A Preliminary Investigation Of Antecedents To Role Stress In Retail Alliances

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Abstract

This research examines the emergence of role stress in retail alliances. A theoretical model is developed that implicates contractual mechanisms, dedicated assets, and communication modality as antecedent to role conflict and ambiguity. The model is examined via data gathered with 220 managers of dual-branded retail oil outlets in Norway. Results of the examination indicate that role conflict emerges due to specific assets and contractual factors. By contrast, role ambiguity is associated with asset specificity and communication modality. The study concludes with a brief discussion of theoretical and managerial implications.

Fueled by trends toward globalization, high technology, and deregulation, mergers and acquisitions are rapidly becoming ubiquitous in nearly all facets of industry. Estimates indicate that merger-related activities surpassed US$ 2.30 billion in 1998 with the top ten mergers alone exceeding US$ 550 billion (Jackson 1999). The trend is supported by global ownership changes in the financial sector, services industries, high technology industries, traditional manufacturing and production, health care, and retailing.

Several diverse motivations support the growing interest in mergers and acquisitions. Notably, organizations seek economies of scale in production, research and development, and marketing (Harper 1999). In addition to scale economies, organizations view acquisitions as a means for controlling overcapacity. The motivation to acquire related firms is also grounded in efforts to control costs and raise profitability. Despite the obvious profit motive associated with mergers, research indicates that among 300 transactions that each exceeded US$ 500 million, 53% of the newly-formed organizations failed to outperform competitors in the following three years (Haigh 1999). The new organization must not only consolidate supply-chain factors, but it must also bring together disparate corporate cultures.

Recent activity in the retail sector parallels acquisition activity in other industries. Retail mergers are in progress in a variety of industries ranging from discount/department stores (e.g., Wal-Mart's and Wertkauf GmbH; Mercantile-Dillards), to supermarkets (e.g., Kroger - Fred Meyer), to apothecary stores (CVS - Revco) to petroleum sales (BP - Amoco) (Orgel 1999; Zecher 1998). These retailers are motivated by opportunities to consolidate fragmented markets, enter new markets, and exploit operational synergies. The retail sector accentuates some inherent challenges associated with interfirm alliances. There is often a significant gap between

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the expected value of an acquisition and its actual performance. Furthermore, the acquisition may lead to layoffs and can divert attention away from core brands to ancillary products and markets (Haigh 1999). Retail management would benefit from research that illustrates the extent to which factors inherent to the acquisition influence the new organization’s ability to integrate divergent corporate systems into a unified, effective organization. Nevertheless, prior research has not addressed post-merger integration in the retail sector.

The purpose of this research is to examine the relationship between organizational factors and role stress in retail alliances. Rizzo, House, and Lirtzmann (1970) emphasize that hierarchical organizations rely on specified sets of responsibilities and obligations. Newly formed retail alliances disrupt the chain of command associated with the retail system, and retail managers operating within this milieu are highly likely to experience role stress. Role stress is manifest in the level of role conflict and ambiguity experienced by retail managers. Our research seeks to identify organizational and communicative properties that lead to role stress.

The research contributes to role theory by specifically examining the relationship between role stress and institutional economic factors. The majority of role theory research adopts a setting in which all parties operate on behalf of the same organization (cf. Jackson and Schuler 1985; Fischer and Gitelson 1983). In many industrial settings organizations employ interorganizational alliances in effort to achieve many of the benefits of a hierarchy without the firm-related overhead (Heide 1994). Factors endemic to these interfirm agreements are outlined in transaction cost economics (Williamson 1991) and agency theory (Bergen, Dutta, and Walker 1992; Eisenhardt 1989), yet the influence of these factors on role stress has not been examined. Thus, our study contributes to role theory by underscoring economic factors that influence the production of role stress.

Managers must confront the possibility that role conflict and ambiguity will emerge when two retail systems merge. Our research should be helpful to managers of these networks in two ways. First, the study identifies organizational and economic factors that yield role stress. Identification of these factors enables management to prepare for conflict and ambiguity. Furthermore, identification of these factors should enable management to discount some opportunities due to inevitably high levels of role stress. Second, our study identifies communicative processes that lower the level of role stress operating in interfirm alliances. Thus, the study underscores practices management can employ to quell stress in retail alliances.

The empirical setting for our research is the Norwegian retail distribution network of two oil refiners. The companies recently elected to merge the provision of services and products at the retail level, and outlets within the system adopted a dual-branded format. In 1995, the top three global oil companies accounted for 38% of exploration and production, but as a result of mergers the top three firms now account for 52% of this investment (Caddy 1999). Oil companies hope to attain production-related scale economies from mergers, yet the influence of these alliances on retail operations has not been considered. Thus, the context should provide an intriguing empirical setting for the analysis of role stress.
The paper proceeds as follows. In the next section, we present our theoretical model. The method and data collection procedures are then presented along with the results. The final section outlines implications of the research for retail management and interorganizational theory.

**Model and Hypotheses**

Role theory is a body of knowledge that uses the metaphor of play-acting to characterize the functions a person performs when occupying a particular position (i.e., role) in a specific context (Shaw and Costanzo 1982). Kahn et al. (1964) use this metaphor to describe the interaction between a focal person and a role sender. The focal person encounters role pressures due to the expectations placed upon them by role senders. For example, franchisees are endowed with role expectations from McDonald's upon investing in the franchised system. Role stress emanates as a consequence of the pressures to fulfill role obligations.

Marketing research addressing role stress has primarily been conducted in the sales management area, and the research has focused on two dimensions, conflict and ambiguity (Behrman and Perreault 1984; Churchill et al. 1985; Singh, Verbeke, and Rhoads 1996). Role conflict refers to the "degree of incongruity or incompatibility of expectations associated with the role" (House and Rizzo 1972, p. 475). House and Rizzo's (1972) analysis of conflict addressed incompatibilities between: standards or values, time, resources, or capabilities; multiple role responsibilities; and various organizational inputs. Studies of in the sales area recognize that each of these facets may influence conflict, but the research has emphasized the incompatibilities associated with multiple roles that sales representatives play (Ford, Walker, and Churchill 1975; Singh et al. 1996). In retail distribution systems conflict can emerge from role incompatibilities emanating from a variety of sources. For example, franchisees experience conflict when the recommended order quantities suggested by the franchisor are not consistent with the order quantity recommendations of local suppliers.

Role ambiguity refers to the "lack of clarity and predictability of the outcomes of one's behavior" (House and Rizzo 1972, p. 475). Organizational theory and sales research indicate that organizational factors and coping mechanisms have important influences on the emergence of role clarity. The franchised retail setting is highly susceptible to role ambiguity. Although standard organizational practice is to develop comprehensive operating systems that are at the retail managers' disposal (Keating 1991), managers are still likely to encounter ambiguity. For example, operators of new franchised restaurants that are running their business during the first holiday season experience ambiguity regarding the appropriate scheduling of store personnel.

Our model addresses organizational factors and communication processes that have potential to influence the level of role stress operating in a dual branded distribution system. Although a sizeable body of research in social psychology, organizational theory, and marketing has analyzed role stress (cf. Jackson and Schuler 1985; Fischer and Gitelson 1983), the research has not emphasized the influence of economic processes on role conflict and ambiguity. By contrast, our model examines institutional economic properties (Eisenhardt 1989; Williamson 1985). In addition, we examine the role of communication strategies (Mohr and Nevin 1991) on role stress. The model is outlined in figure 1.
Economic Antecedents to Role Stress

Contractual Mechanisms and Role Stress. Retail distribution systems rely on a set of contractual mechanisms designed to ensure the proper implementation of the branded concept (Keating 1991). In many retail networks, the owners of the rights to market a brand must select between corporately-owned and franchised outlets. Corporately-owned outlets reflect settings in which the owner of the branded concept uses employees to operate the retail locations. By contrast, franchised outlets are retail locations that are run by a licensee that is not an employee of the owner of the branded concept. The franchise contract grants an entrepreneur the rights to market a branded concept in specific geographic location for a specific period of time (Keating 1991). For example, the standard U.S. contract for a McDonald’s restaurants grants an entrepreneur the rights to market the quick service restaurant concept in a specific location for twenty years (Kaufmann and Lafontaine 1994).

Prior research (e.g., Brickley and Dark 1987; Dahlstrom and Nygaard 1994) indicates that the decision whether to franchise or own an outlet is associated with agency costs. As the costs incurred to manage outlets appreciate, the incentives to establish franchised outlets become more pronounced. Consistent with this view, Brickley and Dark (1987) suggest that franchisors progressively employ franchising as monitoring costs increase for specific locations.

A fundamental facet of the franchise/corporately-owned dichotomy is the nature of the relationship between the brand manager and the retail manager. In corporately-held retail outlets there is a singular chain of command operating within one organization. Franchising muddles this hierarchy by adding a second organization to operations. The franchisee not only has the obligations to the brand-owner, but also has incentives as the residual claimant for profits gleaned from operations (Jensen 1983; Shane 1998). Intra-organizational research indicates multiple authority structures disrupt the individual’s orientation leading to higher levels of role conflict (Rizzo et al. 1970). Similarly, the franchisee’s requirements to meet the needs of the franchisor and the local franchised company should result in high levels of role conflict.

Contractual mechanisms should also influence the level of role ambiguity experienced by retail managers. Managerial mechanisms are likely to be different for franchised outlets and corporately held outlets. Bradach’s (1997) research with restaurant franchising indicates that brand managers that interact with franchisees have a wider span of control than those responsible for interaction with the corporately-held outlets. Moreover, the nature of interaction is different. Field representatives interacting with corporately-held locations focus on maintenance of standards and achievement of budget targets. The consultants to franchises dedicate less time to auditing the maintenance of standards and spend time persuading franchisees to adopt programs. As the span of control increases, each manager is likely to have fewer opportunities to receive clarification from the company regarding policy issues. The effort to market new promotions limits the opportunity to discuss operating procedures. The sheer time and nature of the interaction with the franchisor should lead to higher levels of ambiguity among franchisees. Thus, the following are proposed:
HI: Relative to managers of corporately-owned outlets, franchisees report higher levels of: a) role conflict and b) role ambiguity.

Transaction-specific Assets. Transaction cost analysis is a theoretical framework that incorporates dimensions of contract law, organizational theory, and economics to explain the governance structures employed to control transactions (Williamson 1985). The theory underscores the central importance of the nature of investments made in a relationship. To varying degrees, assets dedicated to a relationship have limited value in other settings. For example, programming knowledge associated the Apple Macintosh operating system has limited use in other computers. Transaction cost theory refers to these investments as transaction-specific assets (Williamson 1991). Transaction-specific assets take on importance because individuals and firms that make these investments must take measures to ensure that the assets are employed productively. Research in marketing channels indicates that firms are more inclined to integrate channels as the level of asset specificity increases (Rindfleisch and Heide 1997). For example, Anderson (1985) illustrates that firms use employees rather than outside agents as the level of product-related specificity increases.

The commitment to a franchised distribution involves several forms of capital that have limited value outside of the retail network. For example, hotel franchisees become well-acquainted with the franchisor’s reservation and operating systems (Shook and Shook 1993), and the nuances of the system cannot be re-deployed in other hotel systems. Although the relationship between specific assets and integration has been the focus of much research, the influence of these assets on role stress has not been examined.

Human asset specificity should be highly germane to role stress in franchised distribution systems. Investments in learning the operating system of a franchised network are investments in the role outlined by the role sender, the franchisor. Dual-branding complicates the specific asset issue because individuals enter the new contract with a history of dedicated investments. Retail managers carry over expectations based on their knowledge of the operating system developed for the old branded concept. The greater the knowledge of the old system, the greater the manager’s familiarity with the older system. These investments thus augment the role expectations on the local managers, and thus should yield higher levels of role conflict. Similarly, the obligations endemic to the old system complicate the managerial task to the extent that current policies are inconsistent with prior role obligations. Managers more familiar with the old system should experience less clarity about role performance. Thus, the following are proposed:

H2: Dedicated investments associated with the prior operating systems are positively associated with: a) role conflict and b) role ambiguity.

Investments in the current operating system also have implications for role stress. Agency contracts such as franchises are designed to bring the best possible outcome for the principal by aligning the incentives of both parties to the contract (Bergen, Dutta, and Walker 1992). As the franchisees dedicate more effort to learning the system, they are likely to recognize facets of the system that favor the franchisor. As a result of this process, they experience higher levels of role conflict in their relationships with the franchisor. Their investment should have a contrasting
effect on role ambiguity. Efforts to understand the operating system should provide greater clarity in the expectations of the principal. Thus, the following are proposed:

H3: Dedicated investments associated with the current operating systems:
are: a) positively associated with role conflict and b) negatively associated with role ambiguity.

Communication-based Antecedents to Role Stress

Communication Modality. Communication has been described as the “glue that holds together a channel of distribution” (Mohr and Nevin 1990, p. 36). Modality or the method used to transmit information has been operationalized in a variety of ways including personal/impersonal as well as formal/informal means. Huber and Daft (1987) present a hierarchy of communication modes based on the richness of the medium. The hierarchy ranges from rich modes such as face-to-face contact and telephone interaction to less personal communication vehicles such as form letters.

The mode of communication should have a strong influence on the level of role stress experienced by retail managers. As the communication vehicle becomes more personal and multi-dimensional, greater opportunity is presented to interpret and transmit information. For example, face-to-face communication provides the opportunity to send verbal and non-verbal messages, yet form letters are more sterile means of communication. Larkin and Larkin (1996) contrast one-on-one communication with less personal mechanisms such as corporate videos, publications, and meetings. Not only do employees prefer personal communication, but it provides opportunities for dialogue that is more difficult to achieve in other modes. Personal communication underscores the social link between the values of the individual and the firm, and conflict emerges when this link breaks down (Strebel 1996). Dialogue enables individuals to express contingencies associated with multiple role obligations, and resolutions can be designed that meet each party’s needs without raising role conflict. Hallowell (1999) uses similar logic in his description of the human moment in interpersonal communication. The human moment involves occupying the same physical space and dedicating physical and emotional attention to interaction. Electronic media offer efficiencies in transmissions of sterile information, but personal cues cannot be transmitted as effectively in modes such as fax or e-mail. Body language, intonation, and emotion are constrained in less personal communication. Group gatherings (via meeting and seminars) and written correspondence (via letters or electronic media) are less capable of transmitting the meaning of messages embodied in non-verbal communication. The meaning underlying words is muddled as the communication become less personal, and role ambiguity becomes more pronounced. Thus, the following are proposed:

H4: In contrast to group interaction and written correspondence, personal modes (face-to-face contact and telephone conversations) are associated with less a) role conflict and b) role ambiguity.

Communication Formality. Most retail systems have highly explicit operating manuals designed to guide local business practices toward consistency of service provisions throughout the network (Keating 1991). Nevertheless, the degree to which the refiner personnel emphasize these procedures is likely to vary. Early research (House and Rizzo 1972) offered evidence to suggest that formalization has a negative influence on role conflict and ambiguity, but these results are not supported in meta-analyses (e.g., Fischer and Gitelson 1983). In the retail context
the emphasis on formal procedures should constrain role stress. As obligations and duties of the channel partners are specified, operations become routinized. Parties that are aware of their contractual obligations should be less susceptible to intra-role conflict. Similarly, the specification of responsibilities should ensure that ambiguity associated with the role is alleviated. Thus, the following is proposed:

H5: As the perceived level of formalization increases, retail managers report less: a) role conflict and b) role ambiguity.

Method
Research Setting

The Norwegian retail distribution system of two oil refiners served as the research setting for our study. The refiners recently elected to merge their operations at the retail level. The stations adopted the same dual-branded trademarks and signs, and their shops were re-designed to reflect uniformity in the product setting and product offerings. Although the retail setting provided a consistent image for consumers, the retail operating system brought together corporate cultures and managers from divergent systems. Thus, the setting should be appropriate for the analysis of role stress.

The data were collected via surveys sent to each manager franchisee in the distribution network. Potential respondents were informed via telephone that they were about to receive the survey. The survey packet contained the instrument as well as supporting letters from the retailers union, the refiners, and the principal researcher. The response rate was 56.4% given that 220 of 390 retailers returned completed responses. Comparison between early and late responses was performed to assess non-response bias (cf. Armstrong and Overton 1979) problematic. Analysis of several descriptive variables (annual sales, number of employees, tenure as a manager) and the variables in the study indicated no significant differences between early and late responses. Consequently, non-response bias did not seem to be an issue.

Measures of Principal Constructs

The survey instrument designed to examine the proposed model was developed in conjunction with retail management. The director of the retail network, the director of the retail managers’ union, and a consultant to the industry provided insight into the proper wording of the measures. In addition, four managers participated in a pre-test that offered an opportunity to make semantic changes in the variables and make the study more meaningful to the respondents. In addition, measures originally used in English were back-translated as a check on the validity of the measures. Each of the measures is subsequently described.

Contractual Form. The type of contract is assessed using a dichotomous measure indicating whether the respondent is a corporate employee or a franchisee. In addition, the respondents indicate which network they had worked in prior to the retail merger. The single-branded network is employed in the analysis as a control variable gauging whether the effects on role stress are endemic to one of the older networks.

Transaction-Specific Assets. The dealer’s investment in the current system and prior operating system were analyzed via Anderson’s (1984) measures company-specific assets. The 7-point Likert-type items measure the investment dedicated to learning the refiner’s operating system.

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Communication Modality. The modes of communication employed in the interaction between the refiner and the retail manager were assessed using measures adapted from Mohr et al. (1996). The 7-point measures examine the frequency of usage of a variety of communication channels. The refiner can interact with the retailer via face-to-face contact, telephone, letters, internet, union meetings, seminars, advertisements, sales literature, newsletters, and local retailer meetings. The retail manager can interact with the refiner via face-to-face contact, telephone, letters, internet, union meetings, seminars, and local retailer meetings.

Communication Formality. The level of formalization in the interaction between the refiners and the local manager was assessed using Mohr et al.'s (1996) measures of formalization. The four 7-point Likert-type items in the scale reflect the degree to which explicit and formal communication are employed to coordinate interaction.

Role Stress. Role stress was assessed via the 7-point (strongly agree/strongly disagree) measures developed by Rizzo et al. (1970). The role conflict and role ambiguity measures consisted of thirteen and eleven items, respectively.

Results

Dichotomous measures, formative scales, and reflexive scales are employed in this analysis. Consequently, a composite assessment of the measurement model via confirmatory factor analysis is not feasible (cf. Howell 1987). The formative scales were assessed via estimation of the internal consistencies within each scale. Three measures formed include personal contacts (face-to-face messages and telephone calls), group contacts (union meetings, local managers meetings and seminars), and impersonal interactions (letters and internet contacts sent and received; refiner advertising, sales, and newsletter transmittals). In each case, the estimates for internal consistency exceed the .6 benchmark (Heide and John 1990).

The reflective scales include prior specific investments, current investments, communication formality, role conflict, and role ambiguity. The eigen-value >1 criterion and scree test were employed to illustrate that one factor is sufficient to represent the items within each conceptual domain. None of the measures in the prior specific assets and formality were deleted. Three items for the current specific investments and role conflict scales were eliminated due to low (i.e., less than .3) loadings. In addition, five items were deleted from the role ambiguity scale. With the exception of communication formality (α = .59) all scales exceed the guidelines for basic research (Nunnally 1978). Table 1 provides the patterns of correlations and scale consistency measures for all scales in the study.

Tests of the hypotheses were performed using OLS regression. The results summarized in Table 2 indicate that the independent variables significantly influence role ambiguity ($F_{9,210} = 7.411$ $p < .05$; Adj. $R^2 = .209$) and role ambiguity ($F_{9,210} = 4.724$, $p < .05$; Adj. $R^2 = .1194$). In addition, the results suggest that neither role conflict (refiner #1: $\beta = .062$, $p = n.s.$; refiner #2: $\beta = .060$, $p = n.s.$) nor ambiguity (refiner #1: $\beta = -.109$, $p = n.s.$; refiner #2: $\beta = .018$, $p = n.s.$) vary as a function of the single-branded system from which the retailers originated.

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H1 framed the contractual form as antecedent to role conflict and ambiguity. The results, however, indicate no significant relationship between franchising and the level of role conflict (β = .030, p = n.s.) or ambiguity conflict (β = .089, p = n.s.). Thus, H1a-lb are not supported.

Hypotheses two and three examined whether investments in transaction-specific assets influenced the level of role stress. Although previous investments in the operating system do not influence role conflict (β = -.016, p = n.s.), these investments have a significant influence on role ambiguity (β = .196; t = 2.90 p < .05). By contrast, currently dedicated investments are associated with role conflict (β = .432; t = 6.83 p < .05), yet they do not influence ambiguity (β = .024; p = n.s.). These results support H2b and H3a, but offer no support to H2a and H3b.

Facets of communication were the focus of H4-H5. Personal (β = -.030 < .05), group (β = .093 < .05), and written (β = .020 < .05) communication do not influence role conflict. Nevertheless, personal communications have a strong negative influence on ambiguity (β = -.168 t = -2.419 < .05), yet group (β = -.046 < .05) and written communication (β = -.046 < .05) do not influence role ambiguity. Communication formality, however, is negatively associated with role conflict (β = -.235 t = -3.586 < .05) and ambiguity (β = -.222 t = -3.210 < .05). Together these results lend support to H4b, H5a, and H5b, but not H4a.

Discussion

Our research focuses on the emergence of role stress in retail alliances. The test of our model indicates that role conflict is positively associated with the transaction-specific investments, yet negatively associated with communication formality. By contrast, role ambiguity is positively associated with dedication to the old retail operating system. Furthermore, ambiguity is quelled via personal and formalized communication.

We emphasize that any theoretical or managerial implications from research must initially recognize some of the limitations inherent to the research. These limitations also point to opportunities for additional research of role stress in interfirm alliances. A more refined distinction among contractual forms could augment the measures. Research indicates that a breadth of contracts may be offered in these agreements (Dahlstrom and Nygaard 1994), and these alternative contractual forms may influence the production of role stress. In addition, Mohr and Nevin (1990) recognize that several facets of communication sway interactions, yet our study is tacit with respect to the influence and feedback components of communication. In addition, our data do not offer the opportunity for a comprehensive examination of the model using confirmatory factor analysis and structural equation modeling. The results reported here can be qualified through refined data analytical methods, and the data can be augmented via consideration of a broader set of communicative and contractual mechanisms.

Despite the limitations in our method, some tentative recommendations should be recognized. Our preliminary results suggest that facets of the investment in the retail system yield higher levels of role stress. Consequently, managers of these networks should recognize that role issues are most likely to emerge among persons with the most invested in the retail system. Retailers contemplating dual branding should recognize that ambiguity will be greater among those with large personal investments in the retail system. Similarly, the investment made upon entering the
Table 1
Correlation Matrix and Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>s</th>
<th>Correlations(^a)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>1. Investment in Previous System</td>
<td>4.34</td>
<td>2.20</td>
<td>.94(^b)</td>
</tr>
<tr>
<td>2. Investment in Current System</td>
<td>5.29</td>
<td>0.93</td>
<td>.05</td>
</tr>
<tr>
<td>3. Personal Mode</td>
<td>3.15</td>
<td>1.47</td>
<td>.03</td>
</tr>
<tr>
<td>4. Group Mode</td>
<td>2.91</td>
<td>1.35</td>
<td>.06</td>
</tr>
<tr>
<td>5. Written Mode</td>
<td>3.44</td>
<td>1.23</td>
<td>-.01</td>
</tr>
<tr>
<td>6. Communication Formality</td>
<td>3.93</td>
<td>1.16</td>
<td>-.06</td>
</tr>
<tr>
<td>7. Role Conflict</td>
<td>3.95</td>
<td>1.21</td>
<td>.04</td>
</tr>
<tr>
<td>8. Role Ambiguity</td>
<td>2.86</td>
<td>1.08</td>
<td>.21</td>
</tr>
</tbody>
</table>

\(a\) - Correlations with absolute values greater than .12 are significant at \(p < .05\)

\(b\) - internal consistency measures on the diagonal.

Table 2
Antecedents of Role Conflict and Role Ambiguity

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Role Conflict</th>
<th>Role Ambiguity</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Contract</td>
<td>.030</td>
<td>-</td>
</tr>
<tr>
<td>H2 Investment in Previous System</td>
<td>-.016</td>
<td>.196 **</td>
</tr>
<tr>
<td>H3 Investment in Current System</td>
<td>.432 **</td>
<td>.024</td>
</tr>
<tr>
<td>H4 Personal Mode</td>
<td>-.030</td>
<td>-</td>
</tr>
<tr>
<td>H4 Group Mode</td>
<td>-.093</td>
<td>-</td>
</tr>
<tr>
<td>H4 Written Mode</td>
<td>-.020</td>
<td>-</td>
</tr>
<tr>
<td>H5 Formality</td>
<td>.235 **</td>
<td>-</td>
</tr>
<tr>
<td>Refiner #1</td>
<td>-.062</td>
<td>.018</td>
</tr>
<tr>
<td>Refiner #2</td>
<td>-.060</td>
<td>.109</td>
</tr>
</tbody>
</table>

| F statistic                   | 7.411 **      | 4.274 **       |
| d.f.                          | 9.210         | 9.210          |
| Adjusted R\(^2\)              | .209          | .119           |

ew system will raise the level of role conflict. Management can confront these role issues by placing greater emphasis on formal mechanisms for interaction with the local managers. As the perceived level of formal communication increases, role stress is diffused. Furthermore, the interaction with the managers should, where possible, be performed on a personal level. Although written procedures and group seminars offer efficiency in the transmission of policies, in McLoughlin, Damien. and C. Horan (eds.), *Proceedings of The 15th Annual IMP Conference*, University College, Dublin 1999
they do not quell role ambiguities. The quality of working relationships is solely enhanced via personal communications.

Figure 1
ANTECEDENTS TO ROLE STRESS

CONTRACTUAL FORM

INVESTMENT IN PREVIOUS SYSTEM

INVESTMENT IN CURRENT SYSTEM

COMMUNICATION MODALITY

COMMUNICATION FORMALITY

ROLE STRESS

ROLE CONFLICT

ROLE AMBIGUITY

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The research also has implications for interorganizational theory. The level of dedicated assets has been implicated in several studies as a determinant of organizational structure (Williamson 1985). Nevertheless, the potential deleterious consequences of asset specificity have not been considered. Transaction cost analysis emphasizes that relational contracting involves markedly different mechanisms from market arrangements, and governance of these relational agreements is likely to emphasize longevity at the expense of short-run transactions. Our study underscores the relational nature of long-term contracts, and it emphasizes the influence that communication style has on role stress (cf. Mohr et al. 1996). Future research should focus on multiple influences of asset specificity and communication on relational quality.

The purpose of our research has been to offer a preliminary examination of antecedents to role stress in franchised distribution systems. Our results suggest that economic conditions and communicative mechanisms influence role stress for retail managers. We hope that these findings are informative to retail management and interorganizational theory.

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