so that the back cover forms the outside, staple or tape shut, and drop in the mail. Postage is prepaid.

If you would like access to a detailed summary of the research findings please include your **e-mail address** here: _____

If you do not have an e-mail address, please include an address or fax number

Address: _____ Fax #: _____
_____ Attention: _____

Only the primary researchers will have access to this information, and your responses will only be reported as part of the aggregate data (you will not be individually identified in any research report).

BEGIN HERE:

Please select an exchange relationship* that your firm has with a supplier or customer that meets the following criteria:

1. You have had significant management responsibility for this relationship for a period of at least one year, and
2. A good or service is exchanged, and
3. The relationship is external to your company, and
4. The relationship is a United States based relationship.

Please complete this questionnaire based on the characteristics of the single relationship you have just selected.

* An "exchange relationship" is defined as the relationship between two firms designed to facilitate the exchange of a product or service (e.g. Buyer-Seller, Supplier-Manufacturer, Manufacturer-Retailer, etc.)

Please complete this questionnaire based on the characteristics of the relationship you selected (see cover for selection criteria).

The other party would be considered our: ☐ Customer ☐ Supplier

How long has your firm had a relationship with this other party? Years and Months

What percent of purchases / sales (within this product category) does this relationship represent to your firm?

How many face to face meetings occur in this relationship? How often is product exchanged in this relationship?

times per month/week (circle one) Daily Weekly Monthly

How many years do you perceive this relationship will continue?

Are you actively looking to replace this relationship with a relationship with another firm? ☐ YES ☐ NO

In terms of overall quality, I would rate this relationship as one of my firms.... Best 1 2 3 4 5 6 7 Worst

Has there been any conflict between the parties of this relationship over the past year ☐ YES ☐ NO

Consider the following relationship activities and indicate the degree of joint action that characterizes the execution of these activities in this relationship.	The activity involves...						
	No Joint Action*			Extensive Joint Action**			
Forecasting	1	2	3	4	5	6	7
Component / product testing	1	2	3	4	5	6	7
Personnel training	1	2	3	4	5	6	7
Product design and development	1	2	3	4	5	6	7
Promotional Activities	1	2	3	4	5	6	7
Inventory Control	1	2	3	4	5	6	7

* one firm executes activity independent of other firm ** Both firms contribute significantly to activity execution

Considering the relationship you identified above, please respond to the following statements:	Strongly Disagree							Strongly Agree						
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
When decisions are made concerning this relationship, the parties rely on clearly specified operating procedures.	1	2	3	4	5	6	7							
When conflict arises in this relationship the parties keep each other's interest in mind when looking for solutions to that conflict.	1	2	3	4	5	6	7							
Conflict has caused the parties have a diminished working relationship.	1	2	3	4	5	6	7							
The conflict in this relationship has focused mostly on operational issues.	1	2	3	4	5	6	7							
Within this relationship, decision-making authority is concentrated in a few individuals.	1	2	3	4	5	6	7							
The parties in this relationship advise each other in advance of potential operational problems (such as delivery delays or stock outs).	1	2	3	4	5	6	7							
Strategic information is readily shared in this relationship.	1	2	3	4	5	6	7							
In the process of conflict resolution, one party normally seeks to become better off at the expense of the other party.	1	2	3	4	5	6	7							
We are very satisfied with this relationship.	1	2	3	4	5	6	7							

Based on the relationship you identified, please respond to the following statements:							
	Strongly Disagree			Strongly Agree			
The parties often agree on the appropriate course of action for this relationship.	1	2	3	4	5	6	7
Communication between the parties happens often.	1	2	3	4	5	6	7
The parties generally approach conflict resolution with the same goals.	1	2	3	4	5	6	7
The roles each party is suppose to play in this relationship have been more accurately defined in response to conflict.	1	2	3	4	5	6	7
The parties spend little time checking on each other's performance.	1	2	3	4	5	6	7
The relationship conflict has often cleared the air between the parties.	1	2	3	4	5	6	7
Existing rules and procedures are often ignored when relationship decisions are made.	1	2	3	4	5	6	7
Information shared between the parties is easily understood and used by both parties.	1	2	3	4	5	6	7
If a decision needs to be made, the decision is often made by those directly involved in the situation, and does not need the approval of superiors.	1	2	3	4	5	6	7
Both firms share the same values.	1	2	3	4	5	6	7

Consider the following decision making areas, and indicate the amount of mutual participation that is present for each type of relationship decision:	The decision is made...						
	Entirely by one party			Equally by both parties			
Delivery arrangements and terms	1	2	3	4	5	6	7
Product/service design changes	1	2	3	4	5	6	7
Length of contract/agreement	1	2	3	4	5	6	7
Ordering procedures	1	2	3	4	5	6	7
Product/service prices or margins	1	2	3	4	5	6	7
Scheduling of operational activities	1	2	3	4	5	6	7
Demand and/or supply requirement forecasting	1	2	3	4	5	6	7

Please circle the one industry category that best describes your firm.

- | | | | | |
|-----------------------|-------------------------|---------------------|------------------------|---------------------|
| 1. Appliances | 6. Computer | 11. Food & Beverage | 16. Mining/Minerals | 21. Primary Metals |
| 2. Automotive | 7. Construction equip. | 12. Furniture | 17. Office Equipment | 22. Rubber Products |
| 3. Building Materials | 8. Department Store | 13. Hardware | 18. Paper Products | 23. OTHER, please |
| 4. Chemicals/plastics | 9. Electrical Machinery | 14. Machine Tools | 19. Petroleum Products | specify |
| 5. Clothing/textiles | 10. Electronics | 15. Metal Products | 20. Pharmaceuticals | |

Please respond to the following demographic items:	Your Firm		Other Party
Size, in annual sales dollars.			
Years in business			
Number of employees			

Overall, I would describe this relationship as one characterized by:

Little Trust	1	2	3	4	5	6	7	Great Trust
Little Commitment	1	2	3	4	5	6	7	Great Commitment
Little Interdependence	1	2	3	4	5	6	7	Great Interdependence

Based on the relationship you identified, please consider the following statements:	Strongly Disagree							Strongly Agree						
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Production plans are readily shared.														
Conflict has tied up many resources that could have been used more productively.														
The parties help each other in emergencies.														
When conflict occurs, one party often tries to come out on top.														
The parties have disagreements over fundamental issues.														
The parties monitor each other's inventory levels.														
The parties frequently share information.														
The parties look out for each other when resolving conflict.														
The conflict that occurs helps to defuse the more serious and destructive conflict.														
This relationship meets or exceeds our expectations.														
A small percentage of individuals involved in this relationship set the relationship policies.														
Unless payback is immediate, help is not offered to the other party.														
Although information is shared between the parties, it is often unusable because it is in a format that cannot easily be understood by the other party.														
When we meet to settle a dispute with this party, we often refer to common objectives in order to overcome these disputes.														
The parties refer to written and/or verbal instructions to guide decision making.														
The parties help each other in value analysis, cost reductions, problem solving, etc.														
Long-range forecasts are readily shared.														
Conflict in this relationship centers on how to achieve goals, not the goals themselves.														
The parties assess relationship performance through a formal evaluation program.														
The parties often disagree on what is in the best interest of the relationship.														
Relationship conflict is handled in a manner that attempts to make both parties better off.														

Reflecting on the relationship conflict that has occurred, I would characterize the overall impact of that conflict as:

DESTRUCTIVE (damaged relationship) 1 2 3 4 5 6 7 (improved relationship) CONSTRUCTIVE

<i>Considering the relationship you identified, please respond to the following statements:</i>	<i>Strongly Disagree</i>							<i>Strongly Agree</i>
This firm does not keep our interests in mind when making decisions or taking actions	1	2	3	4	5	6	7	
This firm keeps the promises it makes to our firm	1	2	3	4	5	6	7	
We could not achieve our corporate goals without being part of this relationship.	1	2	3	4	5	6	7	
My firm intends to maintain this relationship indefinitely.	1	2	3	4	5	6	7	
We believe the information this party provides us.	1	2	3	4	5	6	7	
We find it necessary to be cautious with this firm.	1	2	3	4	5	6	7	
If this relationship were terminated, our firm could easily replace the other party.	1	2	3	4	5	6	7	
This relationship deserves our firm's maximum effort to maintain.	1	2	3	4	5	6	7	
The other party is not always honest with us	1	2	3	4	5	6	7	
We are not very committed to this relationship.	1	2	3	4	5	6	7	

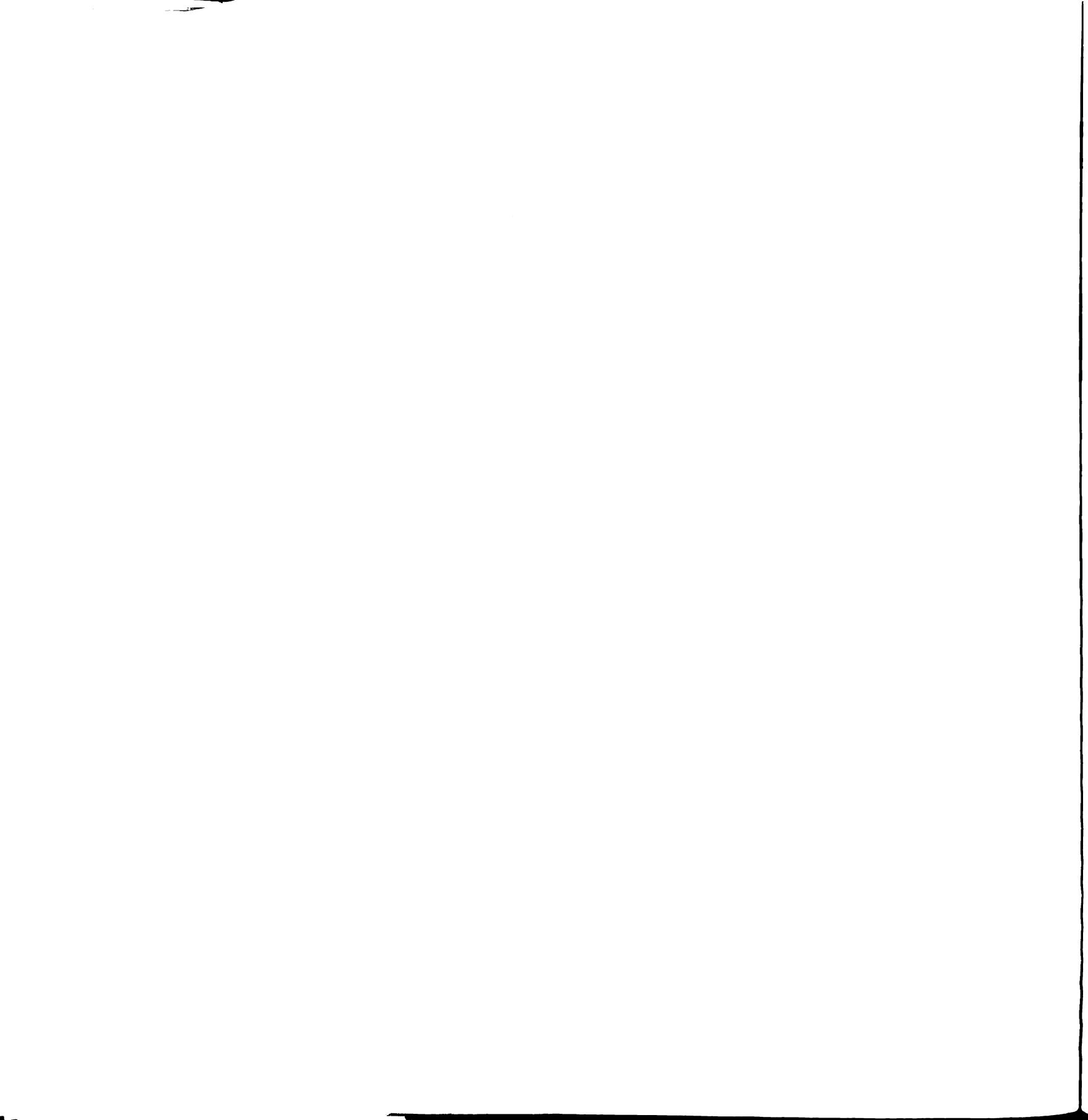
Compared to a year ago, this relationship can best be described as:

Less Productive	1	2	3	4	5	6	7	More Productive
Less Trusting	1	2	3	4	5	6	7	More Trusting
Lower Quality	1	2	3	4	5	6	7	Higher Quality
Less Friendly	1	2	3	4	5	6	7	More Friendly

Based on the relationship you identified, please consider the following statements:	Strongly Disagree							Strongly Agree
Conflict has pushed this relationship to higher performance levels.	1	2	3	4	5	6	7	
Information / data is exchanged infrequently.	1	2	3	4	5	6	7	
Superiors must review all important relationship decisions before the decisions take effect.	1	2	3	4	5	6	7	
This relationship has performed poorly.	1	2	3	4	5	6	7	
Conflict has made us review past actions and make improvements.	1	2	3	4	5	6	7	
Formal, written contracts guide relationship decision-making.	1	2	3	4	5	6	7	
Impending design changes are readily shared.	1	2	3	4	5	6	7	
Conflict has allowed the parties to vent frustration, but hasn't really hurt the relationship.	1	2	3	4	5	6	7	
Much of the conflict centers on disagreements over the basic goals of the relationship.	1	2	3	4	5	6	7	
The parties share performance reports regularly.	1	2	3	4	5	6	7	
When changing conditions have caused friction, the parties have been able to make the necessary adjustments in order to restore balance to the relationship.	1	2	3	4	5	6	7	
Based on the objectives we hold for this relationship, we are very satisfied with the performance of this relationship.	1	2	3	4	5	6	7	
The frontline employees involved in managing this relationship are free to make decisions involving the relationship.	1	2	3	4	5	6	7	
The parties are able to exchange data or information easily and in usable formats.	1	2	3	4	5	6	7	

<i>Considering the relationship you have with the primary contact at this firm, please respond to the following statements:</i>	<i>Strongly Disagree</i>	<i>Strongly Agree</i>
This individual always treats me fairly.	1 2 3 4 5 6 7	
I consider this individual to be a friend as well as a business associate.	1 2 3 4 5 6 7	
There is a great amount of personal conflict between us.	1 2 3 4 5 6 7	
I have great respect for this individual.	1 2 3 4 5 6 7	

Based on the relationship you identified, please consider the following statements:	Strongly Disagree	Strongly Agree
The parties seek to understand each other's positions before attempting to resolve conflict.	1 2 3 4 5 6 7	
The parties have different expectations for this relationship.	1 2 3 4 5 6 7	
If the past had more open conflict, there would be less frustration with each other now.	1 2 3 4 5 6 7	
When making a relationship decision, the parties fall back on standard courses of action.	1 2 3 4 5 6 7	
Conflict has forced the parties to create innovative solutions to relationship problems.	1 2 3 4 5 6 7	
The parties advise each other of potential problems in meetings each other's needs.	1 2 3 4 5 6 7	
When we approach conflict resolution, each party pursues its own goals.	1 2 3 4 5 6 7	
In response to the relationship conflict, the parties have come to a better understanding of what is, and what isn't, acceptable relationship behavior.	1 2 3 4 5 6 7	
This relationship has not performed up to our expectations.	1 2 3 4 5 6 7	
There can be little action taken until relationship decisions have been approved through the proper channels.	1 2 3 4 5 6 7	
The relationship makes use of many controls.	1 2 3 4 5 6 7	
When dealing with disputes, the parties only look out for their own interests.	1 2 3 4 5 6 7	
After conflict has been resolved, the relationship returns to the status quo without making the changes required to avoid the reoccurrence of similar conflict.	1 2 3 4 5 6 7	
In general conflict in this relationship occurs mostly over very important issues	1 2 3 4 5 6 7	
When faced with a relationship decision, the parties rely on behavior dictated by formalized roles and responsibilities.	1 2 3 4 5 6 7	
Financial planning information is rarely shared in this relationship.	1 2 3 4 5 6 7	
When resolving conflict, the parties look for mutually beneficial solutions.	1 2 3 4 5 6 7	
This relationship is characterized by strong disagreements about strategic issues.	1 2 3 4 5 6 7	
When meetings occur to discuss conflict, the parties often leave feeling even more upset.	1 2 3 4 5 6 7	
The parties often agree on what constitutes appropriate relationship behavior.	1 2 3 4 5 6 7	



Please assess the conflict that has characterized this relationship over the last year.

ISSUE	Conflict over this issue has occurred:							Conflict over this issue has been:							In this relationship, this issue is:						
	Never	1	2	3	4	5	Very Frequently	Never	1	2	3	4	5	Very Intense	Not Very Important	1	2	3	4	5	Very Important
Minimum order quantities	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Payment terms	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Product quality	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Level of sales support	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Level of service support	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Advertising support	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Performance objectives	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Terms of contract	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Inventory policies	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Warranty policies	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Delivery terms	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Delivery performance	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Communication of problems	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Performance expectations	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Frequency of communication	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Coordination of strategy	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Control of resources	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Sharing of market information	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Design issues	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Price and/or margins	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Ease of communication	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7

Considering the relationship conflict, I believe that overall the conflict has:

Been very infrequent	1	2	3	4	5	6	7	Been very frequent
Not been very intense	1	2	3	4	5	6	7	Been very intense
Caused bitterness	1	2	3	4	5	6	7	Reduced bitterness
Lead to poor decisions	1	2	3	4	5	6	7	lead to better decisions
Lead to wasted resources	1	2	3	4	5	6	7	Lead to better use of resources
Pulled parties apart	1	2	3	4	5	6	7	Brought parties closer together
Hindered productivity	1	2	3	4	5	6	7	Lead to productivity improvements

PERSONAL INFO:

Your position in the firm (Title) _____ Time in that position: (yrs) _____

Time with current firm: (yrs) _____ Time in Industry: (yrs) _____ Time managing this relationship: (yrs) _____

Thank you for your time and cooperation

RETURN TO:

James A. Eckert
Michigan State University
Department of Marketing & Supply Chain Management
N370 North Business Complex
East Lansing, MI 48824-9902

FAX: 517-432-1112

Thank you for your time and cooperation.

RETURN TO:

James A. Ecker
Michigan State University
Department of Marketing & Supply Management
N370 North Business Complex
East Lansing, MI 48824-9002

FAX: 517-432-1112

REFERENCES

REFERENCES

Achrol, Ravi (1991), "Evolution of the Marketing Organization: New Forms for Turbulent Environments," *Journal of Marketing*, 55(October), 71-93.

Achrol, Ravi, Torger Reve, and Louis W. Stern (1983), "The Environment of Marketing Channel Diads: A Framework for Comparative Analysis," *Journal of Marketing*, 47(Fall), 55-67.

Alderson, Wroe (1954), "Factors Governing the Development of Marketing Channels," *Marketing Channels for Manufactured Products*, Richard M. Clewet, ed. Homewood, IL: Irwin, 5-22.

Anderson, Erin and Barton Weitz (1989), "Determinants of Continuity in Conventional Industrial Channel Dyads," *Marketing Science*, 8(Fall), 310-323.

Anderson, James C. (1987), "An Approach for Confirmatory Measurement and Structural Equation Modeling of Organizational Properties," *Management Science*, 33 (April), 525-541.

----- and David W. Gerbing (1982), "Some Methods for Respecifying Measurement Models to Obtain Unidimensional Construct Measurement," *Journal of Marketing Research*, XIX (November), 453-460.

----- and David W. Gerbing (1988), "Structural Equation Modeling in Practice: A Review and Recommended Two-Step Approach," *Psychological Bulletin*, 103 (May), 411-423.

----- and James A. Narus (1984), "A Model of the Distributor's Perspective of Distributor Manufacturer Working Relationships," *Journal of Marketing*, 48(Fall), 62-74.

----- and James A. Narus (1990), "A Model of Distributor Firm and Manufacturing Firm Working Partnerships," *Journal of Marketing*, 54(January), 42-58.

Armstrong, J. Scott and Terry S. Overton (1977), "Estimating Nonresponse Bias in Mail Surveys," *Journal of Marketing Research*, 14(August), 396-402.

Arndt, Johan (1979), "Towards a Concept of Domesticated Markets," *Journal of Marketing*, 43(Fall), 69-75.

Assael, H. (1969), "Constructive Role of Interorganizational Conflict," *Administrative Science Quarterly*, 14(December), 573-582.

Bagozzi, Richard P. and Youjae Yi (1988), "On the Evaluation of Structural Equation Models," *Journal of the Academy of Marketing Science*, 16(Spring), 74-94

Blake, Robert R. and Jane S. Mouton (1964), *The Managerial Grid*, Houston, TX: Gulf Publishing.

Bollen, Kenneth (1989), *Structural Equations with Latent Variables*, New York, NY: John Wiley & Sons, Inc.

Bowersox, Donald J. (1990), "The Strategic Benefits of Logistics Alliances," *Harvard Business Review*, (July-August), 36-45.

-----, Roger Calantone, Steven Clinton, David Closs, M. Bixby Cooper, Cornelia Droge, Stanley Fawcett, Robert Frankel, David Frayer, Edward Morash, Lloyd Rinehart and Judith Schmitz (1995), *World Class Logistics: The Challenge of Managing Continuous Change*, Oak Brook, IL: The Council of Logistics Management.

Brown, James and Ralph Day (1981), "Measures of Manifest Conflict in Distribution Channels," *Journal of Marketing Research*, 18 (August), 263-274.

Brown, James R., Robert F. Lusch and Laurie P. Smith (1991), "Conflict and Satisfaction in an Industrial Channel of Distribution," *International Journal of Physical Distribution and Logistics Management*, 21(6), 15-25

Bucklin, Louis P. (1965), "Postponement, Speculation and the Structure of Distribution Channels," *Journal of Marketing Research*, 2(February), 26-31

Burnkrant, Robert E. and Thomas J. Page, Jr. (1982), "An Examination of the Convergent, Discriminant, and Predictive Validity of Fishbein's Behavioral Intention Model," *Journal of Marketing Research*, 19(November), 550-561.

Cosar, Lewis A. (1956), *The Functions of Social Conflict*, London: Free Press.

----- (1967), *Continuities in the Study of Social Conflict*, New York: Free Press.

Churchill, Gilbert A. (1979), "A Paradigm for Developing Better Measures of Marketing Constructs," *Journal of Marketing Research*, 16(February), 64-73.

----- (1991), *Marketing Research: Methodological Foundations*, 5th Edition, Chicago: The Dryden Press.

Converse, Paul D. (1949), "New Laws of Retail Gravitation," *Journal of Marketing*, 14(October) 379-84.

Dant, Rajiv P. and Patrick L. Schul (1992), "Conflict Resolution Processes in Contractual Channels of Distribution," *Journal of Marketing*, 56(January), 38-54.

Davis, Murray S. (1971) "That's Interesting!," *Philosophy of Social Science*, I, 309-344.

Deutsch, Morton (1973), *The Resolution of Conflict*, New Haven, CT: Yale University Press.

Dillman, Don A. (1978), *Mail and Telephone Surveys: The Total Design Method*, New York, NY: John Wiley & Sons, Inc.

Dwyer, Robert F. and Sejo Oh (1987), "Output Sector Munificence Effects on the Internal Political Economy of Marketing Channels," *Journal of Marketing Research*, 24(November), 347-58

Dwyer, Robert F., Paul H. Schurr and Sejo Oh (1987), "Developing Buyer-Seller Relationships," *Journal of Marketing*, 51(April), 11-27.

----- and Orville Walker Jr. (1981), "Bargaining in an Asymmetrical Power Structure," *Journal of Marketing*, 45 (Winter), 104-115.

----- and Mary Ann Welsh (1985), "Environmental Relationships of the the Internal Political Economy of Marketing Channels," *Journal of Marketing Research*, 22(November), 397-414.

El-Ansary, Adel I and Louis Stern (1972), "Power Measurement in the Distribution Channel," *Journal of Marketing Research*, 9(February) 47-52.

Etgar, Michael (1979), "Sources and Types of Intrachannel Conflict," *Journal of Retailing*, 55 (Spring), 61-78.

Fornell, Claes and David F. Larcker (1981), "Evaluating Structural Equation Models with Unobservable Variables and Measurement Error," *Journal of Marketing Research*, 18(February), 39-50.

Frazier, Gary L. and Kersi D. Antia (1995), "Exchange Relationships and Interfirm Power in Channels of Distribution," *Journal of the Academy of Marketing Science*, 23(4), 321-26.

Ganesan, Shankar (1994), "Determinants of Long-Term Orientation in Buyer-Seller Relationships," *Journal of Marketing*, 58(April), 1-19.

Gaski, John (1984), "The Theory of Power and Conflict in Channels of Distribution," *Journal of Marketing*, 48 (Summer), 9-28.

Gundlach, Gregory T., Ravi S. Achrol and John T. Mentzer (1995), "The Structure of Commitment in Exchange," *Journal of Marketing*, 59(January) 78-92.

Hage, J. and M. Aiken (1967), "Relationship of Centralization to Other Structural Properties," *Administrative Science Quarterly*, 12 (June), 72-92.

Hayduk, Leslie A., (1987), *Structural Equation Modeling with LISREL*, The John Hopkins University Press.

Heide, Jan B. (1994), "Interorganizational Governance in Marketing Channels," *Journal of Marketing*, 58(January), 71-85.

----- and George John (1992), "Do Norms Matter in Marketing Relationships?," *Journal of Marketing*, 56(April), 32-44.

----- (1990), "Alliances in Industrial Purchasing; The Determinants of Joint Action in Buyer-Supplier Relationships," *Journal of Marketing Research*, 27(February), 24-36.

----- (1992), "Do Norms Matter in Marketing Relationships?" *Journal of Marketing*, 56(April), 32-44.

Hoyle, Rick H. (1995), *Structural Equation Modeling: Concepts, Issues, and Applications*, Thousand Oaks, CA: Sage Publications.

Hunt, Shelby D. (1991), *Modern Marketing Theory: Critical Issues in the Philosophy of Marketing Science*, Cincinnati, OH: South-Western Publishing Co..

----- and John Nevin (1974), "Power in a Channel of Distribution: Sources and Consequences," *Journal of Marketing Research*, 11 (May), 186-193.

Jackson, Barbara Bund (1985), "Build Customer Relationships that Last," *Harvard Business Review*, (November-December), 120-128.

John, George (1984), "An Empirical Investigation of Some Antecedants of Opportunism in a Marketing Channel," *Journal of Marketing Research*, 21(August), 278-89.

Johnston, Russell and Paul R. Lawrence (1988), "Beyond Vertical Integration - The Rise of the Value-Adding Partnership," *Harvard Business Review*, (July-August), 94-101.

Kerlinger, Fred N. (1986), *Foundations of Behavioral Research*, 3rd Edition, Fort Worth: Harcourt Brace Jovanovich College Publishers.

Kuhn, Thomas S. (1970), *The Structure of Scientific Revolutions*, Chicago: University of Chicago Press.

Leslie, L.L. (1972), "Are High Response Rates Essential to Valid Surveys?" *Social Science Research*, 1, 323-334.

Lusch, Robert F. (1976a), "Sources of Power: Their Impact on Intrachannel Conflict," *Journal of Marketing Research*, 13 (November), 382-390.

----- (1976b), "Channel Conflict: Its Impact on Retailer Operating Performance," *Journal of Retailing*, 52(Summer), 3-12, 89-90.

----- and James R. Brown (1982), "A Modified Model of Power in the Marketing Channel," *Journal of Marketing Research*, 19(August), 312-323.

MacNeil, Ian R. (1978), "Contracts: Adjustment of Long-Term Economic Relations Under Classical, Neo-Classical, and Relational Contract Law," *Northwestern University Law Review*, 72, 854-905.

----- (1980), *The New Social Contract*, New Haven, CT: Yale University Press.

----- (1983), "Values in Contract," *Northwestern University Law Review*, 78 (April), 340-410.

Mallen, Bruce (1963), "A Theory of Retailer-Supplier Conflict, Control, and Cooperation," *Journal of Retailing*, 39 (Summer), 24-32, 51.

----- (1967), *The Marketing Channel: A Conceptual Viewpoint*, New York: John Wiley & Sons, Inc.

----- (1973), "Functional Spin-Off: A Key to Anticipating Change in Distribution Structure," *Journal of Marketing*, 37 (July), 18-25.

March, James G. and Herbert A. Simon (1958), *Organizations*, New York, NY: Wiley.

Morgan, Robert M. and Shelby D. Hunt (1994), "The Commitment-Trust Theory of Relationship Marketing," *Journal of Marketing*, 58 (July), 20-38.

Narus, James A. and James C. Anderson (1986), "Turn you industrial distributors into partners," *Harvard Business Review*, 64 (March-April), 66-71.

Nevin, John R. (1995), "Relationship Marketing and Distribution Channels: Exploring Fundamental Issues," *Journal of the Academy of Marketing Science*, 23 (4), 327-334.

Noordewier, Thomas G., George John and John R. Nevin (1990), "Performance Outcomes of Purchasing Arrangements in Industrial Buyer-Vendor Relationships," *Journal of Marketing*, 54 (October), 80-93.

Nunnally, Jum C. (1978), *Psychometric Theory*, 2nd ed. New York: McGraw-Hill Book Company.

Palay, Thomas (1984), "Comparative Institutional Economics: The Governance of Rail Freight Contracting," *Journal of Legal Studies*, 13 (June), 265-288.

Peter, Paul J. (1981), "Construct Validity: A Review of Basic Issues and Marketing Practices," *Journal of Marketing Research*, 18(May), 133-145.

Pondy, Louis R. (1967), "Organizational Conflict: Concepts and Models," *Administrative Science Quarterly*, 12(September), 296-320.

Pruit, Dean G. (1981), *Negotiation Behavior*, New York: Academic Press, Inc..

Rahim, Afzalur M. (1983), "Measure of Styles of Handling Interpersonal Conflict," *Academy of Management Journal*, 26(2), 368-376.

Reve, Torger and Louis W. Stern (1986), "The Relationship Between Interorganizational Form, Transaction Climate, and Economic Performance in Vertical Interfirm Dyads," in *Marketing Channels: Relationships and Performance*, Luca Pellegrini and Srinivas K. Reddy, eds. Lexington, MA: Lexington Books, 75-102.

Robicheaux, Robert A. and James E. Coleman (1994), "The Structure of Marketing Channel Relationships," *Journal of the Academy of Marketing Science*, 22(1), 38-51.

Rosenberg, Larry J. and Louis Stern (1970), "Toward the Analysis of Conflict in Distribution Channels: A Descriptive Model," *Journal of Marketing Research*, 34 (October), 40-46.

----- (1971), "Conflict Measurement in the Distribution Channel," *Journal of Marketing Research*, 8(November), 437-442.

Rosenbloom, Bert (1973), "Conflict and Channel Efficiency: Some Conceptual Models for the Decision-Maker," *Journal of Marketing*, 37 (July), 26-30.

Ryan, Franklin W. (1935), "Functional Concepts in Market Distribution," *Harvard Business Review*, 13(January), 205-224.

Schul, Patrick L. and Emin Babakus (1988), "An Examination of the Interfirm Power-Conflict Relationship: The Intervening Role of The Channel Decision Structure," *Journal of Retailing*, 64(4), 381-404.

Shaw, Arch (1912), "Some Problems in Market Distribution," *Quarterly Journal of Economics*, 26(August) 706-765.

Sheth, Jagdish N. (1973), "A Model of Industrial Buyer Behavior," *Journal of Marketing*, 37(October), 50-56.

Simmel, Georg (1955), *Conflict*, trans. Kurt H. Wolff, Glencoe, IL: The Free Press.

Stern, Louis W. (1969), *Distribution Channels: Behavioral Dimensions*, Boston, MA: Houghton Mifflin Co.

----- and Jay W. Brown (1969), "Distribution Channels: A Social Systems Approach," in *Distribution Channels: Behavioral Dimensions*, ed. Louis W. Stern, Boston: Houghton Mifflin, 1-19.

----- and Adel I. El-Ansary (1977), *Marketing Channels*, Englewood Cliffs, NJ: Prentice-Hall, Inc.

----- and R. Gorman (1969), "Conflict in Distribution Channels: An Exploration," in *Distribution Channels: Behavioral Dimensions*, L.W. Stern, ed. Boston: Houghton-Mifflin, 156-175.

----- and Torger Reve (1980), "Distribution Channels as Political Economies: A Framework for Comparative Analysis," *Journal of Marketing*, 44(Summer), 52-64.

Thomas, Kenneth (1976), "Conflict and Conflict Management," in *Handbook of Industrial and Organizational Psychology*, Marvin D. Dunnette, ed. Chicago: Rand McNally, 889-935.

Turner, Jonathan H. (1986), *The Structure of Sociological Theory*, 4th Edition, Chicago: The Dorsey Press.

Webster, Frederick E., Jr. (1992), "The Changing Role of Marketing in the Corporation," *Journal of Marketing*, 56(October), 1-17.

Weitz, Barton A. and Sandy D. Jap (1995), "Relationship Marketing and Distribution Channels," *Journal of the Academy of Marketing Science*, 23(4), 305-320.

Weld, L. D. H. (1916), *The Marketing of Farm Products*, New York: The Macmillan Company.

----- (1917), "Marketing Functions and Mercantile Organizations," *American Economic Review*, 7(June), 306-318.

Wilkins, Alan L. and William G. Ouchi (1983), "Efficient Cultures: Exploring the Relationship Between Culture and Organizational Performance," *Administrative Science Quarterly*, (28): 468-481.

Williamson, Oliver E. (1975), *Markets and Hierarchies*, New York, NY: The Free Press.

----- (1979), "Transaction Cost Economics: the Governance of Contractual Relations," *Journal of Law and Economics* (22): 233-261.