

Effective conflict resolution within marketing channels

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Although the institutional or structural methods of conflict resolution have received attention in marketing channels literature, processual strategies have been subjected to less academic scrutiny. The purpose of this research is to contribute to conflict resolution literature by comparing two competing processual conflict resolution strategies within the business-to-business relationship context. This is accomplished by conducting two studies. Study one operationalizes problem solving, persuasion, bargaining and politicking as conflict resolution strategies which act as predictors of key relational constructs. This study represents an extension of Dant and Schul's (1992) work, as different inferential techniques are used to examine the efficacy of this CR taxonomy. The second study operationalizes problem solving in a similar way but introduces compromising and aggressive strategies as predictor strategies. This study extends Ganesan's (1993) CR model by applying the taxonomy in a franchising context. The results of the two studies show that the mutuality driven strategies (i.e., problem solving, compromise, and persuasion) were positively related to constructs such as trust and commitment, which have a positive influence on relational outcomes. However, unilateral strategies were positively related to harmful outcomes such as perceptions of stress and conflict.

Keywords: channels; conflict resolution; franchising; relationship marketing; strategy.

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The role of conflict within channels of distribution receives considerable attention within the channels literature (Eshghi and Ray 2021; Ivanov, Stoilova, and Illum 2015; Liu and Sharma 2011; Lorentz et al. 2012). Many Organizational scholars agree that conflict in channels is inherent and pervasive but should not always be considered destructive (Butaney 1989; Claro, Vojnovskis, and Ramos 2018; Dant and Schul 1992; Edwards and Baker 2020; Liu and Sharma 2011).

When conflict can improve overall channel performance it is considered constructive (Claro Vojnovskis, and Ramos 2018). However, if it impedes the accomplishment of these goals, it is destructive (Butaney 1989; Dant and Schul 1992; Webb 2002). Given the potential for conflict to produce opposite and potentially severe consequences, it is not surprising that the management of conflict in marketing channels is an ongoing debate (Eshghi and Ray 2021)

Such consequences do not always result from the conflict itself however, but rather from how conflict is managed. Thus, it is important that conflict resolution (CR) strategies continue to receive empirical investigation. Such research assists in revealing a better understanding of which CR strategies are best utilized by organizations, leading to the best possible outcome for all parties involved.

According to Stern and El-Ansary (1988), the management of conflict in channel relationships requires innovative approaches that produce positive resolutions.

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Accordingly, the satisfactory resolution of conflict assists in facilitating the formation and retention of strong bonds and lasting relationships between channel partners (Claro, Vojnovskis, and Ramos 2018).

Typically, research investigating CR strategies in distribution channels has often been divided into two styles or methods: processual and institutional, (e.g., Thomas 1976). Institutionalized methods represent the systematic and ongoing manner with which channel partners address conflict. Arbitration and mediation boards, co-optation, and joint membership in trade organizations are all examples of institutionalized mechanisms used to help manage and reduce conflict (Dant and Schul 1992).

The processual category of CR involves activities or processes that enable institutionalized or non-institutionalized CR strategies (Stern 1971). These include any behaviors within or outside the scope of existing institutionalized resolution strategies initiated by channel leaders to resolve conflict (Dant and Schul 1992). For example, the organizational process that allows for such things as arbitration may also enable fewer formal methods that seek to satisfy both parties (e.g., Thomas 1976; Thompson 2014).

Although these CR strategies have been investigated as two distinct CR styles, such distinctions are primarily made for the purposes of convenience when conceptualizing differing processes (Dant and Schul 1992; Thomas 1976). Both processes can be conducted simultaneously, which is often normal practice (Wang et al. 2020).

To date, the processual category has been studied by scholars in such disciplines as; strategic alliances and joint ventures (e.g., Lin and Germain 1998; Lu 2006; Moore, Birtwistle, and Burt 2004), gender roles within organizations (Brahnam et al. 2005; Brewer, Mitchell, and Weber 2002; Chan et al. 2006; Sorenson, Hawkins, and Sorenson 1995), international trade (Kozan 2002; Lee 2002; C.L. Wang et al. 2005), and issues surrounding management and leadership (Drory and Ritov 1997; Hignite, Margavio, and Chin 2002). It has also been considered in nonbusiness areas including personality (Moberg 1998, 2001), coaching (Laios and Tzetzis 2005), and ethnic-gender differences (Sadri and Rahmatian 2003). However, despite the attention on the processual category in other fields, to date, it has received little scholarly attention in distribution channels (Dant and Schull 1992)

Considering this, our article seeks to help fill this current knowledge gap by calling attention to this area of CR. We accomplish this goal by empirically testing two competing processual taxonomies originally proposed by Dant and Schul (1992) and Ganesan (1993). These tests are conducted on contemporary outcome relational variables (e.g., trust, commitment, and cooperation). To the best of our knowledge, these tests represent the first examination of the influence these (or any) processual taxonomies have on such a large battery of relational outcomes. Prior to this investigation we first offer a brief review and explanation of conflict in distribution channels.

Conflict can be conceptualized as one channel member perceiving their ability to obtain desired outcomes obstructed by at least one other channel member (Liu and Sharma 2011; Wang et al. 2020). Conflict is pervasive and an inevitable outcome in all business-to-business relationships (Eshghi and Ray 2021; Liu and Sharma 2011; Stern and El-Ansary 1988). It is particularly prevalent in situations characterized by functional interdependence between two businesses (Cadotte and Stern 1979; Pondy 1967; Reve and Stern 1979) or dependent dyads such as franchising and distribution systems (Pondy 1992; Weaven et al. 2014). Conflict is often caused by goal incongruity, domain dissensus and perceptual differences between parties (Rosenberg and Stern 1971), as well as asymmetrical power structures (Brown, Lusch, and Muehling 1983; Le, Cheng & Tran 2018), and the emergence and recognition of opportunistic behaviors by channel members (Dant, Kaufmann, and Paswan 1992).

Though most of the conflict literature examines conflict as a negative influence on performance (Eshghi and Ray 2021; Wang et al. 2020), there is some confusion as to

whether conflict is inherently negative or (at some optimal level) serves as a functional component of interorganizational exchange (Duarte and Davies 2003). Brown and Day (1981), Cronin and Baker (1993), Frazier, Gill, and Kale (1989), Kelly and Peters (1977), Eshghi and Ray (2021), all found conflict to be negatively associated with performance. However, Assael (1968) and Rosson and Ford (1980) provided evidence of a positive association. Adding to this confusion, others report conflict as having no substantive impact on channel member performance at all (e.g., Lusch 1976; Pearson 1973).

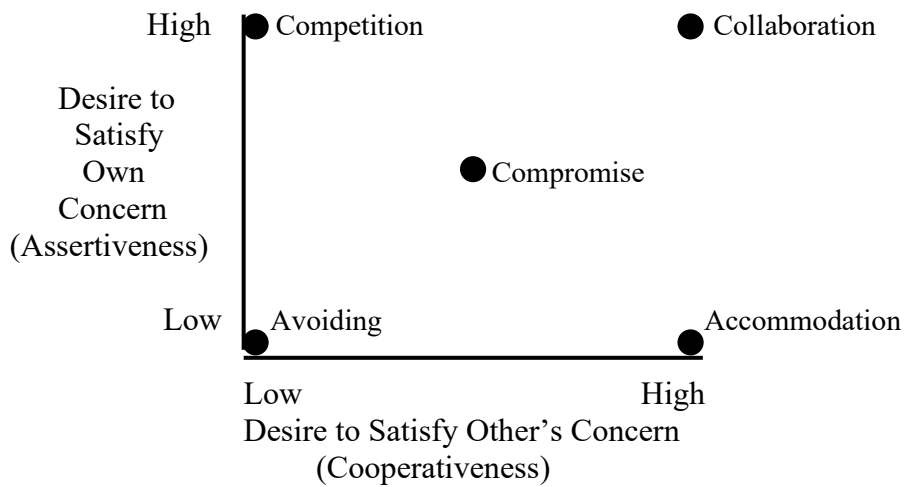
This confusion may have something to do with the assessment of the conflict episode. For instance, by definition, the (perceived) obstruction of goal realization is necessary for the manifestation of channel conflict. It is difficult to construe, at least from the affected party's perspective, how this could be constructive. However, if resolved in a way that leaves both parties better, it is argued that the conflict episode was constructive.

A more accurate determination of the relational impacts of conflict may lay in the result of its resolution. More simply, it is how the conflict episode is resolved and not the conflict itself that determines its constructive or destructive influence. This point underlies the importance of the following discussion, its departure from current CR research as well as its purpose and goal.

Several researchers have developed different frameworks and taxonomies to examine how conflict between parties may be resolved. For instance, Blake and Mouton (1964) developed a two-dimensional model using concern for people and concern for production as the two axes of their model. Rahim (1983) built upon Blake and Mouton by introducing further dimensions pertaining to concern for self-versus concern for others. He also classified resolution strategies into five types, which include integrating, dominating, obligating, avoiding, and compromising.

Thomas (1976) proposed a two-dimensional model, based largely on Blake and Mouton's (1964). This conflict-handling model has served as a foundation for many CR conceptualizations and empirical investigations. The five conflict-handling strategies in this model consist of (a) competing, (b) collaborating, (c) compromising; (d) avoiding, and, (e) accommodating, or catering to the needs of the other party while sacrificing one's own (Ritov and Drory 1996). Thomas (1976) applied assertiveness (i.e., the desire to satisfy one's own concerns) and cooperativeness (i.e., the desire to satisfy the concerns of others) as the two axes of his framework. Both the Ganesan (1993) and Dant and Schul (1992) taxonomies are adapted to this framework. As a reference, the Thomas conflict-handling model taxonomy framework is depicted in Figure 1.

Figure 1. Thomas conflict-handling modes taxonomy



The Dant and Schul Taxonomy

March and Simon (1958) argued that organizations react to conflict by employing one of four different processes: problem solving, persuasion, bargaining, and politics. Dant and Schul (1992) utilized these strategies when developing their CR taxonomy.

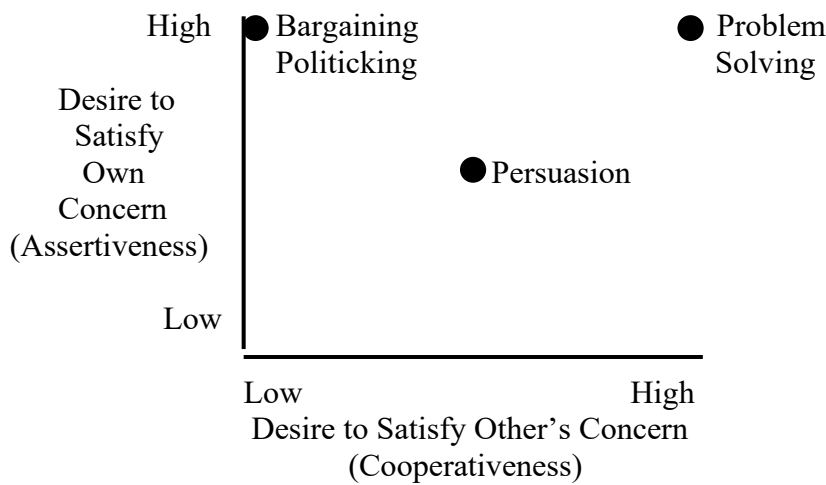
Problem solving is the method used by channel members who share common objectives and involve themselves in a high-risk, albeit integrative, process of identifying a solution that satisfies both parties (Dant and Schul 1992).

Persuasion was defined as the method which attempts to alter the other party's perspective or decision criteria. Persuasion involves a persuasive attempt, or the idea of trying to get one channel partner to abandon their position. Both problem-solving and persuade-CR strategies are said to be high-risk coordinative behaviors that require a high degree of information sharing from all parties involved (Dant and Schul 1992; March and Simon 1958).

Bargaining is adopted by channel members with a win-lose orientation. This view assumes that there is a consistent lack of shared goals between channel members.

Politicking also is derived from a win-lose mentality. Parties often find third-party allies who will support their position in hopes "tipping the scale" in their favor so the other channel members will relent (Dant and Schul 1992). Both bargaining and politicking are believed to entail lower risk than problem solving or persuasion because they require less cooperative effort, less information sharing, and less exposure to other channel members engaged in the conflict episode. Figure 2 depicts the Dant and Schul (1992) taxonomy adapted to the Thomas (1976) framework.

Figure 2. Dant and Schul taxonomy



The results of Dant and Schul's (1992) work show that problem solving was the most frequently used method of CR, followed in frequency by bargaining, persuasion, and politics. However, when the issue at stake was high, politicking became the resolution strategy of choice. The results indicate that when a powerful channel member has a lot at stake, they tend to utilize lower-risk CR strategies. However, if the more powerful channel member has the potential for smaller losses, they tend toward more relational, though higher-risk CR strategies.,

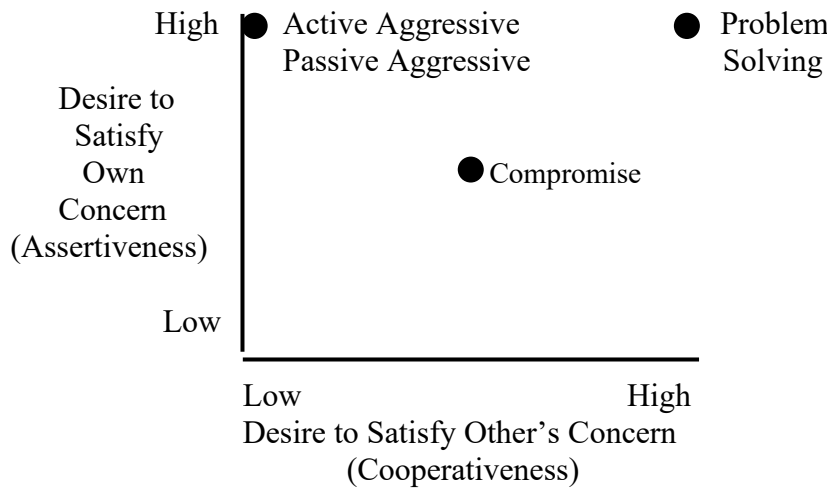
The Ganesan taxonomy

Ganesan (1993) investigated a competing strategy for resolving channel conflict. His taxonomy investigated the antecedents and consequences of four CR strategies: problem solving, compromise, and aggressive (both passive and active).

He conceptualized the problem-solving strategy as an approach that integrated the outcome requirements for both parties. He also defined the compromise strategy as one that finds middle ground in CR. The primary difference between the compromise strategy and problem-solving strategy is that compromise does not require information exchange between the parties about goals, needs, and priorities the way a problem-solving stance does. However, compromise is based on concessions that are equitable to both parties, indicating that cooperation is also required (Ganesan 1993).

Both the passive and active aggressive strategies employ the use of threats and punishments. The goal is to force one party to unilaterally concede their position (Pruit 1981). Ganesan's (1993) taxonomy, adapted to the Thomas (1976) framework, is depicted in Figure 3.

Figure 3. Ganesan taxonomy



Overall, Ganesan’s (1993) findings suggest that long-term oriented firms during episodes of conflict typically elect to employ a problem-solving CR strategy. A compromise strategy is preferred for long-term orientated firms encountering high and low levels of conflict, provided the issue was seen as unimportant.

Active aggressive strategies were found to be inversely related to a firm’s long-term orientation. That is, as the firm’s orientation toward its relationships with other channel members matured, the firms tend not to employ active aggressive strategies. Passive aggressive strategies were also used as a CR strategy for firms that have a long-term orientation.

In accord with other research, Ganesan (1993) also found that the more power a firm can exert over other channel members, the more likely they are to employ a problem-solving strategy. In his later work, Ganesan (1994) investigated the consequences of these CR strategies on the channel relationship, finding that the use of problem-solving strategies were positively related to channel member satisfaction while compromise and aggressive strategies had no influence on channel member satisfaction in any way.

Hypothesis development

Mutuality is one of Macneil’s (1980) relational norms. It refers to the extent exchange partners view each other’s actions as motivated by the mutual benefit of all involved (Macneil 1980; Ivens 2005). The assessment of the fair and equitable distribution of benefits assists exchange partners in determining the extent their relationship is defined by mutuality (Achrol 1996; Boyle et al. 1992; Cannon, Achrol, and Gundlach 2000). From this logic, we argue that during a conflict episode, relationships characterized by mutuality are likely to involve channel members who have the best interest of other channel members in mind.

This means that exchange partners will attempt to negotiate fair and equitable solutions, while not seeking opportunistic methods to resolve conflict. From this logic, we can conceptually link the reciprocally motivated CR strategies of problem solving and persuasion with the mutuality relational norm.

We argue that relationships characterized by mutuality will resort to these CR strategies in the first instance and will be less taxing on the relationship. Perceptions of conflict will also be reduced, as these constructs are typically invoked when channel partners perceive unilateral motivations toward CR. The evaluative result is likely to show greater levels of channel member satisfaction with their relationship. That is, feelings associated with a fair and equitable resolution to the conflict promote the overall “health” of the relationship.

The use of mutuality driven CR strategies (i.e., problem solving and persuasion) demonstrates a level of goodwill that may not be present if channel members choose to pursue their self-interest. In other words, employing problem solving or persuasion may give the impression that the focal party does not believe the conflict episode is not the fault of any of the other channel members involved. Thus, the use of these strategies could demonstrate a genuine willingness to maintain the quality of the relationship. Based on the preceding discussion, the first four research hypotheses are presented:

Hypothesis 1: Mutuality driven CR strategies such as problem-solving and persuasion will result in reduced perceptions of conflict compared to more unilaterally driven CR strategies such as politicking and bargaining.

Hypothesis 2: Mutuality driven CR strategies such as problem-solving and persuasion will result in reduced perceptions of stress as compared with more unilaterally driven CR strategies such as politics and bargaining.

Hypothesis 3: Mutuality driven CR strategies such as problem-solving and persuasion will result in reduced perceptions of dissatisfaction as compared with more unilaterally driven CR strategies such as politics and bargaining.

Hypothesis 4: Mutuality driven CR strategies such as problem-solving and persuasion will result in greater attributions of intent as compared with more unilaterally driven CR strategies such as politics and bargaining.

The first four research hypotheses are aimed at testing the mutuality driven CR strategies of persuasion and problem-solving against the more unilaterally driven CR strategies of politicking and bargaining, utilized in Dant and Schul's (1992) taxonomy. Although politicking and bargaining, employed by Dant and Schul, are descriptively different from the passive and active aggressive strategies employed by Ganesan, the unilateral nature of the strategies makes them fundamentally similar. Thus, when compared with the mutuality driven CR strategies of problem solving and persuasion, we posit that similar results should emerge.

To further the investigation of the positive effects produced by utilizing mutuality driven CR strategies different dependent measures should be introduced. Therefore, in the following hypotheses, conflict and dissatisfaction are the dependent measures which are retained from the first study. Such an approach maintains some consistency and reference between studies investigating the two CR taxonomies. However, the introduction of procedural justice, cooperation, commitment, and trust provides a broader investigation of the mutuality versus unilateral CR framework across a wider range of important channels constructs.

We predict a positive relationship between these relational constructs and the use of mutuality driven CR strategies. We also predict a positive relationship between assessments of procedural justice and the mutuality driven CR strategies. The hallmark of this construct lies in the fairness and equitability with which channel members treat each other. As mutuality driven CR strategies focus on the fairness and equitability of the conflict episode, we believe these two CR strategies will be positively related to channel members' assessments of procedural justice. From this logic we propose the following hypotheses:

Hypothesis 5: Mutuality driven CR strategies such as problem solving, and compromise will result in reduced perceptions of conflict as compared with more unilaterally driven CR strategies such as passive and active aggressive.

Hypothesis 6: Mutuality driven CR strategies such as problem-solving and compromise will result in reduced perceptions of dissatisfaction as compared with more unilaterally driven CR strategies such as passive and active aggressive.

Hypothesis 7: Mutuality driven CR strategies such as problem-solving and compromise will result in greater perceptions of procedural justice as compared with more unilaterally driven CR strategies such as passive and active aggressive.

Hypothesis 8: Mutuality driven CR strategies such as problem-solving and compromise will result in greater perceptions of cooperation as compared with more unilaterally driven CR strategies such as passive and active aggressive.

Hypothesis 9: Mutuality driven CR strategies such as problem-solving and compromise will result in greater perceptions of commitment as compared with more unilaterally driven CR strategies such as passive and active aggressive.

Hypothesis 10: Mutuality driven CR strategies such as problem-solving and compromise will result in greater perceptions of trust as compared with more unilaterally driven CR strategies such as passive and active aggressive.

Study 1 methodology

Sampling Procedures

Study one uses the Dant and Schul (1992) taxonomy to empirically investigate the influence bargaining, politicking, problem solving and persuasion CR strategies have on the business relationship. We selected the franchised fast-food restaurant channel for the empirical component of this investigation. We chose this industry principally because it displays considerable diversity in operational policies across firms (e.g., differences in utilized control procedures). Additionally, it has been one of the most frequently investigated channels of distribution (cf. Dant and Young 1989). Consequently, we benefited from the available descriptive literature during the study-design stages of this project (e.g., in isolating variables of contextual significance). Finally, this setting was considered appropriate because even though this channel has a well-defined authority structure, the leader-subordinate relationships are often relatively informal, which facilitates the emergence of divergent dependency and autonomy conditions.

The data were collected using trained interviewers to carry out personal interviews with the aid of an multipage, structured questionnaire, visible only to the interviewee. The respondents were comprised of owners, managers, and owner / managers of franchisee-owned restaurant franchises located in 32 different cities in three contiguous states in the Southeastern part of United States (U.S.). Twenty-six major fast-food chains are represented in our sample, the most frequently sampled chains being Domino's, McDonald's, Burger King, and Subway.

Convenience was used to determine sample states. In terms of the distribution of their population (determined post hoc), the sampled cities ranged from *about 5,000* to *more than 50,000* people, with their distribution closely approximating the regional population profile as shown in the Census of the Population (United States Census Bureau 2019).

Respondent eligibility criteria

Once franchise owners, managers, or owner/managers were identified, they were contacted to verify their establishment was franchisee owned. Company or franchisor-owned outlets were disqualified from the sample since they represent more of an intra-organizational context. Moreover, the franchisee vs. company-owned outlets were likely to

vary substantially in terms of the key constructs of autonomy and dependence; hence, we decided against mixing the two.

Following the rationale of key-informant methodology (cf. Campbell 1955), owners, managers, and owner / managers were identified as the natural choice to provide information about franchisee-franchisor relations. To ensure this operationally, only respondents that were involved in over 50% of franchise-related interactions with their franchisors were deemed qualified for the interview. This second screen was employed because preliminary checks had indicated that (a) absentee ownership is common in restaurant franchises, (b) the managers are sometimes not delegated the authority to interact with franchisors' representatives, and (c) manager turnover tends to be frequent in the fast-food franchises.

Once these criteria were met, the cooperation of the eligible respondents was solicited using a standardized appeal (however, no monetary incentives were offered) and an interview was scheduled for a mutually convenient date and time. Interviews at the restaurants were typically scheduled in off-peak hours (usually afternoons) to ensure respondent involvement and attention. In some cases, the interviews were held in the offices of absentee owners away from the restaurants. On average, interviews lasted 40 minutes.

Sample size and response rate

Even though a total of 374 potential franchises were initially contacted, the usable sample consisted of 176 respondents. Of the 374 sampled, 19 refused to participate in the study and 117 (31.3%) were disqualified due to franchisor ownership. This number approximates the 26.7% industry-wide statistic for the three states sampled (Kostecka 1988). Finally, 62 franchised units were unable to make their key informants available to participate and thus needed to be disqualified from the study.

Of the 176 usable cases, 94 (53%) were owners or co-owners and 82 (47%) were primary managers of their outlets. A multiple analysis of variance (MANOVA)-based paired comparison across the latter two sub-groups yielded nonsignificant statistics. Therefore, all 176 respondents were deemed to have come from the same population for the purposes of all inferential analyses.

Interview approach

The respondents were measured on their general evaluations of the franchisee-franchisor relationship wherein scaled measures of variables including autonomy, dependence, success, and competition were obtained. The respondents were also requested to provide descriptive data on their franchise outlets: measures of average annual sales revenue of the outlets, the age of their franchise outlets, the number of years the respondent had been personally dealing with the representatives of the focal franchisor, and the incidence of multi-unit ownership.

The interview process consisted of two phases. In the first phase, based on the critical incident method (Andersson and Nilsson 1964; Bitner, Booms, and Tetreault 1990), the participants were asked to recount a recent conflict episode involving themselves and their franchisors. They described the nature and type of the issue(s) under dispute and how they and their franchisors attempted to resolve the issue(s).

During these descriptions, written interview protocols were constructed by the interviewers. The methods suggested in the protocols were subsequently classified by the interviewers into problem solving, persuade, bargaining, or politics based on provided category descriptions.

The classification accuracy of these CR methods was verified using a jury of two faculty colleagues, yielding an inter-judge reliability of .95 using the Ir coefficient proposed by

Perreault and Leigh (1989, 141).² The index is interpreted as 1.0 representing equally perfectly reliably with figures closer to zero denoting equally less reliability. Thus, our .95 figure suggests a high degree of inter-rater reliability. In the second phase, franchisees were asked about their perceptions of constructs such as conflict, dissatisfaction, attribution of intent, and the stress associated with the way the franchisor had attempted to resolve the conflict episode recounted by them.

Research instrument

All measures used in this study (see Appendices) were drawn from established literature sources where they had been tested for their reliability and their convergent, discriminate, and nomological validities. Some item wordings were modified to represent the context of the franchised fast-food channel.

All scaled questions were supplied with 5-point Likert-type anchors with the following response categories: 1 strongly *agree*, 2 *agree*, 3 *neutral*, 4 *disagree*, and 5 *strongly disagree*. Consequently, smaller values reflect greater levels of agreement.

Attribution of intent

Attribution theory, as originally described by Heider (1958), is used to describe the reasons people give for why things happen. Internal versus external attributions is the main distinction Heider used to explain where causality lay.

Internal attributions are the assignment of cause to some characteristic internal to individuals while external attributions are causes due to some outside force. When people assign attribution to the self, they perceive a sense of control over the behavior or incident that has either happened, is happening, or will happen in the future. The converse is true for external attributions where people believe they have no control over events.

The items used to measure attribution of intent were meant to examine the extent franchisees assign an internal versus external attribution to franchisor behaviors after a conflict episode. When an external attribution is assigned, or when the franchisor is believed to have had no control over the situation, it is believed that the franchisee will be more understanding of franchisor behaviors. When an internal attribution is assigned to the franchisor, the franchisee is believed to be less understanding of the franchisor's behaviors.

Stress

Stress has been defined as the cumulative effects of negative incidents occurring within the business relationship (Holmlund-Rytkönen and Strandvik 2005). Stress has received some attention in the business relationship literature. This research has found that things as environmental factors, relationship partner behaviors, hierarchical status within the relationship, as well as any event that may lead to perceptions of fear, diminished power, or inefficiency, may contribute to feelings of stress (Good and Evans 2001; Hausman 2001; Proença and de Castro 2005).

The items used in this study focus on capturing the sense of stress provoked by perceived actions of the franchisor and the franchise system. The franchisor is in a position of relative power over the franchisee and thus can act in ways that may disrupt perceived efficiencies and contribute to relational unrest between themselves and the franchisee. When the franchisee observes the actions that lead to these inefficiencies and recognizes that their own stature within the relationship prevents their own corrective action,

² The Ir coefficient is a measure of inter-rater reliability and is calculated by the formula $I_r = \sqrt{\frac{(F_o/N) - (1/k)}{[k/(k-1)]}}$ where F_o stands for the number of coders' agreement, N is the total number of coders' decisions, and k is the number of categories (W. Wang 2011, 17).

uncomfortable feelings of stress, capable of producing long-term harm to the relationship, are then likely to be provoked.

Dissatisfaction

Conceptualizations of customer satisfaction can also be classified into two categories: transaction-specific satisfaction and cumulative satisfaction (E.W. Anderson, Fornell, and Lehmann 1994; Boulding et al. 1993; Cronin and Taylor 1992; Johnson, Anderson, and Fornell 1995). Within the channel's context, dissatisfaction has been conceived as the overall disapproval and negative affect toward one's exchange partner (J.C. Anderson and Narus 1984; Gaski and Nevin 1985; Scheer and Stern 1992; Schul, Little, and Pride 1985). We emulate the latter tradition and measure dissatisfaction in terms of seven descriptors drawn from prior satisfaction studies.

Conflict

There have been two basic approaches to measuring channel conflict. The inventory approach (e.g., Brown and Day 1981; Eliashberg and Michie 1984; Lusch 1976) focuses on a series of issue-specific measures and subsequently develops composite indices based on those evaluations. This approach is appropriate when a series of common conflict issues can be readily identified in the channel under investigation.

The alternative psychological approach (e.g., Jehn and Mannix 2001; Kumar, Scheer, and Steenkamp 1995; Kumar, Stern, and Achrol 1992) directly taps into the psychological state associated with conflict and the perceptual characterization of the conflictual relationship in terms of descriptors such as "tense," "hostile," and "frustrating". This approach is appropriate when conflict issues are diverse (as in our research due to the diversity of agents' businesses), precluding any reasonable representation of the construct domain by a common subset of issues.

We employ the psychological approach to operationalizing conflict measurement. Under this perspective, the focus shifts from common conflict issues to the psychological description of the relationship. Consequently, conflict was measured by asking respondents to evaluate the extent of applicability of seven relationship descriptors when applied in the context of their dyad.

Study 2 methodology

Research setting

The data for Study 2 were gathered in a national mail survey of independent retail agents affiliated with a large North American supplier (principal). The agents dedicated floor space to the principal's business and, in exchange, received exclusive-trading rights within specified territorial boundaries from the principal.

We chose this research setting for two primary reasons. First, the procedural uniformity extracted by the principal from its agents and the standardized agency contract had a homogenizing effect on agents' operations. Also, due to the diversity in agents' lines of business, the principal-agency relationships were characterized by considerable variance on the focal constructs of interest.

Sampling procedures

The sampling frame for the survey was 1,965 and the corresponding count for completed questionnaires received totaled 1,089. The response rate, therefore, was 55%.

As with Study 1, the independent variables have already been thoroughly defined and discussed previously, as have the two DVs that are common in both studies (i.e., dissatisfaction and conflict). However, the remaining DVs not yet thoroughly discussed are explained in the following measures section.

Research instrument

The survey instrument was developed following considerable exploratory fieldwork, including multiple visits with agents and the principal's representatives, in-depth interviews with managers and supervisors belonging to the principal firm, parallel in-depth interviews with agents, and the conducting of a statistical pretest using 30 agents. The items for the ten latent constructs, namely, the four independent variables (i.e., problem solving, compromise, passive aggressive, and active aggressive) and the six DVs (i.e., conflict, dissatisfaction, procedural justice, cooperation, commitment, and trust) were drawn from extant literature in the field, although they were contextualized to fit the research setting. All the items used in both studies are provided in Appendices A, B, and C.

Procedural justice

Conceptualizations of procedural justice have included the notion of perceived fairness of how organizations and their representatives make business formation and allocation decisions (Weaven et al. 2018). Decision-making processes are said to be procedurally just when those affected have an opportunity to influence decisions (Tepper et al. 2006).

Others have conceptualized procedural justice simply as the fairness of the process by which outcomes are allocated (Teo and Lim 2001; Williams, Crittenden, and Henley 2022). Niehoff and Moorman (1993) suggest that the construct represents the level to which fair procedures are used in organizations. More germane to our research, Kumar (1996) describes procedural justice as the fairness of an organization's procedures for dealing with a less powerful partner and as the fairness of the means used in determining relational outcomes.

It is from this common notion of fairness in the organization's procedures and processes that we operationalized procedural justice. For the purposes of this article, *procedural justice* is defined as how channel members perceive other channel members' actions regarding due process and equal treatment of channel partners.

Cooperation

In channels research, cooperation has been viewed as either the conceptual opposite of conflict (Mallen 1963, 1967; Zhu et al. 2022) or as a distinct construct (Childers and Ruekert 1982; Pearson and Monoky 1976; Robicheaux and E-Lansary 1975). The former conceptualization represents the erstwhile economic stream in channels research which proposed that channel conflicts arose because, during transactions, both buyers and sellers sought to maximize their individual benefits. The very act of exchange indicated the elimination of conflict and implied a definitionally cooperative act (Mallen 1967).

Perhaps the most inclusive definition is offered by Childers and Ruekert (1982, 117) who conceptualize cooperation as "the expectation of a balanced exchange of the resources required to achieve both intra-organizational and inter-organizational goals through joint action among two or more actors." It is noteworthy that this definition has two distinct components: a psychological component captured in "the expectation of a balanced exchange" and a behavioral component specified in "joint action among two or more actors." The conceptualization by Morgan and Hunt (1994, 26), who define *cooperation* as "situations in which parties work together to achieve mutual goals," mirrors these sentiments. This definition has been adopted for this research. Our operational measures, adapted from Dant and Berger (1996), capture the two components of cooperation noted previously.

Commitment

Commitment Within the marketing channels literature, commitment is defined as the desire and intention to continue a relationship (E. Anderson and Weitz 1992; Morgan and Hunt 1994; Scheer and Stern 1992) or an implicit or explicit pledge of relational continuity between exchange partners (Dwyer, Schurr, and Oh 1987).

Although some authors propose commitment existing in several dimensions (e.g., Kumar, Hibbard, and Stern 1994; Masato, Cannon, and Smith 2021), others note that commitment's essence is captured when the domain of its indicators represents a party seeing its relationship with another party as significant and believing that it is worthy of continuation and maintenance (Lund 1985; Michaels, Acock, and Edwards 1986; Morgan and Hunt 1994). This perspective conforms to the extant research in marketing which treats commitment as identification and involvement with a particular organization for its own sake, apart from its instrumental worth (E. Anderson and Weitz 1992; Mohr and Nevin 1990). Consistent with this view, we operationalize commitment by adapting the scale items from Kumar, Hibbard, and Stern (1994).

Trust

Within an interorganizational context, trust denotes a belief that one's exchange partner can be relied on to fulfill its current duties and future obligations and to behave in a manner that bodes well for the needs and long-term interests of the firm (Anderson and Narus 1990; Beheruz, Richards, and Talpade 2021; Dwyer, Schurr, and Oh 1987; Larzelere and Huston 1980; Scheer and Stern 1992). Our scale items were strongly influenced by the dyadic trust scale developed by Larzelere and Huston (1980), which specifically focuses on dyadic trust rather than more generalized trust perceptions (cf. Rotter 1967). The items reflect the attributions of benevolence (i.e., belief that the exchange partner is interested in the firm's welfare) and credibility (i.e., belief that the exchange partner stands by its word) associated with trust (Deutsch 1958; Rempel, Holmes, and Zanna 1985).

Psychometric assessment

Composite reliabilities for each latent construct were calculated and are listed in the correlation matrices in both Tables 1 and 2. Each composite reliability exceeds the .70 threshold proposed by Nunnally and Bernstein (1994).

All items have significant factor loadings on their theoretical latent construct. These loadings are shown in the Appendices. All items, except for dissatisfaction in Study 1 (i.e., the franchise sample), were above the recommended .50 (Hair et al. 2006).

The dissatisfaction average variance extracted (AVE) is lower than this threshold at .47, which is recognized as a limitation of our study. However, given that the AVE is close to the recommended threshold of .50 and that the content of the items suggests adequate face validity, the decision is made to proceed with the analysis despite this instrument's shortcoming. Accordingly, this should be considered when interpretations and conclusions are made regarding this construct in the first study.

Table 1. Correlation Matrix.

	<i>Mean</i>	<i>Standard Deviation</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4..</i>	
1. Attribution of Intent	2.60	0.66	0.86				
2. Stress	3.00	0.44	-	0.30	0.86		
3. Dissatisfaction	3.68	0.56	-	0.37	0.34	0.75	
4. Conflict	3.45	0.69	-	0.35	0.41	0.34	0.88

Listwise N=176

Notes: Composite reliabilities listed on the diagonal

All Correlations significant at the 0.01 level

Table 2. Correlation Matrix

Variable	Mean	Standard Deviation																		
			1	2	3	4	5	6	7	8	9	10								
1. Problem Solving	3.73	0.67	0.89																	
2. Compromise	3.48	0.71	0.69	0.90																
3. Passive Aggressive	2.83	0.73	-	-	0.18	0.37	0.82													
4. Active Aggressive	2.15	0.83	-	-	0.40	0.40	0.52	0.95												
5. Perceived Conflict	1.68	0.65	-	-	0.32	0.33	0.27	0.36	0.96											
6. Dissatisfaction	1.90	0.62	-	-	0.36	0.37	0.32	0.34	0.56	0.93										
7. Procedural Justice	3.69	0.66	0.44	0.51	0.40	0.37	0.40	0.48	0.83											
8. Cooperation	4.09	0.59	0.48	0.56	0.39	0.42	0.55	0.64	0.60	0.94										
9. Affective Commitment	4.31	0.66	0.31	0.34	0.25	0.27	0.39	0.43	0.36	0.51	0.91									
10. Trust	4.17	0.62	0.38	0.42	0.31	0.35	0.46	0.54	0.54	0.63	0.53	0.94								

Listwise N=932

Notes: Composite reliabilities listed on the diagonal

All Correlations significant at the 0.01 level

Confirmatory factor analyses (CFA) were conducted for each study. The model fit indices for Study 1 were $\chi^2_{(14)} = 1,312.88$, $p < .05$; comparative fit index (CFI) = .97; non-normed fit index (NNFI) = .95; root mean square residual (RMR) = .03; and root mean square error of approximation (RMSEA) = .09. The model fit indices for Study 2 were $\chi^2_{(10)} = 985.41$, $p < .05$; CFI = .98; NNFI = .95; RMR = .05; and RMSEA = .09. These fit indices represent adequate fits for these confirmatory models. The results of the CFA, along with item loadings and variance extracted, support our claim of convergent validity.

Discriminant validity was assessed by comparing the AVE of each construct to the squared correlations of each pair of constructs used in each model (Fornell and Larcker 1981). Discriminant validity can be claimed if the AVE for each construct is larger than the squared correlations for each pair of constructs (Fornell and Larcker 1981). This was the case for each construct pair investigated, thereby supporting our claim of discriminant validity for each study

Study 1 analysis and results

The results of Study 1 can be seen in Table 3. Study one can be viewed as an extension of Dant and Schull's (1992) original work since they used multiple discriminant analysis (MDA) as their primary inferential technique to analyze their data. Here, in our first study, we employ the multiple analysis of variance technique or MANOVA, as our primary inferential method. This procedure is used to determine whether there are differences between groups for at least two DVs (Hair et al. 2006). As Study 1 is seeking to determine whether the mutuality driven CR strategies were significantly different than the non-mutuality CR strategies across four different DVs, MANOVA is the most appropriate procedure for this first study.

The MANOVA yielded a statistically significant model. This supports the claim that the independent variables (i.e., CR strategies) have a differing influence on the dependent constructs.

Analysis of variance (ANOVA) and post-ANOVA tests of paired comparisons were also conducted to discover the nature of the differences discovered during the MANOVA routine. As can be seen in Table 3, the ANOVA tests were significant, indicating that all the DVs showed at least one significant difference among the four CR strategies. The following paired comparisons revealed that all possible pairs were significantly different from each other when comparing the mutuality driven CR strategies to the unilaterally driven CR strategies.

Analyzing the means shows that using mutuality driven strategies resulted in diminished perceptions of conflict, stress, and dissatisfaction as well as an increased attributions of intent (i.e., increased perceptions of the franchisor acting reasonably during the conflict episode).

The substantive conclusion of these results is that our first four hypotheses tested in Study 1 are all supported. Except for attribution of intent, the two mutuality driven CR strategies were not significantly different across any of the other DVs. This result suggests that the problem-solving strategy is more likely to produce understanding of the other party's position during the conflict episode than the persuasion strategy. None of the unilateral CR strategies were significantly different from each other. We discuss these results as well as their implications in greater detail in the following discussion sections.

Table 3 Inferential Results for Study 1

Dependent Variable	Independent Measures				F value	Effect Size	Power of Test	Hypothesis
	Problem Solving (N = 75)	Persuasion (N = 35)	Politics (N = 20)	Bargaining (N = 46)				
Conflict					13.28 ^a	0.188	0.99	H ₁
Mean	3.74	3.46	3.08	3.01				
SD	0.60	0.80	0.50	0.69				
Stress					10.534 ^a	0.155	0.99	H ₂
Mean	3.14	3.07	2.81	2.71				
SD	0.41	0.38	0.36	0.46				
Dissatisfaction					8.83 ^a	0.133	0.99	H ₃
Mean	3.88	3.68	3.41	3.40				
SD	0.50	0.60	0.57	0.44				
Attribution of intent					10.167 ^a	0.151	0.99	H ₄
Mean	2.34	2.63	2.97	2.92				
SD	0.52	0.77	0.58	0.61				
Multivariate	F value	p-Value	Power	Effect Size				
Pillai's Trace	5.06	<.000	1.00	0.11				
Wilks' Lambda	5.68	<.000	1.00	0.12				
Hotelling's	6.27	<.000	1.00	0.13				
Roy's Largest	18.53	<.000	1.00	0.30				

Notes: Post-ANOVA Duncan's paired comparisons (with experiment-wise Type I error held at a 0.05) indicate that all possible pairs between the mutuality driven CR strategies and non-mutuality CR strategies were significantly different from each other.

There were significant differences between mutuality driven CR strategies except for problem solving and persuasion for the dependent variables of attribution of intent. There were no significant differences between the unilateral CR strategies for any of the DVs.

Smaller values indicate agreement with the DV: 1 = Strongly Agree, 5 = strongly disagree

Study 2 results

Study 2 was conducted in a different channel's context (i.e., principal-agent) with some overlapping independent (i.e., problem solving) and DVs (i.e., dissatisfaction and conflict). This second study helps provide a more robust examination of the effect the relationships surrounding mutuality versus unilateral CR strategies have on relational outcomes. This second study also enables a comparison of the operationalized Dant and Schul (1992) and Ganesan (1993) CR taxonomies.

A series of regression equations were used to examine these relationships which were previously described in Hypotheses 5 through 10. Regression is appropriate for Study 2, as the primary purpose of this study is to predict the outcome of the DVs based on the known quantities of the independent variables (Hair et al. 2006). Ganesan (1993) also used regression in his original study which makes our second study a replication of this original work.

The regression results, along with supporting regression statistics, including the variance inflation factors, (VIF), adjusted R squared and F values are listed in Table. All the VIFs for each equation are below the prescribed threshold of 5 (Hair et al. 2006; Mason and Perreault 1991; Neter, Wasserman, and Kutner 1990), indicating that multicollinearity is not confounding the interpretation of the regression results.

Table 4 Inferential Results for Study 2

Independent Variables	Dependent Variables					
	Conflict Resolution Strategy	Conflict (H5)	Dissatisfaction (H6)	Procedural Justice (H7)	Cooperation (H8)	Commitment (H9)
Problem-	-0.13***	-0.20***	0.16***	0.16***	0.14**	0.15***
Compromise	-0.121**	-0.15***	0.28***	0.33***	0.16***	0.20***
Passive	0.11**	0.18***	-0.22***	-0.16***	-0.11**	-0.13***
Active	0.21***	0.09*	-0.08*	-0.14***	-0.09*	-0.14***
R²_{Adj}	0.18	0.21	0.33	0.37	0.14	0.22
F_{df}	53.98 (df = 947)	65.84 (df = 947)	117.66 (df = 947)	142.97 (df = 953)	40.55 (df = 954)	69.80 (df = 954)
VIF_{range}	1.60	1.60 - 2.08	1.60 - 2.09	1.54-2.07	1.53-2.07	1.53 -

*** p < .001

** p < .01

* p < .05

The results of the regression analysis support all five hypotheses tested in Study 2. Specifically, the mutuality driven CR strategies were negatively related to such potentially harmful relational constructs as conflict and dissatisfaction, but positively related to the more productive relational constructs of cooperation, commitment, and trust. The positive relationship these CR strategies have with procedural justice indicates a potential to influence perceptions of fairness as it pertains to the dynamics and formalities of the business relationship.

Conversely, the unilaterally driven CR strategies were significantly and positively related to perceptions of conflict and dissatisfaction although they were inversely related to the positive relational constructs. The inverse relationship these strategies have with procedural justice suggests that using these strategies may exert a harmful influence on an individual's perception of how fair their relational partner treats them. As with Study 1, these results and their implications are discussed in greater at length and in greater detail in the discussion section below. section.

Discussion

One of the purposes of this research is to investigate the extent to which CR strategies can influence relationship quality, as perceived through the evaluations of important relationship constructs, such as trust and commitment (Morgan and Hunt 1994; Palmatier, Dant, and Grewal 2007). Although these taxonomies have been established in the literature, the impact these taxonomies have on business-to-business relationships

have never been tested. The results of our two studies provide valuable insight that should be useful to organizational scholars and practitioners alike.

In the age of long-term business-to-business relationships conflict episodes are inevitable (Liu and Sharma 2011). In the business-to-business context, where markets are defined, in part, by fewer buyers (Ingram et al. 2013), there are fewer opportunities to develop relational partnerships. Accordingly, the discovery of strategies that enable the continued functioning of the exchange relationship is of critical importance. The results of our studies reveal which of these strategies is most effective in enabling the productive continuance of the relationship. These results also provide some insight into which CR strategies should be avoided when the health of the exchange relationship is important.

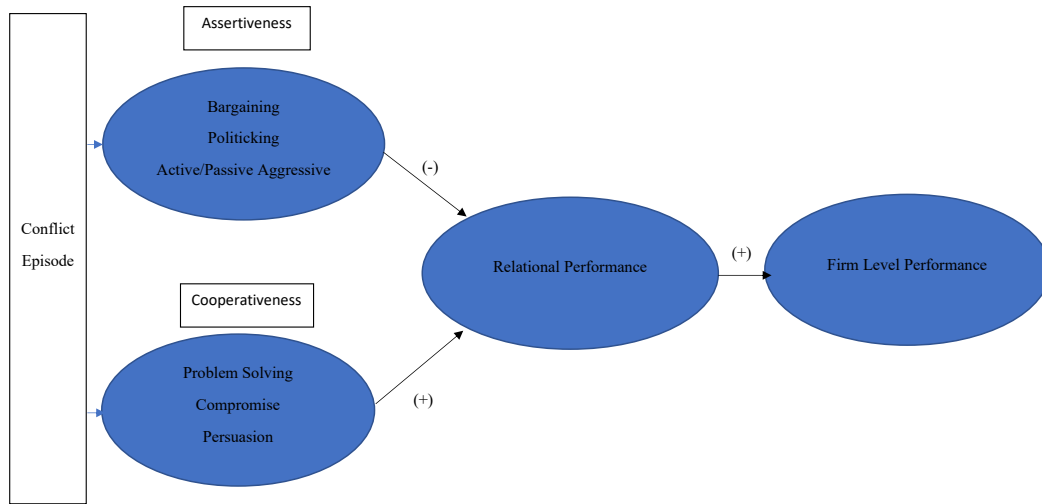
Across the two taxonomies, the CR strategies are divided into those where relationship partners recognize and pursue each other's best interest (i.e., mutuality) versus those strategies that are concerned with the pursuit of one's own self-interest (i.e., unilateral). Our results show that embracing a CR strategy that recognizes and embraces not only the concerns of the primary party but also those of others yields better relational outcomes.

Some research suggests that the trust-commitment theory of relationship marketing (Morgan and Hunt 1994) may not be encompassing enough. The specific claim is that not all the characteristics of an interorganizational relationship needed to ensure the relational and performance benefits have been identified (Palmatier et al. 2006; Skarmeas, Zeriti, and Baltas 2016).

Skarmeas, Zeriti, and Baltas (2016), suggest that relationship specific investments, knowledge sharing, and complementary capabilities may contribute to the performance and perceived value of the exchange relationship. Also, there is scarce understanding of the demarcation between indebtedness and gratitude or how the effects of personality influence channel member conflict. Baker and Edwards 2018b; Quach et al. 2020).

The results of our two studies suggest that certain CR strategies may warrant a place within the battery of relationship constructs known for helping build and preserve the benefits of the exchange relationship. First, many more recent CR studies, within the channel's context have essentially ignored the motivations of the CR strategy used to resolve the conflict, (Wang et al. 2020) or perhaps they've ignored the CR strategy all together (Eshghi and Ray 2021). We argue that these studies are missing a key determinant of the kind of influence a conflict episode will have on the business relationship as well as firm performance. We believe that accounting for whether CR strategies are *motivated* by a firm's self-interest or their desire to be cooperative and provides significant insight into the kind of influence the conflict episode will have on the relationship as a whole

In an effort to help remedy what we see as an oversight by other channels researchers investigating conflict, we older, previously published taxonomies to show that the equation isn't that simple. The strategies used to handle conflict have a significant impact on relational outcomes and relationally derived firm performance. We can extend these CR taxonomies tested her in a way that accounts for the CR strategy used to manage the conflict episode and the ultimate influence these strategies have on both relational and firm level performance. This new taxonomy is depicted in Figure 4.

Figure 4 Conflict Resolution Structural Taxonomy

This taxonomy allows for the specific CR strategies to be placed or categorized as either an assertive/self-interested strategy or a cooperative strategy focusing on the relational partners, as well as the focal firm's best interest.

Our results support our claim that an understanding of CR strategies, through the lens of these previously published taxonomies, and their influence on the relationship can provide important insight that might otherwise get missed using a perspective that does not include the mediating influence of the CR strategy itself. Our results also show that, given the inevitability of conflict between channel partners, that understanding CR strategies is as important as understanding other relational constructs like trust, commitment, and satisfaction. A detailed examination of the results of our two studies is perhaps the best way to clarify and support this claim.

Discussion of study 1

In Study 1, we examined the influence four CR strategies, originally proposed in the Dant and Schull (1992) taxonomy, have on conflict, stress, dissatisfaction, and the attribution of intent. Across all DVs, problem-solving and persuasion yielded better results than those attached to unilateral strategies. This is likely due to the collaborative nature of these strategies.

As Dant and Schul (1992) explain, both strategies focus on the shared goals of all parties involved in the conflict episode. This shared focus may only be possible through extensive information sharing as it pertains to each party's interests, positions on issues, and organizational goals (Dant and Schul 1992; Lewicki, Barry, and Saunders 2015; Thompson 2014). A willingness to reveal this information can be risky, however. The disclosure of

what may otherwise be sensitive organizational information demands trust, and this, by definition, implies a willingness to embrace higher levels of vulnerability (Coleman 1990; Moorman, Zaltman, and Deshpande 1992).

The results of our studies support the value in adopting these strategies despite potential harm or risk. In Study 1, problem-solving means, followed by persuasion's means, were the largest for three of the four "harmful" relational constructs. These higher means, in these three cases, are larger than the neutral point, indicating disagreement with the notion that these constructs are accurate descriptors of the relationships.

The items used to measure the attribution of intent were phrased to capture the extent respondent franchisees felt their franchisor acted in a way that was both understandable and consistent with how they would have behaved during the conflict episode. The smallest means for this DV were problem-solving, followed by persuasion, which indicates these CR strategies provide a greater sense of understanding than the other two strategies.

Except for stress, the other DVs all scored on the same side of the neutral point. This suggests that the riskier CR strategies tend to produce better relational outcomes than the less risky strategies. In the first study, these less risky strategies do not appear to be "harmful." However, study 1 was conducted in a franchising setting, and it may be that the franchise contract has specific mechanisms to help govern and control the harmful effects of conflict.

To the extent this is true, these mechanisms will not control for increased perceptions of stress which, for bargaining and politicking, produced means below the neutral point. This means the respondent franchisee associated the use of these strategies with increasing stress in the relationship. Conversely, problem-solving and persuasion means are above the neutral point. This means franchisees disagree with the idea that these CR strategies contribute to increased levels of stress.

We urge future CR research to account for the extent contractual mechanisms are in place to help control conflict. This point is made more salient in the following discussion. For now, we contend the unique franchise context may be why, except for stress, the means for the two mutuality driven strategies were on the same side of the neutral point as the unilaterally driven strategies.

Having said this, it is important to recognize that both problem solving and persuasion were significantly different than bargaining and politicking across all DVs. There were no significant differences between either of the unilateral CR strategies, and only the attribution of intent was significantly different between the two mutuality driven studies. These results show that, despite the similarities relative to the neutral point, the influence mutuality driven CR strategies have on perceptions of relational constructs is significantly different and, more beneficial to the overall perceptions of the relationship than the unilateral CR strategies.

Discussion of study 2

Study 2 was conducted in a principal-agent context. As can be seen from both the effect sizes and their directionality, all the CR strategies yield similar results as the mutuality and unilateral CR strategies. Both problem solving and compromise are inversely related to the harmful (see the Appendices for item wording) relational constructs. Both strategies are positively related to relational constructs as trust and commitment, as well as perceptions of fair and just behavior on the part of the principal.

Conversely, both aggressive strategies yield positive relationships with conflict and dissatisfaction (i.e., harmful relational constructs), but were inversely related to positive relational constructs (Palmatier, Dant, and Grewal 2007; Palmatier et al. 2006). They are also inversely related to perceptions of procedural justice, suggesting that these strategies leave agents feeling like their principals act unfairly within the relationship.

The results of Study 2 yield directionally opposite results as they pertain to the mutuality versus non-mutuality strategies and their relationship to both positive and negative relational constructs. Importantly, although the problem-solving strategy can be used synonymously across both studies, the compromise and persuasion strategies conceptually differ.

Compromise varies from persuasion in that information exchange is not required in the former (Ganesan 1993). This makes the compromise strategy less risky than the persuasion strategy. However, both strategies require a willingness to assist the party with whom they engaged in conflict to meet their goals. This willingness to assist the other party allows us to conclude that compromise and persuasion strategies are similar in their focus on mutuality. Conversely, the strategies that are defined by a selfish pursuit of oneself interest with little regard for the other party's interest yielded more inimical results in terms of relationship health.

Though our results certainly advocate for the use of mutuality driven CR strategies, it is worrisome that several conflict and negotiations scholars still find people and organizations opt for CR strategies that are focused more on one's self-interest (Liu and Sharma 2011). Others have found the dual concerns of the substantive results of the conflict episode and the long-term status of the relationship to be in opposition (e.g., Liu and Sharma 2011; Thompson 2014).

Some may perceive a conflict between the pursuit of short-term gain and maintaining the quality of the exchange relationship. In these situations, some may decide to put their emphasis on obtaining the substantive result of the conflict episode while forgoing efforts toward relationship maintenance. This perception may lead some to naturally assume the need for more individualistic strategies without recognizing the potential for harming the relationship.

We suggest that, within the channel's context, this decision represents a false choice. Relational or mutuality driven CR strategies provide a superior method in garnering the substantive results relationship partners are seeking. Although this may mean surrendering positions on issues, it is the strong relational bonds—defined in part by interdependence (e.g., Liu and Sharma 2011)—that allow each relational partner to eventually realize their goals.

We suggest the adoption of mutuality strategies when facing a conflict episode. We believe these strategies are best for relationship maintenance and the subsequent influence on relational and organizational performance. We also recognize the difficulty in adopting these strategies in situations where it may appear as if they demand the surrendering of resources, positions, or even admission of fault when the organization does not believe that such actions are fair or equitable. Our claim is that although, in the short term, pursuing these strategies may appear cumbersome and even costly, they are ultimately healthier for the organization than the pursuit of less mutuality driven CR strategies.

Conversely, strategies that are less mutual in their motivations may appear fairer and more profitable in the short term. We understand how organizations are drawn to these strategies in the short-term when dealing with conflict episodes. This may be costly however, although they may be able to recoup what is fair, self-interested solutions may leave the other party feeling cheated or in some way abused when considering the conflict results from the other party's perspective (Baker and Edwards 2018a). This leads them to perceive equitability in terms of CR very differently. This may lead to long-term feelings of stress and dissatisfaction leading to, perhaps, relationship exit.

When this happens, firms now find themselves in a position where they need to replace a channel partner. Relationship development could take months or even longer to reach a point of profitability. Until this point is reached, the organization will be in a position of

loss that would have been realized had they been more long-term or mutuality-focused in their CR strategies.

Limitations and avenues for future research

The taxonomies used in our studies do not represent an exhaustive employment of all possible CR strategies. We urge researchers to identify, review, and compare the relative merits of other popular CR frameworks (e.g., Rahim and Bonoma 1979). These empirical examinations should test the utility of each as well as the similarities and differences between them. While these popular taxonomies may be interchangeable and could be referred to synonymously, only empirical research can support such assertions.

In line with the previous commentary, direct comparisons between the Dant and Schul (1992) and Ganesan (1993) taxonomies are difficult given that we did not utilize the same dataset when testing both taxonomies. Although the similarities regarding the mutuality versus unilateral CR strategies are apparent, conceptual differences between compromise, persuasion, bargaining, and politicking (however slight) begs the need for further investigation. It may be that a combined taxonomy, based on the Thomas (1976) framework, or the framework depicted in Figure 4, accounts for more of the variance in chosen strategies than either of the taxonomies individually.

Another avenue for future research is to investigate levels of satisfaction experienced by individuals from various CR approaches. Although our results show less dissatisfaction with the relationship, we did not employ measures of the satisfaction individuals felt following CR. Investigating both the long- and short-term perceptions of relationship quality and CR strategy results will produce a more holistic understanding of the relational influence CR strategies have.

Furthermore, performance, as an outcome variable, demands to be included in these CR models. Although the research linking relational performance to organizational performance is plentiful (Palmatier, Dant, and Grewal 2007; Palmatier et al. 2006), without including performance in these CR models, it is difficult to ascertain if mutuality driven CR strategies improve performance outcomes. Future research will benefit by integrating these measures into their CR models.

One further limitation relates to the cross-sectional nature of the data used in our studies. Cross-sectional data makes the determination of causality, especially over time, difficult. Accordingly, future research should utilize longitudinal data to better assess the causal influence these CR strategies have on both organizational performance and the health of channel relationships.

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Appendix A

Dependent Variables: Study 1

Latent Variable	Item	Standardized Loading	Variance Extracted
ATTRIBUTION of INTENT			0.66
	(1) The franchisor acted the same way I would have in their place.	0.85	
	(2) Under the circumstances, I guess the franchisor did not have any choice but to act that way	0.70	
	(3) Franchisor's behavior was unbusinesslike and unprofessional. (R)	0.90	
STRESS			0.71
	(1) This shows how my efforts to operate my outlet efficiently are sometimes blocked by the franchisor.	0.86	
	(2) This shows how I rarely run into obstacles from the franchisor in trying to get things done. (R)	0.90	
	(3) This shows how my work would be easier if the franchisor was more cooperative. (R)	0.86	
	(4) This shows how often the system prevents me from doing things in a more efficient way.	0.75	
DISSATISFACTION			0.47
	(1) This shows why I am pretty satisfied with my dealings with the franchisor. (R)	0.91	
	(2) This shows why I would discontinue selling the franchisor's products if I could.	0.40	
	(3) This shows why the franchisor is a good company to do business with. (R)	0.66	
	(4) This shows why if I had to do over again, I would not do business with the franchisor.	0.42	
	(5) This shows why I am satisfied with the products and services I get from my franchisor. (R)	0.64	
CONFLICT			0.60
	(1) This shows why I consider my relationship to be frustrating.	0.68	
	(2) This shows why I consider my relationship to be threatening.	0.79	
	(3) This shows why I consider my relationship to be conflictful.	0.91	
	(4) This shows why I consider my relationship to be tense.	0.72	
	(5) This shows why I consider my relationship to be full of disagreement.	0.74	

(R) = Reverse Coded

Appendix B
Independent Variables: Study 2

Latent Variable	Item	Standardized Loading	Variance Extracted
USE OF PROBLEM SOLVING STRATEGY:			0.66
In our disputes with the principal, they usually...			
	(1) Lean toward a direct discussion of the problem with us	0.75	
	(2) Try to show us the logic and benefits of their position	0.78	
	(3) Communicate their priorities clearly	0.80	
	(4) Attempt to get all their concerns and issues in the open	0.90	
USE OF COMPROMISE STRATEGY:			0.68
In our disputes with the principal, they usually...			
	(1) Try to find the middle-ground between our position and theirs	0.93	
	(2) Try to soothe our feelings and preserve our relationship by meeting us half-way	0.83	
	(3) Try to find a fair combination of gains and losses for both of us	0.89	
	(4) Let us have some of our positions if we let them have some of theirs	0.63	
USE OF PASSIVE AGGRESSIVE:			0.55
In our disputes with the principal, they usually...			
	(1) Make convincing arguments to achieve their own end	0.43	
	(2) Are committed to their initial position throughout the resolution process	0.48	
	(3) Try to create the impression there is nothing they can do to change the terms of their position	0.93	
	(4) Insist their position is the best alternative to solve the dispute	0.97	
USE OF ACTIVE AGGRESSIVE:			0.83
In our disputes with the principal, they usually...			
	(1) Threaten to break off the relationship if we refuse to accept their position	0.87	
	(2) Make implicit threats should we not comply with their request	0.83	
	(3) Express strong displeasure with our behavior when we challenge their stand	0.93	
	(4) Try to win their position by any means	0.99	

(R) = Reverse coded

Appendix C

Dependent Variables: Study 2

Latent Variable	Item	Standardized Loading	Variance Extracted
CONFLICT:			0.79
Overall, I consider my relationship with the principal to be:			
	Full of Ill Will	0.64	
	Frustrating	0.92	
	Threatening	0.95	
	Hostile	0.94	
	Antagonistic	0.93	
	Conflictful	0.90	
	Tense	0.90	
DISSATISFACTION:			0.63
Overall, I consider my relationship with the principal to be:			
	Satisfying (R)	0.87	
	Friendly (R)	0.87	
	Fair (R)	0.82	
	Supportive (R)	0.57	
	Considerate (R)	0.72	
	Healthy (R)	0.89	
	Cordial (R)	0.81	
PROCEDURAL JUSTICE:			0.55
In working with its agents, the principal...			
	Treats all agents alike, and does not show favoritism	0.71	
	Applies its policies and procedures consistently to all agents	0.71	
	Seriously considers agents' objections to the principal's policies and programs	0.81	
	Always explains its policy decisions to its agents	0.72	
COOPERATION:			0.71
Overall, our relationship with the principal suggests that...			
	We have a mutually beneficial relationship	0.83	
	We can work together well in this business	0.83	
	We can count on the principal to be a team player	0.87	
	We have a fair and equitable relationship	0.87	
	We look after each other's interest in this relationship	0.86	
	We should describe our relationship as cooperative	0.87	
	Neither party makes demands that might harm the other	0.74	

Appendix C Continued
Dependent Variables: Study 2

Latent Variable	Item	Standardized Loading	Variance Extracted
COMMITMENT:			0.73
Do you agree with the following statements?			
	We continue to represent the principal because it is pleasant working with them	0.89	
	We intend to continue representing the principal because we feel like we are part of the principal's family	0.90	
	We like working for the principal and want to remain the principal's agent	0.76	
	We are the principal's agent because we like what the principal stands for as a company	0.85	
TRUST:			0.72
	We can count on the principal to be honest in their dealings with us	0.83	
	The principal is a company that stands by its word	0.84	
	We can rely on the principal to keep the promises they make to us	0.85	
	The principal is sincere in its dealings with us	0.90	
	The principal can be counted on to do what is right	0.83	
	The principal is a company that we have great confidence in	0.85	

(R) = reverse coded