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Industrial Marketing Management 34 (2005) 23–37
INDUSTRIAL MARKETING MANAGEMENT

The antecedents and consequences of organizational and personal commitment in business service relationships

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Received 1 April 2003; received in revised form 1 May 2004; accepted 1 July 2004
Available online 27 September 2004

Abstract

This paper explores the potential for business service customers to form separate bonds of commitment with the service firm and the service representative. It examines the role of the individual and identifies six potential antecedents to each type of commitment. It also proposes that both types of commitment will influence the degree of relational exchange between the customer and the service firm. The hypotheses are tested using multiple regression and data from a survey of marketing research managers. The results support the majority of the hypotheses.

Keywords: Trust; Commitment; Buyer behavior; Business relationships; Service marketing; Relationship marketing

1. Introduction

Relationship marketing has emerged as a central tenet in the business-to-business (BTB) literature. Many scholars maintain that firms will be more successful if they build long-term, mutually supportive relationships with their buyers (Anderson, 1995; Sharma & Sheth, 1997; Wilson, 1995). A key construct in relationship marketing is commitment. When buyers and sellers are committed to each other, they create a stable environment in which they can build on each other's strengths, engage in joint decision making, and increase the net benefits to both parties (Day, 1995; Morgan & Hunt, 1994).

This paper contributes to the BTB literature by expanding the conceptualization of commitment. It does so by using an expanded definition of the term "exchange partner". Traditionally, BTB researchers considered exchange partners to be the buying and selling organizations. They examined the degree to which one firm was committed to another firm (e.g., Anderson & Weitz, 1992; Morgan & Hunt, 1994). However, BTB relationships are much more complex. An exchange partner is actually comprised of two distinct actors—the partner's overall organization, as well as its individual representative (Hakansson & Wootz, 1979). Managers differentiate between these two actors and form separate evaluations of each (Doney & Cannon, 1997).

This paper builds on this distinction. It proposes that there are actually two forms of commitment within a given BTB dyad. The first type is organizational commitment. It reflects the bond between the buying and selling firms. The second type is personal commitment. It involves the bond between the two firms' representatives. This paper also proposes that each type of commitment is driven by different antecedents, and each type has a different effect on the degree to which the two firms can develop a close, collaborative exchange relationship.

This paper explores the potential for these two levels of commitment to occur within a business service relationship. This type of relationship was selected for two reasons. First,

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0019-8501/$ - see front matter © 2004 Elsevier Inc. All rights reserved.
doi:10.1016/j.indmarman.2004.07.001

business services constitute a rapidly growing sector of the BTB market (Filiatrault & Lapierre, 1997). Second, with BTB services, the representative plays an important role in adapting the supplier's offering to meet the buyer's needs (Sharma, Tzokas, Saren, & Kyziridis, 1999). It is therefore reasonable to expect that the representative will also have special opportunities to personally contribute to the buyer–seller relationship and to personally bond with the buyer.

The hypotheses are derived from several literatures including BTB, channels, service, and personal selling. They are tested using data from a survey of market research managers about their relationships with research suppliers. The results support the majority of the hypotheses.

The findings have many important implications for researchers. This paper introduces a new construct, personal commitment, identifies its antecedents, and examines its impact on relational exchange. To provide a base of comparison, it also examines the antecedents and impact of organizational commitment. Their inclusion in this study allows for a full analysis of the distinction between the two levels of commitment and of their different effects on the overall interfirm relationship. The combined results should provide researchers with a new level of analysis and new explanatory variables for deriving a greater understanding of the bonding process in BTB relationships.

This paper also has a number of managerial implications. It provides managers with an expanded understanding of how buyers view suppliers. It clarifies that buyers form distinctly different impressions of a supplier's firm and representative and seek different benefits from each. It also demonstrates that buyers can form strong personal bonds with individual representatives and that these personal bonds can have a strong impact on the strength and structure of the interorganizational relationship. This, in turn, should provide managers with an expanded understanding of the role of their representatives in building BTB relationships. These insights could also have important implications for how managers train and supervise representatives. For example, managers may revise training to help representatives build bonds at both levels. Managers may also strengthen policies for account continuity to give representatives time to build strong personal bonds and to leverage those bonds after they are established.

2. Organizational and personal commitment

Commitment represents "an enduring desire to maintain a valued relationship" (Moorman, Zaltman, & Deshpande, 1992, p. 316). This definition contains three elements that appear consistently in the literature. First, commitment is "enduring". It involves an implicit or explicit understanding that the partners will continue to work together after the current transactions are completed and will jointly face new and potentially unforeseen issues as they arise (Dwyer, Schurr, & Oh, 1987; Macneil, 1980).

Second, commitment reflects a "desire". It is based on personal choice rather than legal obligation. While committed partners may be bound by short-term contractual arrangements, they choose to continue their relationship after their current legal obligations are fulfilled (Dwyer et al., 1987; Macneil, 1980).

Third, commitment is driven by value. Trading partners form long-term relationships only if they believe that they will derive some special long-term benefits from the arrangement (Anderson & Weitz, 1992; Dwyer et al., 1987; Goodman & Dion, 2001; Morgan & Hunt, 1994).

Commitment plays a pivotal role in exchange relationships (Anderson & Weitz, 1989; Dwyer et al., 1987; Ganesan, 1994; Moorman et al., 1992; Morgan & Hunt, 1994; Wilson, 1995). It can serve as a psychological bond that keeps partners together when they encounter frustrations or setbacks. If partners are not committed, they may resolve such problems by seeking new partners. However, if they are committed, they will be motivated to try to maintain their relationship by working together to find common solutions (Day, 1995; Dwyer et al., 1987; Macneil, 1980).

To date, the BTB literature has focused on one form of commitment. Researchers have examined the impact of a decision maker's commitment to a trading partner's firm. For example, several studies have examined the degree to which a decision maker in one firm (such as a dealership, distributor, or wholesaler) felt committed to a particular manufacturer (Anderson & Weitz, 1992; Goodman & Dion, 2001; Morgan & Hunt, 1994). For clarity, this paper will refer to this bond as organizational commitment and will define it as a decision maker's enduring desire to maintain a valued relationship with a partner firm.

However, BTB relationships may also include a second type of commitment. This type involves a decision maker's bond with a particular individual within the partner firm. There are several reasons to expect such bonds. First, although a BTB relationship involves interorganizational exchange, it is conducted through the interpersonal interactions of the two firms' representatives (Hakansson & Wootz, 1979). These individuals serve as the principal conduit through which the two firms communicate, negotiate, and attempt to influence each other (Lichtenthal & Eyuboglu, 1991). As a result, these individuals can have extensive personal interactions.

In addition, these representatives think and act as individuals rather than as simple extensions of their organizations. They may manage the exchange process to fulfill their own personal goals, as well as their firm's organizational goals (Tellefsen, 2002). They may also engage in unauthorized activities within their own firms to help fulfill their personal obligations to their partner firm's representative (Tellefsen & Eyuboglu, 2002). They may even enter into unauthorized or covert agreements with the partner firm's representative to gain additional leverage within their own firm or improve their personal goal fulfillment (Ashforth & Lee, 1990; Strauss, 1962).