

Tensions in Business Relationships: The Role of Professional Distancing

Anouche Newman, Ian Lings and Siggi Gudergan
University of Technology, Sydney

Abstract

A conceptual framework is suggested to explain the cognitive process employed by boundary spanners engaged in one-to-one interpersonal relationships to alleviate the tension they experience as a result of conflict between commercial and personal goals. This process is labelled *professional distancing*. Following utility theory, it is argued that boundary spanners derive utility from functional behaviour as a result of the weight they place on commercial and personal roles. Cognitive dissonance theory suggests that these roles may be psychologically inconsistent; resulting in a tension state for the individual. We argue that professional distancing enables the reduction of this tension in favour of the commercial role, which in turn drives functional behaviour. This paper contributes to the literature as despite recognising the existence of tensions in interpersonal business-to-business relationships, there is little known about the intricacies underlying them and the manner in which they influence functional behaviour.

Keywords: interpersonal relationships, role conflict, dissonance, functional behaviour.

Introduction

Individuals play key roles in initiating, developing and maintaining commercial relationships (Ring and Van de Ven 1994). Further, clients are more likely to form relationships with individual boundary spanners within a firm than with firms, (Berry 1995) and, often, customers' relationships with the seller's key contact employees are stronger than their relationships with the firm itself (Bendapudi and Leone 2002; Czepiel 1990). Similarly, conscientious employees become deeply committed to their clients (McElroy, Morrow and Laczniak 2001). Resultant individual-to-individual level ties (or interpersonal relationships) can serve as the primary channel through which firms communicate, negotiate and influence each other (Noordweir, John and Nevin 1990; Tellefsen 2002).

Nevertheless, commercial goals may be sacrificed if interpersonal ties assume equal or primary importance as company interests (Hu and Korneliusen 1997; Nooteboom, Berger and Noorderhaver 1997). This may lead to dysfunctional behaviours, including corruption or embezzlement (Nooteboom, Berger and Noorderhaver 1997), unethical or opportunistic behaviour (Brass, Butterfield and Skaggs 1998; Beatty et al. 1996) and 'side-changing', where, as a result of personal ties, individuals act in the interests of another company instead of their own (Ford 1990). In essence, these behaviours stem from role conflict: boundary spanners may develop personal relationships with clients and alliance or service partners that conflict with their role as a representative of their employing firm.

This form of role conflict is well recognised in existing literature (e.g. Ford 1990; Swan et al. 2001; Haytko 2004). Organisational-level strategies, to minimize such conflict, would suggest the prevention of personal ties from developing (Bendapudi and Leone 2002), or the use of organisational controls, such as the implementation of information systems and contractual safeguards, to discourage dysfunctional behaviour among employees (Eisenhardt 1989). In contrast, this paper explores the notion that managers would benefit from a better understanding of how boundary spanners experiencing role conflict as a result of their interpersonal relationships, *personally* handle such a dilemma. We pose the question: how can firm representatives maintain their interpersonal relationships and the benefits they afford for the firm, while simultaneously ensuring that they do not jeopardise the commercial goals of their organisation?

Theoretical Background

A review of the relevant literature illuminates a number of issues concerning the role conflict that boundary spanners may experience when engaged in interpersonal relationships with individuals representing their clients, service providers or alliance partners. First, boundary spanners who are required to interact with individual representatives of external organisations simultaneously occupy two

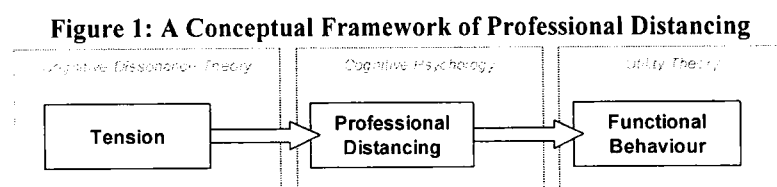
roles: the *commercial role* as a representative of their own organisation, working towards organisational goals, and a *personal role*, as a result of interpersonal ties with individuals external to the organisation. It has been argued that boundary spanning staff may actually be simultaneously involved in two psychological contracts - the psychological employment contract and a customer contract (Ellis, Gudergan and Johnson 2005). Further, evaluations of trustworthiness between firms may be separated from those between firm representatives (Doney and Cannon 1997), and the sense of commitment that develops between firm representatives is different from the commitment they feel towards their firms (Hansen, Sandvik and Selnes 2003).

Second, existing literature suggests that these personal and commercial roles can conflict. This conflict causes tension between expressive and instrumental goals (Swan et al. 2001; Price and Arnould 1999) that may lead to commercial goals being subordinated to those of the personal relationship. Scholarly efforts which focus on understanding how to manage such conflict tend to either search for structural antecedents that might be manipulated to decrease role conflict (e.g. Friedman and Podolny 1992; Stamper and Johlke 2003), the consequences of role conflict for the individual and the firm, or the individual differences that may buffer workers against these outcomes. Existing literature would also suggest that tension between commercial and personal roles may be dealt with in two ways, both of which are organisational-level strategies. First, one-to-one individual relationships can be deliberately prevented by employing methods such as staff rotation, working in teams, and providing multiple staff contacts (Bendapudi and Leone 2002). Second, following agency theory (Jensen and Meckling 1976; Eisenhardt 1989), contractual safeguards or information systems (e.g. reporting procedures, additional layers of management) can be put in place to discourage individual behaviours not in the best interest of commercial goals (Eisenhardt 1989). There are two problems with these perspectives: 1) preventing interpersonal relationships means that their commercial benefits are severely diminished, or forfeited (Young 2001), and 2) information systems and contractual safeguards may not always be effective in discouraging dysfunctional behaviour (Jaworski and Kohli 1992).

Finally, despite the recognition that role conflict between commercial and personal roles represents an important problem in organisations today, there exists a severe lack of literature which offers insights into the ways in which individuals *personally* handle the resultant tension that arises between personal and commercial roles. Further, we know little, if anything, regarding the cognitive processes adopted by individuals to enable tension reduction in *favour* of commercial goals. In this paper, we investigate the cognitive processes which enable boundary spanners to reduce the tension they experience as a result of conflict between commercial and personal roles, in favour of functional behaviour.

A Conceptual Framework for Managing Tensions

Our framework draws upon cognitive dissonance theory (Festinger 1957; Cooper and Fazio 1984; Cooper 1999), utility theory (McFadden 1973; Thurstone 1927), and construal level theory (Trope and Liberman 2003; Liberman and Trope 1998) to explain the intricacies underlying how tension between commercial and personal roles will prompt *professional distancing*, the cognitive process by which boundary spanners change the importance weighting placed on either their commercial or personal roles to ensure functional behaviour. The framework comprises three stages. *Tension*, represents dissonance as a result of conflict between the personal and commercial roles. During this stage, either role could be perceived by the boundary spanner as more or less important than the other, or they could hold equal importance. *Professional distancing*, the second stage, draws upon existing cognitive theories to elucidate the mental processes underlying boundary spanners' resolution of tension in favour of the firm. This will result in changes in importance weights for either the personal or commercial roles, which will, in turn, influence *functional behaviour*. Accordingly, tension drives professional distancing, which in turn facilitates functional behaviour (see Figure 1).



Tension as Dissonance

We posit that the conflict between personal and commercial roles experienced by boundary spanners may give rise to tension, similar to that of cognitive dissonance (Festinger, 1957). Dissonance is a tension state that arises whenever an individual simultaneously holds two or more cognitions that are mutually inconsistent with one another (Festinger, 1957; Elliot & Devine, 1994). Dissonance theorists have argued that it is not actually the inconsistency that causes dissonance, but rather the *result* of that inconsistency, the unwanted consequence (Cooper, 1999).

Ultimately, dissonance may arise as a result of feeling responsible for causing predictable negative outcomes, *even if those outcomes are yet to occur* (Cooper, 1999; Cooper & Fazio, 1984). Seminal discussions regarding cognitive dissonance arousal would suggest that an individual only experiences dissonance during the post-decision period (Festinger, 1957). However, dissonance can be experienced in anticipation (Festinger, 1964), as “pre-decision dissonance” (Brownstein, 2003: 562). Anticipated dissonance will be experienced by those boundary spanners who are leaning towards an alternative that has negative attributes, and who are conscious to the fact that choosing this alternative could produce negative consequences. In other words, upon the realisation that honouring the personal role may bring about consequences that are not in the best interest of the firm, and therefore compromise one’s commercial role, or vice versa, boundary spanners will experience anticipated dissonance.

Functional Behaviour

Following a utilitarian theoretic logic, boundary spanners are expected to engage in functional behaviour (actions that are in the best interests of the firm), if this choice maximises the boundary spanner’s utility. Utility values can be divided into two components: a systematic and a random component (Chapman and Staelin 1982). The former consists of attributes reflecting the commercial role, the personal role, and effort associated with functional behaviour, and the latter comprises those factors influencing utility from functional behaviour that cannot be observed - individual idiosyncrasies (Louviere, Hensher and Swait 2000). Individual differences will be observed in the importance that boundary spanners attach to these two roles. The weight given to each role will reflect what the boundary spanner believes about that role, and the influence that those roles will have on perceived utility. The importance weightings a boundary spanner places on each of the roles are proposed to have a direct impact on functional behaviour (behaviour that is in the best interests of the firm). Consequently, we suggest the following:

- Proposition 1a: Functional behaviour is positively influenced by the importance weighting placed on the commercial role.
- Proposition 1b: Functional behaviour is negatively influenced by the importance weighting placed on the personal role.

Dealing with Dissonance: Professional Distancing

Dissonance is a negative internal state (Elliot and Devine 1994) and there are three ways in which a boundary spanner may try to alleviate such tension (see Leippe and Eisenstadt 1999): one of the two conflicting cognitions can be changed so that they are no longer inconsistent; cognitions can be added that allow the discrepancy between the cognitions to reduce or disappear; and the importance of the dissonant cognitions can be reduced, known as *trivialisation* (Simon, Greenberg and Brehm 1995, p. 247). In some cases, it may be necessary to apply multiple modes of dissonance reduction (Leippe and Eisenstadt 1999). In order to behave functionally, we argue that boundary spanners may change the importance weightings placed on their commercial and personal roles. This is labelled *professional distancing*, a dissonance reduction mechanism in favour of the firm. Therefore, we propose:

- Proposition 2: The greater the dissonance experienced by the boundary spanner, the greater their propensity to engage in professional distancing.

The distancing required is influenced by the perceived type, valence and magnitude of outcomes associated with the dissonance between commercial and personal roles. Further, personal and commercial elements of the relationship may differ (e.g. Trope and Liberman 2003). This affect-dependent argument implies that personal outcomes are weighted less than commercial outcomes. Application of cognitive psychological arguments suggests that a firm-representative may be inclined to place more importance on (shift his/her preferences toward) the commercial role, than on that of the personal role. Cognitive outcomes associated with the commercial role (for example, securing a lower price for regularly supplied goods) are weighted more than affective outcomes (pleasing a friend). These effects are proposed as professional distancing will result in the boundary spanner placing less importance on (shifting his/her preferences away from) the personal role, which result in professional intentions that do not jeopardise the commercial goals of the organisation.

Proposition 3a: Professional distancing increases the importance placed on the commercial role.

Proposition 3b: Professional distancing decreases the importance placed on the personal role.

It is important to note that professional distancing effects may differ among individuals. These individual differences may be due to factors such as commitment to the firm one represents (Meyer and Allen 1997), commitment to the external organisation the representative with whom one has a personal relationship represents (McElroy, Morrow and Laczniak 2001), or work ethics and professionalism (Bartol 1979). Differences in professional distancing effects may also be due to other factors such as the individual's perceptions of organisational support (Stamper and Johlke 2003), behavioural control (Ajzen 2002), and autonomy (empowerment) within their role as a firm representative (Davis, Schoorman and Donaldson 1997; Spreitzer 1995). Finally, it may also be necessary to consider factors such as personality (Raja, Johns and Ntalianis 2004) and gender (Markiewicz, Devine and Kausilas 2000).

Conclusions and Further Research

The conceptual framework proposed in this paper draws upon cognitive dissonance theory, utility theory, and cognitive psychology to offer an explanation of how individuals in boundary spanning roles reduce the tension they experience as a result of their personal and commercial roles conflicting. This framework focuses upon dyadic interactions, and the individual as the unit of analysis. However, we acknowledge that the consideration of tensions between economic and personal goals within the context of the wider social network may prove a fruitful area for future research. Network connections facilitate and constrain the flexibility, autonomy, and consequently the effectiveness, of organisational members (Burt, 1992), which may influence an individual's propensity to engage in professional distancing. For example, those boundary spanners who occupy a structural hole (see Burt 1992, 1997) may engage in professional distancing in order to maximise their capability of negotiating the relationship between other network members, thus enhancing their own social capital.

As Kim points out: "A glaring hole exists between academic marketing literature and anecdotal observations on the effect of interpersonal ties for interfirm exchange" (Kim 2001, p. 189). This paper therefore contributes to this domain by offering valuable insights into the impact of tension in business relationships on the behaviours of boundary spanners. In particular, the conceptual framework explores employee behaviours and characteristics that impact on the performance of interpersonal relationships, and specifically, a new concept (professional distancing) is proposed. Knowledge of the influence of individuals in business-to-business interpersonal relationships on relationship outcomes may provide managers with powerful guidelines for fine-tuning their efforts aimed at enhancing business relationships. The paper provides a first step in contributing to more effective relationship marketing (RM) practice by helping business managers to improve the design and implementation of their RM strategies.

Qualitative research is currently being undertaken to examine the conceptual framework structure. Specifically, the qualitative research will delineate the antecedents and consequences of professional distancing uncovering the attributes used by boundary spanners to weight the importance of their commercial and personal roles.

References

- Ajzen, Icek. (2002), "Perceived Behavioural Control, Self-Efficacy, Locus of Control and the Theory of Planned Behaviour", *Journal of Applied Social Psychology* Vol. 32, pp. 1-20.
- Bartol, Kathryn M. (1979), "Professionalism as a Predictor of Organisational Commitment, Role Stress, and Turnover: A Multidimensional Approach", *Academy of Management Journal*, Vol. 22, No. 4, pp. 815-821.
- Beatty, Sharon E., Mayer, Morris, Coleman, James, Reynolds, Kristy Ellis, and Lee, Jungki (1996), "Customer-Sales Associate Retail Relationships", *Journal of Retailing*, Vol. 72, No. 3, pp. 223-247.
- Bendapudi, Neeli, Leone, Robert, P. (2002), "Managing Business-to-Business Customer Relationships Following Key Contact Employee Turnover in a Vendor Firm", *Journal of Marketing*, Vol. 66, No. 2, pp. 83-101.
- Brass, Daniel J., Butterfield, Kenneth D., Skaggs, Bruce C. (1998), "Relationships and Unethical Behavior: A Social Network Perspective", *Academy of Management Review*, Vol. 23, No. 1, pp. 14-31.
- Brownstein, Aaron L., 2003. Biased Predecision Processing. *Psychological Bulletin* 129 (4), 545-568.
- Burt, Ronald S. (1992), *Structural Holes: The social structure of competition*, Cambridge, MA: Harvard University Press.
- Burt, Ronald S. (1997), "The contingent value of social capital", *Administrative Science Quarterly*, Vol. 42, pp. 339-364.
- Chapman, Randall G. and Staelin, Richard, (1982), "Exploiting Rank Ordered Choice Set Data Within the Stochastic Utility Model", *Journal of Marketing Research*, Vol. 19, (August), pp. 288-301.
- Cooper, Joel (1999), "Unwanted Consequences and the Self: In Search of the Motivation for Dissonance Reduction". In: *Cognitive Dissonance: Progress on a Pivotal Theory in Social Psychology*, (Eds.) Harmon-Jones, E. and Mills, J. (Washington, D.C.), American Psychological Association, pp. 149-173.
- Cooper, Joel, and Fazio, Russell H. (1984), "A new look at dissonance theory". In: *Advances in Experimental Social Psychology*. (Ed.) Berkowitz, L. (New York), Academic Press, pp. 229-266.
- Davis, James H, Schoorman, F. David, and Donaldson, Lex (1997), "Toward a stewardship theory of management", *Academy of Management Review*, Vol. 22, No. 1, pp. 20-47.
- Doney, Patricia M. and Cannon, Joseph P. (1997), "An Examination of the Nature of Trust in Buyer-Seller Relationships", *Journal of Marketing*, Vol. 61, No. 1, pp. 35-51.
- Eisenhardt, Kathleen M. (1989), "Agency Theory: An Assessment and Review", *Academy of Management Review*, Vol. 14, No. 1, pp. 57-74.
- Elliot, Andrew J., and Devine, Patricia G. (1994), "On the Motivational Nature of Cognitive Dissonance: Dissonance as Psychological Discomfort", *Journal of Personality and Social Psychology*, Vol. 67, No. 3, pp. 382-394.
- Ellis, R. Susan , Gudergan, Siegfried P., and Johnson, Lester W. (2001), "Through the looking glass: An agency theoretic foundation for the satisfaction mirror", *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, Vol. 14, pp. 120-124.
- Festinger, Leon (1957), *A Theory of Cognitive Dissonance*, Stanford, C.A., Stanford University Press.
- Festinger, Leon (1964), *Conflict, Decision, and Dissonance*, Stanford, C.A., Stanford University Press.
- Ford, David (1990), *Understanding Business Markets. Interaction, Relationships, and Networks*, London, Academic Press.
- Hansen, Håvard, Sandvik, Kåre and Selnes, Fred (2003), "Direct and Indirect Effects of Commitment to a Service Employee on the Intention to Stay", *Journal of Service Research*, Vol. 5, No. 4, pp. 356-368.
- Schweper Jr., Charles H., and Hartline, Michael D. (2005), "Managing the Ethical Climate of Customer-Contact Service Employees", *Journal of Service Research*, Vol. 7, No. 4, pp. 377-397.
- Haytko, Diana L. (2004), "Firm-to-Firm and Interpersonal Relationships: Perspectives from Advertising Agency Account Managers", *Journal of the Academy of Marketing Science*, Vol. 32, No. 3, pp. 312-328.
- Hu, Ying and Korneliusson, Tor (1997), "The effects of personal ties and reciprocity on the performance of small firms in horizontal strategic alliances", *Scandinavian Journal of Management*, Vol. 13, pp. 159-173.
- Jaworski, Bernard J. and Young, S. Mark (1992), "Dysfunctional Behaviour and Management Control: An Empirical Study of Managers", *Accounting, Organisations and Society*, Vol. 17, No. 1, pp. 17-35.

Jensen, Michael C. and Meckling, William H. (1976), "Theory of the firm: Managerial behavior, agency costs and ownership structure", *Journal of Financial Economics*, Vol. 3, No. 4, pp. 305-360.

Kim, Keysuk (2001). "Interpersonal dependence and efficiency of interfirm exchange: A cross-national study of industrial distributor-supplier relationships". In: *American Marketing Association Conference Proceedings*, (Chicago), AMA Winter Educators' Conference: Marketing Theory, 12, p. 189.

Leippe, Michael R., and Eisenstadt, Donna (1999), "A Self-Accountability Model of Dissonance Reduction: Multiple Modes on a Continuum of Elaboration". In: *Cognitive Dissonance: Progress on a Pivotal Theory in Social Psychology*, (Eds.) Harmon-Jones, Eddie and Mills, Judson (Washington, D.C.), American Psychological Association, pp. 201-232.

Liberman, Nira and Trope, Yacov (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*, Vol. 75, pp. 5-18.

Louviere, Jordan J., Hensher, David A., and Swait, Joffre D., (2000). *Stated Choice Methods: Analysis and Application*. Cambridge: Cambridge University Press.

Markiewicz, Dorothy, Devine, Irene and Kausilas, Dana (2000), "Friendships of Women and Men at Work: Job Satisfaction and Resource Implications", *Journal of Managerial Psychology*, Vol. 15 No. 2, p. 161.

McElroy, James C., Morrow, Paula C., and Laczniak, Russell N. (2001), "External Organisational Commitment", *Human Resource Management Review*, Vol. 11, pp. 237-256.

McFadden, Daniel, (1973), "Conditional Logit Analysis of Qualitative Choice Behaviour" in *Frontiers in Econometrics* (Ed.) P. Zarembka. New York: Academic Press.

Meyer, John P. and Allen, N.J. (1997), *Commitment in the Workplace: Theory, Research and Application*, Thousand Oaks, California, Sage.

Noordewier, Thomas G., John, George, and Nevin, John R. (1990), "Performance Outcomes of Purchasing Arrangements in Industrial Buyer-Vendor Relationships", *Journal of Marketing*, Vol. 54, No. 4, pp. 80-93.

Nooteboom, Bart, Berger, Hans and Noorderhaver, Niels G. (1997), "Effects of Trust and Governance on Relational Risk", *Academy of Management Journal*, Vol. 40, No. 2, pp. 308-338.

Price, Linda L. and Arnould, Eric J. (1999), "Commercial Friendships: Service Provider - Client Relationships in Context", *Journal of Marketing*, Vol. 38, (Oct), pp. 38-56.

Raja, Usman, Johns, Gary and Ntalianis, Filotheos (2004), "The impact of personality on psychological contracts", *Academy of Management Journal*, Vol. 47, No. 3, pp. 350-367.

Ring, Peter Smith and Van de Ven, Andrew H. (1994), "Developmental Processes of Cooperative Interorganisational Relationships", *Academy of Management Review*, Vol. 19, No. 1, pp. 90-118.

Simon, Linda, Greenberg, Jeff and Brehm, Jack W. (1995), "Trivialisation: The Forgotten Mode of Dissonance Reduction", *Journal of Personality and Social Psychology*, Vol. 68, No. 2, pp. 247-260.

Spreitzer, Gretchen M. (1995), "Psychological empowerment in the workplace: Dimensions, measurement, and validation", *Academy of Management Journal*, Vol. 38, pp. 1442-1465.

Stamper, Christina L. and Johlke, Mark C. (2003), "The Impact of Perceived Organisational Support on the Relationship Between Boundary Spanner Role Stress and Work Outcomes", *Journal of Management*, Vol. 29, No. 4, pp. 569-588.

Swan, John E., Goodwin, Cathy, Mayo, Michael A. and Richardson, Lynne D. (2001), "Customer identities: Customers as commercial friends, customer coworkers or business acquaintances", *The Journal of Personal Selling & Sales Management*, Vol. 21, No. 1, pp. 29-37.

Tellefsen, Thomas (2002), "Commitment in business-to-business relationships: The role of organisational and personal needs", *Industrial Marketing Management*, Vol. 31, No. 8, pp. 645-652.

Thurstone, L.L., (1927), "A Law of Comparative Judgment", *Psychological Review*, Vol. 4, pp. 273-286.

Trope, Yacov and Liberman, Nira (2003), "Temporal construal", *Psychological Review*, Vol. 110, No. 3, pp. 403-421.

Young, Louise C. (2001), "Evolving Trust in Business Relations: An Emotion-Based View", *School of Marketing Working Paper Series*, University of Technology, Sydney.