

Relational Orientation versus Firm Orientation: Want versus Should

Anouche Newman, Ian Lings, Siegfried Gudergan, Valéria Noguti, University of Technology, Sydney

Abstract

This paper provides insights into employee decision making when there is a conflict between doing what is best for the firm (firm orientation) and doing what is best for one's interpersonal relationship with an external stakeholder representative (relational orientation). We apply construal level theory (Liberman and Trope, 1998; Trope and Liberman, 2003) to propose a framework that explains the effects of psychological distance dimensions on an employee's choice to act either in the best interests of their interpersonal relationships (what they want to do), or their firm (what they should do).

Introduction

Firms that advocate a relationship marketing approach to managing their commercial relationships can benefit from the personal, one-to-one, attachments that often develop between their own employees and the representatives of external stakeholders (e.g., suppliers, customers, alliance partners). Relationship marketing is particularly effective when operating at the dyadic level (Palmatier *et al.*, 2006), and one-to-one level attachments give rise to many benefits for the firm. For example, interpersonal relationships can counter opportunistic behaviour, decrease the likelihood of customers switching to another service provider or supplier, and result in special treatment benefits (Gelfand *et al.*, 2006; Gwinner, Gremler, and Bitner, 1998; Haytko, 2004).

Employees who have developed attachments to representatives of external stakeholders may find that, on occasion, their role as a 'friend' conflicts with their role as a 'businessperson' (Grayson, 2007; Heide and Wathne, 2006; Swan *et al.*, 2001). For example, a long-term contract between a customer (Firm A) and a supplier (Firm B) is due to cease. In light of recent poor service provision, Firm B is unlikely to win the contract for another term. Firm B's representative asks Firm A's representative, a friend, for private company information that will assist in Firm B's preparation of a successful tender. This would lead to a positive outcome for the existing friendship between the firms' representatives (and for Firm B, who could attempt to win the contract again), but a negative outcome for Firm A due to an unethical tender process resulting in the unfair renewal of a contract with a poorly performing supplier. In this scenario, the customer's representative is faced with conflict between doing what is best for the firm (firm orientation) versus doing what is best for one's friendship (relational orientation). Employees might *want* to favour behaviours that are consistent with relational orientation, instead of honouring the objectives of their firm, but, given their role as a firm representative, *should* behave in a firm orientated manner.

The risk that commercial objectives can be subordinated in favour of interpersonal relationships is widely recognised (e.g. Haytko, 2004; Grayson 2007); and individuals will respond to conflict between what they want to do and what they should do in different ways. Some employees may align their interests with those of their employing firm, whereas other employees will do what is best for their interpersonal relationships. In this paper we focus

our attention on the following question: what drives employees to do what they *should* do (firm orientation), rather than what they *want* to do (relational orientation), in situations where firm and relational orientations are mutually incompatible?

Literature Review of Conflict between Relational and Firm Orientations

The conflict between firm and relational orientations is typically conceptualised as role conflict: conflict between one's role as a friend and one's role as a businessperson (Grayson, 2007; Heide and Wathne, 2006; Swan *et al.*, 2001). Role theorists have argued that the likelihood of an individual enacting either role depends on two factors: subjective importance and situational relevance (Ashforth and Johnson, 2001). If employees perceive their role as a businessperson to be more important than their role as a friend, they will choose to behave in ways that are in the best interests of their employing organisation (firm orientation). Further, if the businessperson role is perceived to be more socially appropriate than the friendship role, it will be deemed relevant to the situation, and therefore will be more likely to be enacted (Ashforth and Johnson, 2001). However, both roles (friend and businessperson) are embedded within the context of a firm-to-firm relationship (e.g. 'customer and supplier' or 'firm and advertising agency'), which means that friend and businessperson roles are highly integrated. Highly integrated roles have flexible and permeable boundaries, which can serve to exacerbate any conflict between them by creating confusion regarding which role is more salient, and which role is the most socially appropriate (Ashforth, Kreiner, and Fugate, 2000).

To address the risk of employees subordinating commercial objectives in favour of their friendships in situations like this, extant literature focuses on *preventing* conflict between relational and firm orientations. Some firms might try to discourage the development of one-to-one attachments through staff rotation, team work, and the provision of multiple staff contacts (Bendapudi and Leone, 2002). Others design contracts and reporting systems, or provide incentives, that attempt to align the interests of the firm and the employee through restriction of behaviour that is not consistent with firm orientation (Adams, 1976; Eisenhardt, 1989). Rather than focusing on the prevention of conflict between firm and relational orientations, we explore the factors that drive employees to favour choices that are consistent with firm orientation.

Relational and Firm Orientations: Want Versus Should

In order to elucidate the cognitive processes that underlie employee decision making when relational and firm orientations are mutually incompatible, we apply the notion of the want/should conflict (see Bazerman, Tenbrunsel, and Wade-Benzoni, 1998; O'Connor *et al.*, 2002). The want/should conflict conceptualisation proposes that individuals can be torn between what they want to do, and what they believe they should do. The two selves, want and should, desire different, mutually-exclusive outcomes, and battle for control over behaviour (Schelling, 1984). We focus specifically on decision situations where the should self reflects preferences associated with firm orientated behaviours and the want self reflects preferences associated with one's interpersonal relationship (relational orientation). The should self represents what employees will more deliberately feel they should do, whereas the want self is what an individual *affectively* feels they want to do (Rogers and Bazerman, 2007).

The conceptual distinction between the want and should selves has been empirically demonstrated and centres on the emotionality of reactions (O'Connor *et al.*, 2006). When thinking about how one should act, responses are rational, thoughtful, and cool-headed. When thinking about how one wants to act, responses are more emotional, impulsive, and hot-headed (O'Connor *et al.*, 2002). Using the previous example, Firm A's representative may believe that they *should* not provide Firm B's representative (their friend) with private company information, but may *want* to in order to please their friend.

Construal Level Theory, Psychological Distance, and Want versus Should

In line with construal level theory (CLT; Liberman and Trope, 1998; Trope and Liberman, 2003), 'should-choices' can be construed by individuals at different levels of abstraction, and these levels of abstraction have implications for actions and preferences (Rogers and Bazerman, 2007). High-level construals are associated with schematic, abstract, and purpose-focused qualities, whereas low-level construals are associated with specific, detailed, and concrete qualities (Trope and Liberman, 2003). The choice not to provide private company information to the representative of an existing supplier (i.e. the should-choice, firm orientation) can be construed according to the way in which that choice will facilitate commercial objectives (high-level construal) or in terms of one's refusal to help a friend (low-level construal). Therefore, choices can be structured to induce selections that favour the high-level construal (firm orientation) or low-level construal (relational orientation) option.

An individual's perception of psychological distance (PD) from an entity (e.g., a person, an action, or an event) is a primary determinant of their level of abstraction (Liberman, Trope, and Stephan, 2007). People construe more abstract representations (high-level construals) of information pertaining to a psychologically distant entity, and more concrete representations (low-level construals) of information pertaining to a psychologically close entity (see Bar-Anan, Liberman, and Trope, 2006). PD can vary along a number of dimensions: temporal distance, spatial distance, social distance, or hypotheticality (Liberman, Trope and Stephen, 2007). Estimations of PD are subjective, and anchored on a single starting point (zero distance point). This point represents an individual's present experience. Other times, places, experiences of other people, or hypothetical alternatives to reality, are mental constructs and are not present in an individual's direct experience of reality – they are psychologically distant (Liberman, Trope, and Stephen, 2007).

Extant CLT research has focused on temporal distance (e.g. Nussbaum, Trope, and Liberman, 2006; Trope and Liberman, 2003), and has demonstrated that high-level aspects of future events have greater influence on preferences regarding distant future options, than near future options, whereas low-level aspects have a greater influence on preferences regarding near future than distant future options. Spatial and sensory distances have also been investigated (e.g. Fujita *et al.*, 2006; Kardes, Cronley, and Kim, 2006). Individuals have been shown to employ high-level construals to represent events occurring at spatially distant locations and it was found that the sensory closeness of brands prompts individuals to construe such objects in low-level, concrete terms, in turn facilitating preference activation and use.

Recent application of the CLT framework to the want/should conflict demonstrated that outcomes that serve the should self (i.e. should-choices) are construed at a higher level when they occur in the distant future rather than in the near future. Should-choices are more attractive when they are construed at a higher level relative to when they are construed at a

lower level (Rogers and Bazerman, 2007). Here, in the context of relational versus firm orientations, and in order to explain an employee’s decision to favour the should-choice (firm orientation), we hypothesise similar effects. Extending the work of Rogers and Bazerman (2007) provides a basis for examining the effects related, not only to temporal distance, but also to spatial and social distance dimensions.

Psychological Distance and Employee Firm Orientation

We propose a conceptual framework to explain the impact of employee perceptions of psychological distance on firm orientation (see Figure 1). Decisions to behave in ways that are in the best interest of commercial objectives reflect firm orientation, or a *should-choice*. A should-choice results in positive consequences for firm interests (firm orientation, high-level construal) and negative consequences for one’s interpersonal relationship (low-level construal). The underlying logic is that employee perceptions of temporal distance from should-choice outcomes, and spatial and social distance from the individual with whom one has an interpersonal relationship, will result in the should-choice being construed in high-level terms. In turn, should-choices, when construed in this way, are more attractive. Hence, perceptions of greater psychological distance will result in greater firm orientation.

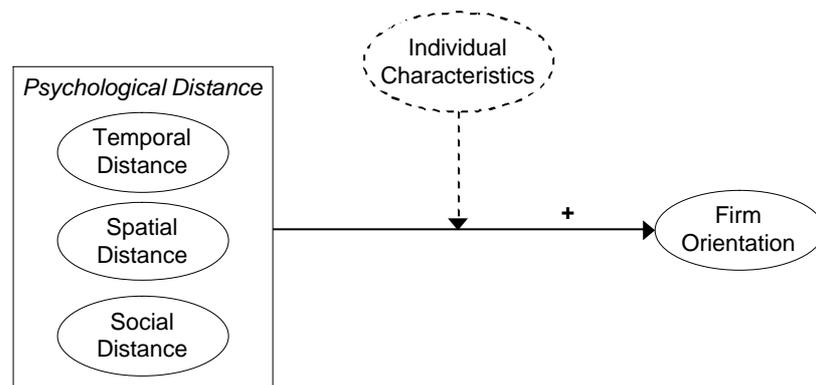


Figure 1: Psychological Distance and Firm Orientation

In relation to temporal distance, we argue that when employees perceive that the outcomes associated with a should-choice take effect in the more distant future, rather than the near future, they support, more strongly, behaviours consistent with firm orientation (Rogers and Bazerman, 2007).

P1: The greater the temporal distance perceived by the employee from the outcomes of a should-choice, the greater the firm orientation.

We propose similar effects for spatial and social distance dimensions. Rather than referring to distance from should-choice outcomes, spatial and social distances, here, refer to an employee’s perceptions of distance from the target individual with whom they have an interpersonal relationship. Spatial distance decreases as the degree or amount of contact with a person increases so when this individual is physically absent, spatial distance is high. Representations of spatially distant entities are associated with high-level construals (Henderson *et al.*, 2006; Fujita *et al.*, 2006). In contrast, when spatial distance to the individual is low, an employee is likely to develop more intense affective, cognitive, and behavioural responses (low-level construal – want self response) than when that individual is

more distant. P2: The greater the spatial distance perceived by the employee from the individual with whom one has an interpersonal relationship, the greater the firm orientation.

Social distance has not yet received empirical attention within the context of CLT, but is recognised to be an important PD dimension, worthy of research in relation to construal level activation, and subsequent implications for actions and preferences (Trope and Liberman, 2003). Here, we propose that social distance refers to the strength of the attachment between an employee and the individual with whom they have an interpersonal relationship. Three types of interpersonal relationships between customers and salespersons have been identified: commercial friends, customer coworkers, and business acquaintances (see Swan *et al.*, 2001). Similarly, a typology of interpersonal relationships between client and advertising agency representatives has also been proposed: strictly business, business friends, and personal (see Haytko, 2004). Both sets of classifications focus on relationship elements such as the level of self-disclosure between representatives, knowledge base, level of personal interaction and communication, and outside of work interaction. We suggest that employee perceptions of their level of attachment to the individual with whom they have developed an interpersonal relationship reflect their perceptions of social distance. We argue that when employees perceive that individuals are socially distant, rather than socially close, they support, more strongly, behaviours consistent with firm orientation.

P3: The greater an employee's perception of social distance from the individual with whom they have an interpersonal relationship, the greater the firm orientation.

We also suggest that there may be interactions among temporal, spatial, and social distance dimensions, and that these interactions could strengthen or weaken the temporal, spatial, and social distance effects on employees choosing to behave as they should (firm orientation). For example, the mere presence of the individual with whom one has an interpersonal relationship at the moment of a decision, even when temporal and social distances are also high, may result in the activation of low-level construal, resulting in the should-choice (firm orientation) becoming less attractive to the employee. Such effects are important to understand, and have not yet been explored in the context of CLT research.

P4: There are interactions among temporal, spatial, and social distance dimensions.

We propose that the strength of the effects of the hypothesised relationships between PD dimensions and firm orientation is likely to vary among individuals. These variations may be due to an employee's commitment to their firm (Meyer and Allen, 1997), commitment to the external organisation represented by one's friend (McElroy, Morrow, and Laczniak, 2001), work ethics and professionalism (Bartol, 1979), behavioural control (Ajzen, 2002), and perceptions of levels of autonomy (empowerment) within their role as a firm representative (Davis *et al.*, 1997; Spreitzer, 1995). Similarly, personality (Raja, Johns, and Ntalianis, 2004) and gender (Markiewicz, Devine, and Kausilas, 2000) may also be relevant.

P5: Individual employee characteristics moderate the relationship between psychological distance dimensions and firm orientation.

Conclusion

We have presented a framework to explain employee decisions that favour the firm, in situations where firm and relational orientations are in mutually incompatible. We apply CLT to argue that perceptions of psychological distance from outcomes and people associated with such decisions cause should-choices (choices to behave in a firm orientated manner) to be construed in high-level terms, which, in turn, makes should-choices more attractive. Of course, social and spatial distance from the firm, not just the individual that is the focus of the interpersonal relationship, may also influence the propositions suggested in this paper. However, CLT has not yet explored the effect of multiple PD foci. In essence, the effect of multiple foci on PD perceptions is unclear, but represents an important consideration that should be explored in the context of employee decision-making in interfirm relationships. By applying CLT to the context of firm-to-firm interpersonal relationships, we contribute to both CLT, as well as to management and marketing literatures. Our conceptualisation represents a step forward in our understanding of the conflict that employees experience between relational and firm orientation (friend and businessperson roles). In model testing, we will consider the simultaneous effects of PD dimensions on decision-making in the context of relational and firm orientated behaviour, and how these effects may differ among individuals.

References

- Adams, J. S., 1976. The Structure and Dynamics of Behaviour in Organizational Boundary Roles. In: Dunnette, M.D., Handbook of Industrial and Organizational Psychology. Wiley, Chicago, pp. 1175-1199.
- Ajzen, I., 2002. Perceived Behavioural Control, Self-Efficacy, Locus of Control and the Theory of Planned Behaviour. *Journal of Applied Social Psychology* 32, 1-20.
- Ashforth, B.E., Kreiner, G.E., Fugate, M., 2000. All in a day's work: Boundaries and micro role transitions. *Academy of Management Review* 25 (3), 472-491.
- Ashforth, B.E., Johnson, S.A., 2001. Which Hat to Wear? The Relative Salience of Multiple Identities in Organizational Contexts. In: Hogg, M.A., Terry, D.J., Social Identity Processes in Organizational Contexts. Psychology Press, Philadelphia, pp. 31-48.
- Bar-Anan, Y., Liberman, N., Trope, Y., 2006. The Association Between Psychological Distance and Construal Level: Evidence from an Implicit Association Test. *Journal of Experimental Psychology: General*, 135 (4), 609-622.
- Bartol, K.M., 1979. Professionalism as a Predictor of Organizational Commitment, Role Stress, and Turnover: A Multidimensional Approach. *Academy of Management Journal* 22 (4), 815-821.
- Bazerman, M. H., Tenbrunsel, A.E., Wade-Benzoni, K.A., 1998. Negotiating with Yourself and Losing: Understanding and Managing Conflicting Internal Preferences. *Academy of Management Review* 23, 225-241.
- Bendapudi, N., Leone, R.P., 2002. Managing Business-to-Business Customer Relationships Following Key Contact Employee Turnover in a Vendor Firm. *Journal of Marketing* 66 (2), 83-101.
- Davis, J.H., Schoorman, D.F., Donaldson, L., 1997. Toward a stewardship theory of management. *Academy of Management Review* 22 (1), 20-47.
- Eisenhardt, K.M., 1989. Agency Theory: An Assessment and Review. *Academy of Management Review* 14 (1), 57-74.
- Fujita, K. F., Henderson, M. D., Eng, J., Trope, Y., Liberman, N. 2006. Spatial Distance and Mental Construal of Social Events. *Psychological Science*, 17, 278-282.
- Gelfand, M.J., Smith Major, V., Raver, J.L., Nishi, L.H., O'Brien, L.H., 2006. Negotiating Relationally: The Dynamics of the Relational Self in Negotiations. *Academy of Management Review* 31 (2), 427-451.
- Grayson, K., 2007. Friendship versus Business in Marketing Relationships. *Journal of Marketing*, Forthcoming.
- Gwinner, K., Gremler, D.D., Bitner, M.J., 1998. Relational Benefits in Services Industries: The Customer's Perspective. *Journal of the Academy of Marketing Science* 26 (2), 101-114.

- Haytko, D.L., 2004. Firm-to-Firm and Interpersonal Relationships: Perspectives from Advertising Agency Account Managers. *Journal of the Academy of Marketing Science* 32 (3), 312-328.
- Heide, J.B., Wathne, K.H., 2006. Friends, Businesspeople, and Relationship Roles: A Conceptual Framework and a Research Agenda. *Journal of Marketing*, 70 (3), 90-103.
- Henderson, M.D., Fujita, K., Trope, Y., Liberman, N., 2006. Transcending the “Here”: The Effect of Spatial Distance on Social Judgement, *Journal of Personality and Social Psychology*, 91(5), 845-856.
- Kardes, F.R., Cronley, M.L., Kim, J., 2006. Construal-Level Effects on Preference Stability, Preference-Behavior Correspondence, and the Suppression of Competing Brands, *Journal of Consumer Psychology*, 16 (2), 135-144.
- Liberman, N., Trope, Y., 1998. The Role of Feasibility and Desirability Considerations in Near and Distant Future Decisions: A Test of Temporal Construal Theory. *Journal of Personality and Social Psychology* 75, 5-18
- Liberman, N., Trope, Y., Stephan, E., 2007. Psychological distance. In Higgins, E.T., Kruglanski, A., *Social Psychology: Handbook of Basic Principles*, Guilford Press, New York, pp. 353-384.
- Markiewicz, D., Devine, I., Kausilas, D., 2000. Friendships of Women and Men at Work: Job Satisfaction and Resource Implications. *Journal of Managerial Psychology* 15 (2), 161.
- McElroy, J.C., Morrow, P.C., Laczniak, R.N., 2001. External Organizational Commitment. *Human Resource Management Review* 11, 237-256.
- Meyer, J.P., Allen, N.J., 1997. *Commitment in the Workplace: Theory, Research and Application*. Sage, Thousand Oaks, California.
- Nussbaum, S., Liberman, N. & Trope, Y. (2006). Predicting the near and distant future. *Journal of Experimental Psychology: General*, 135, 152-161.
- O'Connor, K. M., de Dreu, C.K.W., Schroth, H., Barry, B., Lituchy, T., Bazerman, M.H., 2002. What We Want to Do versus What We Think We Should Do. *Journal of Behavioral Decision Making* 15 (5), 403-418.
- Palmatier, R.W., Dant, R.P., Grewal, D., Evans, K.R., 2006. Factors Influencing the Effectiveness of Relationship Marketing: A Meta-Analysis 70 (4), 136-153.
- Raja, U., Johns, G., Ntalianis, F., 2004. The impact of personality on psychological contracts. *Academy of Management Journal* 47 (3), 350-367.
- Rogers, T., Bazerman, M.H., 2007. Future Lock-In: Future Implementation Increases Selection of 'Should' Choices. Harvard Business School Working Paper, 07-038.
- Schelling, T.C., 1984. *Choice and Consequence: Perspectives of an Errant Economist*, Harvard University Press, Cambridge, MA.

Spreitzer, G.M., 1995. Psychological empowerment in the workplace: Dimensions, measurement, and validation. *Academy of Management Journal* 38, 1442-1465.

Swan, J.E., Goodwin, C., Mayo, M.A., Richardson, L.D., 2001. Customer Identities: Customers as Commercial Friends, Customer Coworkers or Business Acquaintances. *The Journal of Personal Selling and Sales Management* 21(1), 29-37.

Trope, Y., Liberman, N., 2003. Temporal Construal. *Psychological Review* 110 (3), 403-421