

Conflict Resolution in Organizational Buying Centers

David R. Lambert

Suffolk University

Paul D. Boughton

St. Louis University

Guy R. Banville

Creighton University.

This article reports the results of a field study of buying center conflict and conflict resolution processes — factors often seen as key ingredients in modeling the organizational buying process. The problem-solving and persuasion modes were found to be more often used than the potentially destructive power and politics modes. As expected, increasing levels of conflict were found to be associated with confrontation-oriented modes of resolution. Differences in resolution mode across stages of the purchase process were not significant.

One of the key differences between the consumer and industrial buying situations is that, to a much greater extent, industrial buying is a group process. Cox (1979, pp. 385-386), Wind (1978), Zaltman and Bonoma (1977), and others have emphasized the special importance of studying and understanding the group choice process in industrial buying, and the effect group members have on the choice process of an individual decision maker. The pervasiveness of the group as the buying unit in organizations makes a label for such a group useful. The literature appears to have settled upon "buying center" as an appropriate term. The buying center is defined as an ad hoc group of personnel, representing diverse organizational subunits.

There are important differences in decision-making dynamics where a group is involved, as opposed to decision-making as undertaken by an individual. Whether decisions reached through group processes are more or less efficacious may be debated (Hellriegel and Slocum 1976, pp. 180-181), but it is clear that group dynamics affect decision-making. Groups are often more willing to explore broad ranges of alternatives and may exhibit a changed propensity to take risks. Buying center decision-making is constrained by the rules and procedures of the organization, and within such constraints groups develop standards of behavior which members generally respect. Each member of the buying center brings to the decision process different expectations and goals, as well as a unique interpretation of available information about internal and external environmental changes. Such differences result in conflict among the decision participants, necessitating conflict resolution processes which lead to a group decision (Sheth 1973).

Given that joint decision-making in organizational buying is a process of resolving differences, it is important to understand by what methods and procedures such differences are resolved and what determines which methods will be predominant. Conflict resolution is one of the three principal factors involved in organizational buying behavior described in the Sheth (1973) model of industrial buyer behavior. Sheth (p. 55) states, ". . . conflict in itself is not necessarily bad. What matters most . . . is how the conflict is resolved . . . if conflict resolution degenerates. . . the choice of a supplier may be to the detriment of the buying organization."

The Sheth model incorporates the March and Simon view of the methods of conflict resolution. March and Simon postulated that conflict is resolved within the organization

through four principal methods, which they refer to as problem-solving, persuasion, bargaining, and politicking.

Modes of Conflict Resolution

When "problem-solving" is involved, it is assumed that decision goals and objectives are agreed upon and the decision situation centers around identifying solutions that will satisfy the common goal. Problem-solving represents an information-based approach to conflict resolution. Additional information is sought by one or more of the parties to the conflict, and the conflict is resolved through deliberation concerning this information.

Persuasion may be the group response to the situation in which information is believed to be adequate for decision-making, but there are disagreements among members concerning the choice of appropriate decision criteria. Here conflict resolution centers upon attempts to demonstrate how the use of a particular set of criteria is more likely to achieve some superordinate goal. This approach is similar to problem-solving in that it seeks an integrative solution.

Bargaining results when the group concedes that fundamental differences which are unlikely to be altered exist among members. Conflict is resolved through one party's yielding in exchange for some future consideration. It is an approach which seeks an acceptable combination of gains and losses for all members.

Politicking arises from the same set of conditions which produce bargaining as a response to conflict. But politicking moves the resolution arena from the decision to be made to the people involved. Resolution centers around power oriented methods, which include seeking allies or the use of hierarchical authority to impose decisions on the group.

The problem-solving and persuasion methods of conflict resolution are seen as organizationally useful (March and Simon 1958, p. 130). The benefits of conflict, such as clarification of issues, discussion of competing solutions, expanded understanding of alternatives, etc., will not be undercut by these methods. Participative management is frequently used as part of such strategies to gain consensus and commitment to decisions. The basic advantages are increased cooperation, understanding, and commitment to the proposed solution. The major disadvantage is the time involved in the negotiation and development of a solution that will be acceptable to all concerned (Ferraro and Adams 1984).

Bargaining and politicking are seen as essentially dysfunctional. They are strategies by which, ultimately, one party gains at the expense of another. When these methods are employed, the benefits of group activity and synergy for problem-solving are denied to the organization. Decisions are affected strongly by factors which may lie outside the goals of the organization. The major benefit of these strategies is that an issue can be settled quickly. When other forms of conflict resolution are ineffective, bargaining or politicking may be necessary as a last resort. The major disadvan-

age is that they lead to a reduction in group harmony and creativity, and ultimately to a lessened commitment to long run corporate goals (Ferraro and Adams 1984).

The present research is prompted by the prominent role of conflict resolution in the Sheth model of industrial buyer behavior, and by the absence of published empirical examination of this role. While Sheth does not go beyond the definitions of the resolution modes themselves in addressing factors which might affect resolution mode, two such factors which could be of interest to marketers suggest themselves: stage of the buying process and level of conflict.

Buying Process Stage and Conflict Resolution

While the buying process must necessarily begin with some recognition of need, and usually culminates in a purchase, the process need not go through some number of discrete steps. However, to facilitate the study of buying behavior, the process is generally divided into "stages." The stage of the buying process is recognized to have wide-ranging impacts upon the buying center. The stages of the buying process differ in terms of their relative importance to the outcome of the buying process (Robinson, Faris, and Wind 1967, pp. 20-21); and, by definition, the stages of the buying process are not uniform in terms of the underlying goals which motivate the buying center's activities. We might, therefore, hypothesize that a buying center's handling of conflict might be affected by the stage of the buying process.

Conflict Level and Conflict Resolution

The second factor in the resolution of buying center conflict, suggested by the works of March and Simon (1958, pp. 130-131) and Brown (1983, p. 40), concerns the level of conflict and its association with the process of conflict resolution. They note that bargaining and politics as conflict resolution processes have more disruptive potential for the organization than the more analytic problem-solving and persuasion methods. As Brown (1983, p. 40) comments, "Bargaining particularly is likely to produce problems of too much conflict; problem-solving can produce problems of too little conflict."

Research Issues

Stated formally, the questions addressed by the present research are: (1) are the methods of resolving differences of disagreements within buying centers affected by the stage of the buying process? And, (2) is there an association between the conflict resolution process employed by a buying center and the level of conflict within the buying center?

METHODOLOGY

The sample for this study consisted of twenty-two firms located in four U.S. metropolitan areas. The firms had each recently completed the purchase or lease of an electronic PBX telephone system. Personal interviews were conducted with 60 respondents, averaging 2.7 persons per firm and representing the buying center for this particular buying situation. Membership in the buying center was determined by a "snowball" sampling procedure (Kish 1965, p. 408) in which telephone screening was used to first identify that individual who was "most responsible" for decisions regarding the purchase or lease of telephone equipment. When this person was reached, they were asked to identify other members of the organization who were involved in the decision related to this purchase. Each, in turn, was contacted by telephone and asked to verify their involvement and to suggest others who were a part of the buying group for this product.

The objective of the study required a measure of perceived conflict that existed within the buying center concerning the specified purchasing decision, and a determination of the manner in which conflicts were resolved during the process of reaching a purchasing decision. For measurement purposes, the purchasing process was divided into three decision situations: initiation of the purchase process (need to buy); specification of the product (what to buy); and selection of supplier (from whom to buy).¹

The level of conflict within the buying center was measured by presenting respondents with a five item, seven point semantic differential scale. The items consisted of bi-polar adjectives representing conflict and cooperation. The adjectives used to assess buying center conflict were gleaned from other studies of conflict (Pearson 1973; Stern, Sternthal, and Craig 1973). The scale items selected were those which appeared appropriate for the measure of buying center conflict. The resulting scale was evaluated for face validity via a pretest using three buying centers (none of these buying centers were used to test the study's hypotheses). Coefficient alpha was used as a measure of scale reliability (Cronbach 1951). The alphas computed for the conflict measures were .834 for the decision to buy stage, .864 for the product specification phase, and .952 for the supplier selection stage. The scale is shown in figure 1.

Group conflict scores were produced by summing individual scores across the five semantic differential questions and then summing the individual scores for each group. To adjust for differences in group size, a ratio of the actual group score to the highest possible group score was made to produce an index score that represented the group conflict level.

To examine the ways in which conflict might be handled with the buying center, nine resolution statements were developed from the work on organizational conflict by Patchen (1974), and Renwick (1975) which represent the potential modes of conflict resolution that were conceptualized by

March and Simon (1958, p. 129): problem-solving, persuasion, bargaining, and politicking. These statements are as follows:

- A. When differences arose more information was obtained and/or further analyzed.
- B. In group meetings or other interaction, members played-down differences and emphasized common interests.
- C. The decision was reached through negotiations and bargaining.
- D. There was search for an intermediate position; a compromise was sought.
- E. Problems were brought out into the open and carried out to resolution even though feelings were hurt.
- F. One or more individuals used the power of their position and knowledge to win acceptance of their point of view.
- G. A survey of opinion was taken and the majority ruled.
- H. Organizational politics played a dominant role in the decision-making.
- I. The decision was dictated from higher up.

Respondents were presented with a set of cards, each containing one of the resolution statements, and asked to rank-order them in terms of how well the statements described buying center deliberations for a given stage of the buying process. Thus, for each respondent three sets of rankings were obtained (one per stage of the buying process), depicting their perceptions of how conflict was resolved in the multi-person decision to purchase (or lease) a new telephone system.

FINDINGS

The rank-orders of conflict resolution modes by buying process phase are summarized in Table 1.

Obtaining and analyzing additional information was the most frequently followed course of action in resolving conflict arising from a center's decision-making process. This was followed by "emphasizing of common interests" and "negotiations/bargaining." These represent problem-solving or persuasion type resolution procedures. In using these procedures to resolve conflict, the group emphasized information sharing, the defining of alternatives, and the similarity of views. By way of contrast, the use of power, politics, and direct authority were less frequently used. These modes represent competitive or confrontation techniques in which group members tend to exercise influence through the organization's formal authority structure.

In order to test the hypothesis that different methods of resolving conflict are used in response to the type of decision being made, a data matrix of the nine ranks, across the 60 respondents, was created for each of the three decision situations. A test of significant differences between the three

**FIGURE 1
CONFLICT INTENSITY SCALE**

	1	2	3	4	5	6	7	
Agreement	_____	_____	_____	_____	_____	_____	_____	Disagreement
Cooperative	_____	_____	_____	_____	_____	_____	_____	Uncooperative
Unity	_____	_____	_____	_____	_____	_____	_____	Disunity
Supportive	_____	_____	_____	_____	_____	_____	_____	Obstructive
Positive	_____	_____	_____	_____	_____	_____	_____	Negative

**TABLE 1
MEDIAN RANKINGS* OF CONFLICT RESOLUTION
MODES BY DECISION TYPE**

	Need To Buy	Product Specs	Select Suppliers
A. Information Obtained/Further Analyzed	2.50	2.42	2.94
B. Differences Played Down/Common Interest Emphasized	3.23	3.70	4.50
C. Negotiations/Bargaining	3.93	3.17	3.17
D. Search for Intermediate Position/Compromise	4.69	4.21	4.41
E. Problems Brought into Open/Carried Out to Resolution	5.50	4.65	4.17
F. Used Power/Knowledge to Win Acceptance	6.40	6.64	5.94
G. Opinion Surveyed/Majority Ruled	5.50	6.50	8.50
H. Organizational Politics Played Dominant Role	7.25	7.07	6.10
I. Decision was Dictated from Higher Up	7.87	8.12	7.64

*Where lower rank orders represent the most used resolution modes.

matrices was performed using a nonparametric technique developed by Lessig, Horrell, and Singh (1974). This program was specifically developed to perform statistical tests of significance on two or more groups of rank order data, and represents an extension of the Kruskal-Wallis test.

The results of the test of significant differences between the rank orders of conflict resolution methods, across the three decision stages, fails to support a hypothesis of difference.² This finding is at odds with Ryan and Holbrook (1982) who found support for differences in levels of conflict across specific types of decisions. This suggests that the Buying Process Stage is perhaps too broad a concept for the measurement of conflict differences. Ryan and Holbrook's study indicates that the study of conflict may be more productive using specific types of decisions within stages.

Since it is possible that respondents' interpretations of the conflict resolution statements could differ from our interpre-

tations, the associations among the rank-orders were examined to see if natural groupings of the resolution methods could be identified.

A hierarchical cluster analysis of variables was performed using program BMDPIM (Brown 1977) with complete linkage and correlation as a measure of distance (Anderberg 1973). The cluster analysis first formed a cluster of F, I, and H; next a cluster is formed of B, A, G, and D; then C and E are combined; next the BAGD and CE clusters are joined; in the final stage the two remaining clusters are collapsed.

The structure which we find among the methods of conflict resolution suggests that the four conflict resolution styles, problem-solving, persuasion, bargaining, and politicking, may be viewed as points along a continuum of conflict resolution, defined by the extent to which resolution is handled with a concern for the maintenance of interpersonal relations, or an approach emphasizing confrontation (per-

sonalizing the conflict). Methods A, B, D, and G represent the problem-solving, accommodative, compromising, participative methods of decision-making; they reflect a concern for the interpersonal relationships within the groups as well as a concern for task. The C and E statements are persuasion oriented and stress give and take negotiations. Methods F, H, and I, represent the competitive or confrontation methods which reflect a concern for task without regard to interpersonal relationship. Thus, if our conceptualization of a conflict continuum is correct, resolution methods A, B, D, and G should lie at the interpersonal end, F, H, and I at the confrontation end, and C and E somewhere in between.

To address the issue of whether or not there is an association between the manner in which group conflict was resolved and the level of conflict generated during the decision process, an index of conflict resolution was developed. It was reasoned that buying centers with the highest concern for interpersonal relationships would rank the problem-solving, participative, accommodative, and compromising methods the highest. Thus, methods A, B, D, and G would be ranked in some combination of 1, 2, 3, and 4, and the sum of these ranks would equal 10. Buying centers which were confrontation oriented would tend to put these styles at the bottom; thus, they would be ranked 6, 7, 8, 9, and their sum would equal 30. In order to combine buying center members' rank-orders into an overall group score, the sum of ranks within each buying center was computed, adjusted for group size, and the resulting sums rank-ordered.³

Examining the association between the group conflict scores⁴ and the rank-order of the buying centers (where increasing rank order numbers indicate buying centers which are more confrontation oriented), we find $r_s = .641$ for the need to buy stage, $r_s = .573$ for the product specification stage, and $r_s = .647$ for the supplier selection stage (Spearman's rho, all r_s are significant at $p < .005$). This indicates that as conflict increases, conflict resolution tends to move away from a concern for others toward confrontation-oriented decision styles.

While it is evident that buying center conflict gives rise to the appearance of a conflict resolution process, it is impossible to assign a causal sequence to the conflict level/resolution mode process. Either sequence appears equally plausible: increasing levels of conflict tend to produce certain resolution modes; or conversely, the use of certain resolution modes (perhaps endemic in the organization or the particular personnel involved) affects the level of conflict.

SUMMARY AND DISCUSSION

In this study, resolution styles were not found to differ significantly across the broad stages of the buying process. Instead, styles were found to fall into broad categories associated with the decision participants' concerns for others. This relationship was arrayed on a continuum from those

which show concern for relationship (problem-solving techniques) to those which show concern for task without concern for relationship (confrontation techniques). Additionally, the mode of conflict resolution was found to be associated with the conflict level generated by the group decision process.

The means by which centers resolve conflict in order to reach a purchasing decision are not always discreet or absolute, but may instead represent a variety of activities or techniques. The group decision process may include some of all of the general types of conflict resolution methods, e.g. problem-solving, persuasion, bargaining or politicking. While the evidence from this study cannot be used to assess the issue of whether conflict resolution mode causes or is caused by the level of conflict attendant to a given portion of the purchase decision process, it is conceivable that conflict resolution modes form a part of the organizational climate. As described by Hellriegel and Slocum (1976, p. 351), organizational climate refers to a "set of attributes that can be perceived about an organization and/or its units and may be described by the practices, processes, and ways of dealing with members of the unit and its environment." Thus, the leadership style, or other modes of behavior exercised in group decision-making will be shaped, in part, by the organization's values and norms of behavior. When the leadership style of the firm recognizes and encourages its members to engage in problem-solving, participative decision-making, then there should be a greater propensity for information sharing, and exploring of alternatives. The result may be a lower level of conflict throughout the decision-making process. Conflict might then be viewed as the dependent variable in its relationship with resolution styles. This is in contrast to the scenario painted by Sheth (1973) and others that depict resolution methods as being in response to conflict.

This research has been concerned with a description of the resolution of conflict within buying centers. As such, it has not addressed the question of which style of conflict resolution may be most effective in the attainment of purchasing goals. This is left for a future study to resolve. The goal of this study has been to provide insight into the dynamics of group decision-making processes, and to show by what methods conflicts between group members are resolved.

FOOTNOTES

¹These stages in the purchase process are three out of the four-stage process described by Hill and Hillier (1977); the post-purchase evaluation stage was not considered since it was not described by Sheth (1973) as a part of the buying center/conflict resolution process.

²This method examines the hypothesis that the central locations of C groups of data, consisting of n observations on p variables, are equal. The resulting statistic $L(N)$ is approximately chi-squared distributed with $P(C-1)$ degrees of freedom. For this test, $L(N) = 16.849$ with 18 degrees of freedom, indicating that there was no significant difference between the rank orders of conflict resolution methods across the three decision situations.

³The actual rank sums of the buying centers in the sample ranged from 11.50 to 28.50 with a median of 14.79 for the need to buy phase, 15.03 for the product specification stage, and 20.43 for the supplier select stage, where 10 indicates a total concern for interpersonal relations, and 30 a complete confrontation approach to resolving differences.

⁴Group conflict scores ranged from .142 to .780 where 0.0 is no conflict, and 1.0 total conflict. The mean group conflict level was .240 for the need to buy stage, .286 for the specification stage, and .329 for the supplier selection stage.

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ABOUT THE AUTHORS

DAVID R. LAMBERT is Associate Professor of Marketing, School of Management, Suffolk University. His Ph.D. is from the University of Cincinnati. Dr. Lambert has published in *Industrial Marketing Management*, *Journal of Purchasing and Materials Management*, *Journal of Marketing Research*, *Journal of Advertising*, *California Management Review* and elsewhere.

PAUL D. BOUGHTON is Assistant Professor of Marketing, School of Business and Administration, St. Louis University. His Ph.D. is from St. Louis University. Dr. Boughton's articles have appeared in *Journal of Small Business Management*, *Journal of International Management*, and the proceedings of the Academy of Marketing Science.

GUY R. BANVILLE is Professor of Marketing, and Dean of the College of Business Administration, Creighton University. His Ph.D. is from the University of Alabama. Dr. Banville has published in *Industrial Marketing Management*, *Journal of Purchasing and Materials Management*, *Journal of the Academy of Marketing Science*, and other academic and professional publications in the areas of industrial marketing and purchasing.