Measuring Firm-Employee Relationship Strength

Carmel Herington, Lester W Johnson & Don Scott

Abstract

This article reports the findings from an assessment of a measure used to determine levels of firm-employee relationship strength. The measure utilized was originally designed to measure relationship strength in industrial buyer-supplier relationships. The purpose was to determine if this scale could be adapted to measure firm-employee relationship strength. A secondary purpose was to determine if it were possible to begin to move towards developing a generalized measure of relationship strength for use in various relationship marketing situations, through this initial adaptation and application of a measure from one relationship to another. Support was found for a single factor firm-employee relationship strength construct. Convergent validity was also established. The results provide support for developing a generalisable measure of relationship strength for different marketing relationships. The assessed measure is considered useful as an overall indication of the strength level of a marketing relationship. Future research should explore a more detailed and in-depth measure of relationship strength and also test the generalisability of the scale for measuring other marketing relationships, for example employee-customer relationships, alliance partners, etc.

Keywords: relationship marketing; firm-employee relationships; relationship strength

Introduction

“Business is conducted via relationships” (Reina and Reina, 1999, p8). Agreement with this position is found from the perspective of relationship marketing. For example, Gummesson (1999b) states that business operates within society and the basis of society is relationships. Relationship marketing is defined as “marketing based on interaction within networks of relationships” (Gummesson, 2002, p3). This definition provides a basis for investigating relationships within, and between, different identified markets of the firm (Christopher, Payne, and Ballantyne, 1991; Morgan and Hunt, 1994), including supplier, buyer and employee markets. Some effort has also gone into identifying the different types of marketing relationships that exist within these markets (for example, Doyle, 1995; Gummesson, 2002; Morgan and Hunt, 1994). Of critical interest to relationship marketing is the impact of other relationships on the primary firm-customer relationship (Gummesson, 1999a).

Relationship marketing investigators such as Gummesson (1999b) and Morgan and Hunt (1994) have made specific reference to the importance of internal relationships within the relationship marketing context. Most importance has been placed on the impact that the internal relationships of the firm have on customer relationships (Barnes, 1995; Grönroos, 1996, 1999a; Reynoso and Moores, 1996). Internal relationships have also increasingly been seen by practicing managers to provide a competitive advantage for firms (for example Catlette and Hadden, 2001; Freiberg and Freiberg, 1998; Reichheld, 1996, 2001; Rosenbluth and McFerrin Peters, 1992, 1998). These reports of marketing practice state that caring for employees results in employees caring for customers who will then want to remain with the.
firm. They therefore advocate that employees should become the first concern of the firm because customers will automatically be looked after if employees are looked after (for example Rosenbluth and McFerrin Peters, 1992, 1998).

A number of internal relationships have been identified within the marketing literature (see, for example, discussions by Morgan and Hunt, 1994; Gummesson, 2000; Doyle, 1995), including relationships between employees and their employer, their immediate department, their immediate supervisor, and immediate work colleagues, as well as other more distant relationships with other departments, other employees generally, and even other business units within an organisation. We chose to focus on the firm-employee relationship as this is the relationship which emerges as most critical to success as mentioned by the practicing managers. However, while this relationship between the firm and employee has also been highlighted within relationship marketing literature as an internal relationship of particular importance, it has received very limited attention from researchers (Liljander, 2000).

An examination of the marketing literature shows that relationships which have received most attention to date have been supplier-buyer relationships (for example Cannon and Homberg, 2001; Donaldson and O’Toole, 2000; Dwyer, Schurr and Oh, 1987; Ganesan, 1994), with some attention also to firm-customer relationships (for example Garbarino and Johnson, 1999; Colgate and Dunaher, 2000) and some work related to employee-customer relationships (for example Bove and Johnson, 2000, 2006). The majority of the above-mentioned research has focused on the existence of a relationship in terms of its association with a myriad of antecedents and consequences, rather than the actual nature and intricacies of the relationship itself. This has resulted in the relationships themselves not receiving in-depth attention. The research does not normally extend to a close examination of the exact nature of the actual relationship itself.

A key concept within the services marketing literature is that of the ‘service encounter’, which was originally defined by Shostack (1985, p 243) as “a period of time during which a consumer interacts directly with a service” and later more definitively as “dyadic interactions between a customer and service provider” by Suprenant and Solomon (1987, p 87). Further, as this interaction was identified as being of critical importance to satisfaction (Suprenant and Solomon, 1987), the basis already exists for the importance of understanding the nature of relationship development during such interactions.

Yet, little reference has been made to the nature of marketing relationships generally, the interaction processes or successful relationship building as identified by Liljander (2000), and this has left a gap in relationship marketing knowledge. Also not yet investigated, is the notion that there might be some common characteristics in all marketing relationships. Such investigation could result in the development of a generalised model of the important relationship elements which are necessary for all marketing relationships.

Hence, the aim of this article is twofold. First, we investigate the possibility of using an adapted form of a scale that has previously been utilised to measure industrial buyer-supplier relationships to examine the internal firm-employee relationship in a marketing context due to its consideration as being the ‘first’ relationship of the firm (Rosenbluth and McFerrin Peters, 1992). Second, we also provide an initial indication of the likelihood of identifying a set of relationship elements that are common to all marketing relationships. We begin by looking at the concept of internal marketing as it relates to the internal market of the firm. Previous approaches to the measurement of marketing relationships are explored. Relationship strength is identified as a suitable construct of interest to measure, and previous investigations of this concept are examined. Donaldson and O’Toole’s (2000) previously utilised measure of relationship strength is identified as a suitable scale for adaptation to investigate firm-employee relationships. The results of an empirical examination of this measure are reported, followed by conclusions as to the usefulness of this scale for measuring this specific internal relationship and other internal relationships, and
the likelihood of being able to develop a generalisable scale of relationship strength.

2. Literature review

2.1 Internal marketing

Internal marketing is an area of marketing that has generally been viewed as being concerned with marketing efforts aimed at the internal market of employees. Although frequently mentioned within the relationship marketing literature, the internal marketing concept is yet to be fully encompassed within the relationship marketing paradigm. A number of researchers have more recently noted the transactional (marketing mix) emphasis of internal marketing (Dunne and Barnes, 2000; Flipo, 2000; Gummesson, 2000; Varey, 2000; Varey and Lewis, 2000; Voima, 2000). Some evidence of relationship marketing thinking in relation to internal marketing is emerging in the literature (Ballantyne, 2000b; Barnes and Howlett, 1998; Gilmore, 2000; Lings, 2000; Varey and Lewis, 2000). However, this remains largely conceptual.

A new area for examination, namely ‘internal relationship marketing’, has more recently emerged from within the relationship marketing literature and has been offered as an alternative in trying to re-align internal marketing to the relationship marketing paradigm (Ballantyne, 2000a; Keller and Ozment, 1999; Liljander, 2000). However, this concept remains in name only, with the only application being Ballantyne’s (2000b) description of his internal relationship building activities in relation to improving customer service. Hence, it is difficult to find any directions within the marketing or relationship marketing literature as to how to measure any of the internal relationships of the firm.

There have been many constructs utilized within the marketing literature when talking about successful relationship marketing outcomes. The KVM (Key Mediating Variable) model of Morgan and Hunt (1994) has frequently been adopted for empirical investigations of relationship marketing (for example Chenet, Tyan and Money, 2000; Dorsch, Swanston and Kelley, 1998; Garbarino and Johnson, 1999; Iverson, McLeod and Erwin, 1996; Yilmaz and Hunt, 2001). Morgan and Hunt (1994) and subsequent adopters of their model have provided evidence for trust and commitment being key relationship development constructs. Other variables that have also been frequently associated with developing relationships within the relationship marketing literature include communication (for example Morgan and Hunt, 1994; Dorsch, Swanston and Kelley, 1998; Duncan and Moriarty, 1998; Moore, 1998; Nielson, 1998; Zineldin and Johnson, 2000), shared values (for example Morgan and Hunt, 1994; Dorsch, Swanston and Kelley, 1998; Pressey and Mathews, 2000), power and dependency (for example Pressey and Mathews, 2000; Wilson and Vlosky, 1997; Lusch and Brown, 1996) and cooperation (for example Nielson, 1998; Chenet, Tyan and Money, 1999; Anderson and Narus, 1990; Dwyer, Schurr and Oh, 1987). Most of these have been investigated together with trust and commitment as additional key indicators. The KVM model does not however provide an in-depth view of the composition of a successful relationship, how it develops nor how it functions. It positions the relationship within the broader relationship marketing context, thereby not enabling an expose of the actual relationship itself. Hence, a need exists to examine the interactions that occur within marketing relationships, by exploring how they work, what elements must be present for success, etc. This will provide a much closer and deeper view and understanding of the relationship itself.

2.2. Relationship Strength

Aspects of relationships such as relationship quality, relationship development, relationship closeness, and relationship strength, have received attention as conceptualizations of deeper investigations of the actual relationship, although many of these have also been based on adoption of Morgan and Hunt’s (1994) general KVM relationship marketing model (for example Shemwell and Cronin, 1995). For this research, relationship strength has been adopted to measure the magnitude, degree or extent of a relationship (Barnes and Howlett, 1998; Donaldson and O’Toole, 2000; Kandampully and Duddy, 1999). This term is most representative of measuring the extent or depth of the relations between relationship partners, and there is al-
ready widespread acceptance within the literature to the desirable outcome of relationship building as leading to strong relationships (for example Crosby and Stevens, 1987; Garbarino and Johnson, 1999; Liljander, 2000; Storbacka, Strandvik and Grönroos, 1994).

Donaldson and O’Toole (2000) and Paulin and colleagues (Paulin, Perrien and Ferguson, 1997; Paulin, Ferguson and Payaud, 2000) have developed specific measures of relationship strength using a relationship marketing perspective. Other researchers (for example Bove and Johnson, 2000, 2006; Shamwell and Cronin, 1995) have utilized a general measure of relationship marketing, such as commitment and trust from Morgan and Hunt’s (1994) KMC model of relationship marketing and have not considered the overall constitution of the strength of the relationship.

Shamwell and Cronin (1995) measured trust and commitment as being representative of relationship strength in service worker-customer relationships. In their definition of relationship strength, they intentionally limited relationship strength to the measurement of commitment and trust. Commitment and trust have played an important part in the operationalisation and measurement of relationship marketing and the justification for representing relationship strength on this basis is linked to a wide acceptance in the marketing literature of the mediating effect of trust and commitment (for example Chenel, Tynan and Money, 1999; Dorsch, Swanson and Kelley, 1998; Garbarino and Johnson, 1999; Hennig-Thurau and Klee, 1997; Iverson, McLeod and Irwin, 1996; Morgan and Hunt, 1994; Tax, Brown and Chandrashekaran, 1998; Wilson and Vlosky, 1997; Yilmaz and Hunt, 2001). However, this is limiting of a true understanding of the constitution of a strong relationship.

Paulin and colleagues (Paulin, Perrien and Ferguson, 1997; Paulin, Perrien and Payaud, 2000) used Macneil’s (1980) social contract theory to develop a measure of relationship strength for use in relationship marketing research. Their measure was an operationalisation of relational norms, based on the belief that most of the variables of interest to the measurement of relationship strength are represented by relational norms. These relational norms were identified as trust, commitment, information sharing, benefits, joint working and relationship specific assets. The researchers determined relationship strength by assessing role integrity, communication, flexibility and solidarity. Role integrity measured the knowledge and competence in understanding the relationship partner’s needs. Communication measured accuracy and timeliness of information sharing by the partner. Flexibility measured perceptions related to ability and willingness to find suitable solutions when conflicts arise between the partners. Finally, solidarity measured the degree of mutual trust, commitment and benefit in the relationship. However, the validity of the instrument as a representative measure of relationship strength was not assessed and therefore cannot be used as an assessment of the specific elements which determine the strength of a relationship, prior to such assessment.

Hausman (2001) used commitment, trust and a reduced form of Macneil’s (1980) original relational norms as representative indicators of a second order construct of relationship strength in industrial buyer-supplier relationships. The relational norms construct consisted of three items, one item representing each of the elements of solidarity, mutuality and flexibility. Although constructs were measured using modifications of existing scales, with satisfactory psychometric properties reported, results were based on a small sample. In addition, even though evidence supporting the existence of relationship strength as a latent construct was provided through assessment of an alternative plausible model, no evidence was provided that the second order construct itself provided the best fitting model, either through the recommended assessment of alternative models (see for example Bollen, 1989; Byrne, 1994; Mulaik and James, 1995; Maruyama, 1998) or discriminant validity between the three representative constructs (Anderson and Gerbing, 1988). With the use of a total of only 13 broad items representing the separate elements of relationship strength, it is possible that a single factor construct of relationship strength might have provided a better fit to the data. However, this model does provide an expanded view of relationship strength in comparison to just measuring trust and commitment or relational norms. Unfortunately, the view
of what constitutes relationship strength remains limited with aspects such as communication, relationship cooperation, dependency and power being ignored, all elements which we exposed earlier in the discussion as being previously identified as important relationship elements. Hausman (2001) acknowledges this, recommending future research involving the inclusion of additional behavioural elements missing from her conceptualization of relationship strength.

Donaldson and O’Toole (2000) have also developed and utilised a direct measure of relationship strength which they used to measure industrial supplier-buyer relationships. The measure was intended to combine behaviour (belief) and economic (action) components of relationships in the assessment of the extent of relational cooperation between supplier and buyer firms (Donaldson and O’Toole, 2000). Donaldson and O’Toole (2000) recognized that a wide range of variables need to be incorporated in any attempt to examine relationships. Behavioural (belief) items were said to represent trust, commitment, cooperation, mutuality and equity, while key economic (action) items included power, risk avoidance and opportunism (Donaldson and O’Toole, 2000). A total of 13 items were used to measure all of the identified elements of relationship strength. This constitutes a much broader range of elements of relationships than other operationalisations of relationship strength discussed earlier, rendering this measure of relationship strength the most likely existing measure to be capable of being adopted to measure other marketing relationships.

Donaldson and O’Toole (2000) have provided details of a rigorous process for the development of their measure. Following Churchill’s (1979) procedures, they developed a multi-item measure, used qualitative feedback to inform on the construct and utilized academic and practitioner pilot testing prior to trialling the measure on a sample of 100 respondents. The final measure included 13 items that they believed operationalised the belief and action components of relationship strength. Unfortunately no details of the specific psychometric properties of the scale were reported apart from stating that internal consistency was found to be satisfactory and that face validity was achieved through factor analysis.

Donaldson and O’Toole (2000) concluded that (a) relationships consisted of both behaviour and economic content, (b) the tool assesses inter-firm relationships, (c) the measure of relationship strength itself would benefit from further research, and (d) the scale could be applied to other relationships. The research reported in this article extends the literature through investigation of the last two points.

While Donaldson and O’Toole (2000) were likely referring to applications to other inter-firm relationships, it is thought that perhaps this measure could be adapted to measure intra-firm relationships since the precedent already exists in the literature that strong relationships should be similar for all marketing relationships. For example, as with the case argued for this research, Morgan and Hunt (1994) proposed using their developed model of relationship marketing which they tested on buyer-supplier relationships to examine all ten types of relationships they identified in their article, which includes firm-employee relationships. Further, Reynoso and Moores (1996) suggested that it might be possible to develop a set of criteria for measuring marketing relationships. Christopher, Payne and Ballantyne (1991) proposed the relationship development ‘ladder’ where they saw all marketing relationships progressing through similar stages of development. It should also be noted that the social psychology literature does not distinguish a different set of relationship characteristics determined by the relationship parties, but rather examines relationship characteristics that generally exist within all relationships (see for example Wish, Dorsch, and Kaplan, 1976).

In summary, there is a common viewpoint in the literature that relationship strength is the construct of interest when one wishes to measure the depth, intensity or magnitude of a firm-employee relationship. There is also agreement that relationship strength is a construct that needs further examination in order to determine how to measure it. Little is known about how relationship partners characterize the status of the strength.
of their relationships (Czepiel, 1990). Hence, this article provides the details of a research project aimed at answering the following question “Can an industrial supplier-buyer relationship strength scale be adapted to measure firm-employee relationships?” Answering this question was expected to also provide initial insight into the possibility of developing a generalized scale for measuring relationship strength for all marketing relationships. The research reported here constitutes an initial step in this endeavour.

3. Method

Assessment of the scale was based on a sample of 161 employees of a large, extremely successful firm, well established within the tourism services sector. A good cross-section of respondents was achieved from all levels and functions of the firm. Most were female (75%), aged from 20 to 40 (93.6%), had some form of contact with customers (73.4%) and had been working with the firm for less than 5 years (74.4%). As the findings were based on administration to a single firm, generalisability of the findings might be considered an issue for this research. However, as responses were achieved from all levels of the firm, different departments, business units and geographically different store locations, in five different international locations, the sample is very broad with the single firm merely a suitable source of respondents available to sample within the population of interest. Morgan and Hunt (1994, p 28) have also previously addressed this issue, concluding, “It is important to note that at this point we are providing an initial test of a theoretical model in a particular context.” This research was used to provide just such an initial test of the applicability of an instrument originally developed to measure supplier-buyer relationships for use in measuring firm-employee relationships. And the unit of measure is the employee’s perception of the strength of their relationship with their employing firm generally. The firm may be represented by the elements inherent within the culture. Decisions made at the highest level of the firm in terms of employee treatment come from top management. Therefore the employer end of the dyad may be represented by both senior management and the firm. In fact, it is common practice in research to examine attitudes of employees to both the firm and senior management when evaluating aspects of the firm (see for example Berry, Conant & Parasuraman 1991; Snelis, Jaworski & Kohli 1996). Hence, statements about both the actions of senior management and also specific organisational cultural aspects were included in the questionnaire, a being fully representative of the firm. The instructions to the survey were very explicit in identifying to respondents the roles and specific individuals within the firm who constituted the most ‘senior management’.

The survey was administered as a self-complete on-line survey. This method was chosen due to the extensive use of computers by the firm’s staff, and hence ease of completion for participants. Completion and direct submission of the questionnaire on the spot provided a simpler procedure for employees and was used to encourage participation. Responses to individual items in the questionnaire were captured using a five-point Likert scale (1 = strongly disagree, 5 = strongly agree). Prior to analysis of the responses, the data was assessed as including no overt non-response bias using Armstrong and Overton’s (1977) procedure for checking differences between early and late respondents. No significant differences were found.

The 13 items from Donaldson and O’Toole’s (2000) measure were adapted only to change the identification of the relationship partner from supplier to “senior management”. A global test item was also included. The item, “Overall, I feel that the relationship I have with this organization is very strong” was used to obtain a direct perception of the existence of a strong relationship and was also used to assess convergent validity of the scale and scale items. All scale items used to measure relationship strength are presented in Table 1.

Using SPSS 12.0.1 for Windows, initial assessment of items involved examination of inter-correlations between individual items and the global item to determine the association of each item to the scale. This was followed with exploratory factor analysis using principal axis factor extraction and a varimax rotation to purify the scale. Nunnally and Bernstein’s (1994) suggested
Table 1 – Scale items

<table>
<thead>
<tr>
<th>BELIEFS</th>
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<tbody>
<tr>
<td>B1</td>
<td>Management can be relied on to keep promises.</td>
</tr>
<tr>
<td>B2</td>
<td>Management will take advantage when it can.</td>
</tr>
<tr>
<td>B3</td>
<td>Management always treats employees fairly (always gives us a fair deal)</td>
</tr>
<tr>
<td>B4</td>
<td>Management treats employees like friends</td>
</tr>
<tr>
<td>B5</td>
<td>It is in both our best interests that this relationship lasts.</td>
</tr>
<tr>
<td>B6</td>
<td>I feel a strong sense of loyalty to the relationship between this organization and myself.</td>
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<tr>
<th>ACTIONS</th>
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<tbody>
<tr>
<td>A1</td>
<td>Management helps employees out in emergencies.</td>
</tr>
<tr>
<td>A2</td>
<td>Management tends to resist my requests for changes to my job.</td>
</tr>
<tr>
<td>A3</td>
<td>When a dispute arises it is resolved jointly.</td>
</tr>
<tr>
<td>A4</td>
<td>Our relationship is managed primarily by an informal agreement.</td>
</tr>
<tr>
<td>A5</td>
<td>Employees are kept informed only on a “need to know” basis.</td>
</tr>
<tr>
<td>A6</td>
<td>Management has made specific resource investments to maintain this relationship.</td>
</tr>
<tr>
<td>A7</td>
<td>I have had to make a lot of adaptations to this relationship.</td>
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<table>
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<tr>
<th>GLOBAL ITEM</th>
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<tbody>
<tr>
<td>Overall, I feel that the relationship I have with this organization is very strong.</td>
<td></td>
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</table>

* reverse scored items

cut-off value (that is < 0.3) was used to remove items exhibiting low factor loadings. This procedure is recommended in situations where the factor structure is unknown (Byrne, 1994; Hair et al., 1995). Although Donaldson and O’Toole (2000) clearly distinguished between two distinct factors in their relationship strength measure (beliefs and actions), they provide no statistical supporting information or evidence as to the internal structure of the instrument, reporting only a ‘group alpha’ (α = 0.74). Furthermore, as the current research explores the use of the measure in another situation, exploratory factor analysis was deemed important. Unidimensionality was assessed by means of confirmatory factor analysis (Gerbing and Anderson, 1988) and internal consistency evaluated using Cronbach’s alpha. A structural model of the firm-employee relationship strength measure was then tested against the data to provide a more stringent assessment of the scale. Finally, correlation between a total aggregation score for the scale and the global item was used to examine convergent validity. EQS for Windows 6.0 structural equation modelling package (Bentler and Wu, 1995) was utilized for all confirmatory and SEM analyses.

4. Analysis and results

Analysis commenced by examining the correlation of each scale item with other scale items and with the overall test measure of relationship strength, in order to investigate its relationship to the scale. One item (“Our relationship is managed primarily by an informal agreement”) failed to correlate at an acceptable level with either the overall test item (r = 0.153) or the other scale items (highest correlation, r = 0.222). This was not a surprising result, as the item had been viewed as likely to be less pertinent to the firm-employee relationship. This item was discarded. All other items correlated satisfactorily with each other and with the test item, so were retained for further analysis.

The remaining 12 items were subjected to an exploratory factor analysis in the first instance using principal axis factor extraction and a varimax rotation. A single factor solution was revealed accounting for 42% of the total variance in the variables. Examination of the scree plot confirmed this single factor solution (Cattell, 1966). However, two items exhibited low factor loadings (r <0.3). These were removed and the 10 remaining items were submitted to a confirmatory factor analysis using EQS.
The initial solution did not provide an adequate fit to the data ($\chi^2$/df) = 89.95(35), $p = 0.001$; NFI = 0.85; CFI = 0.90; GFI = 0.89; SRMR = 0.06). Two items were removed sequentially on the basis of the diagnostics provided with the EQS program (that is, largest standardized residuals) (Bentler and Wu, 1995) and an assessment of the conceptual impact of removing the items (Byrne, 1994). One item measured opportunistic behaviour and the other relationship benefits which have previously been seen to act as antecedents to a relationship (for example Morgan and Hunt, 1994) rather than a characteristic of the relationship itself. Removal of these items resulted in an eight-item model that provided a good fit to the data ($\chi^2$/df) = 33.56(20), $p = 0.03$; NFI = 0.92; CFI = 0.97; GFI = 0.95; SRMR = 0.04). Internal reliability (alpha = .87) was also well above usual cut-offs (Hair et al., 1995; Nunnally and Bernstein, 1994). Standardized estimates were all significant and along with R2 values indicated medium to large effects for all items (Kline, 1998). Final items, means and standard deviations, standardized estimates and R2 values are presented in Table 2. The final scale contained four each of Donaldson and O’Toole’s ‘belief’ items and ‘action’ items.

A summed score was computed for the final one factor scale (Spector, 1992), which constitutes total aggregation (Bagozzi and Heatherton, 1994). One of the main advantages of total aggregation is the ability to capture the essence of the underlying meaning of a concept (Bagozzi and Heatherton, 1994; Baumgartner and Homberg, 1996) rendering it useful for assessing the validity of the overall scale. The mean score was a high 29.02 (SD = 4.68), which was expected from this successful firm. At the same time, observed scores for the one factor relationship strength scale ranged from 9 to 40, matching the theoretical range and thereby providing evidence of the ability of the scale to provide good distinction between different respondents. All items loaded well on the single factor, and were either close to (lowest $r = 0.59$) or above the minimum standard of $r = 0.60$ suggested by Bagozzi and Yi (1988). Convergent validity was assessed by correlating the single factor relationship strength model with the global test item. A correlation of $r = 0.91$ provided initial confidence that the scale was measuring relationship strength.

5. Discussion and conclusions

This research has utilized the relationship strength scale developed by Donaldson and O’Toole (2000) for

<table>
<thead>
<tr>
<th>Item</th>
<th>Mean</th>
<th>SD</th>
<th>Standardised estimate</th>
<th>$R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management can be relied on to keep promises.*</td>
<td>3.389</td>
<td>0.790</td>
<td>0.611</td>
<td>0.373</td>
</tr>
<tr>
<td>Management always treats employees fairly.*</td>
<td>3.796</td>
<td>0.791</td>
<td>0.737</td>
<td>0.543</td>
</tr>
<tr>
<td>Management treats employees like friends.*</td>
<td>3.745</td>
<td>0.816</td>
<td>0.648</td>
<td>0.420</td>
</tr>
<tr>
<td>I feel a strong sense of loyalty to the relationship between this organization and myself.*</td>
<td>3.981</td>
<td>0.937</td>
<td>0.648</td>
<td>0.420</td>
</tr>
<tr>
<td>Management helps employees out in emergencies.**</td>
<td>3.682</td>
<td>0.825</td>
<td>0.586</td>
<td>0.344</td>
</tr>
<tr>
<td>Management tends to resist my requests for changes to my job.**</td>
<td>3.350</td>
<td>0.854</td>
<td>0.633</td>
<td>0.401</td>
</tr>
<tr>
<td>When a dispute arises it is resolved jointly,**</td>
<td>3.618</td>
<td>0.781</td>
<td>0.759</td>
<td>0.651</td>
</tr>
<tr>
<td>Management has made specific resource investments to maintain this relationship,**</td>
<td>3.580</td>
<td>0.786</td>
<td>0.631</td>
<td>0.398</td>
</tr>
</tbody>
</table>

* ‘Belief’ item; ** action item
the supplier-buyer relationship and has adapted and purified it so as to measure the strength of firm-employee relationships. Following identification and removal of redundant items, an eight-item, one-factor, unidimensional and internally reliable measurement model of relationship strength was found to fit the data. Support for convergent validity was also found. Hence, the analysis provided initial evidence that a modification of the relationship strength scale developed by Donaldson and O’Toole (2000) could be applied to the internal firm-employee relationship and could be used as a measure of the existence and extent of strong relationships. Development of such a scale offers the opportunity to explore more complex models of relationship behaviour incorporating relationship strength, its antecedents and consequences. This would provide organizations with more in-depth knowledge of the consequences of developing strong relationships with employees, as well as how to create an environment which enables the development of strong relationships.

The development of a simple 8-item unidimensional relationship strength measure also provides the opportunity for firms to directly gauge employee-firm relationship strength using a measure that can be easily incorporated within traditional employee satisfaction surveys or as a quick measure of how they are progressing in developing strong relationships with employees. In examining the important elements of relationship strength identified in the results, it appears that joint dispute resolution and a sense of being treated fairly are most important for employees. However, if a firm wishes to develop stronger relationships with employees they also need to focus on how they act towards employees in terms of keeping promises and treating them with a sense of friendship rather than in an adversarial manner. Employees must also feel a sense of loyalty, have a degree of control over their job and be able to access all the tools necessary to do their job well. Therefore, an organisation which focuses on measuring, monitoring and measuring such aspects of employees working life can be expected to enjoy stronger relationships with their employees.

On the other hand, relationships have generally been viewed as complex multi-dimensional higher order constructs. For example, Morgan and Hunt (1994) used commitment and trust and a number of antecedent variables to measure the existence of relationships generally in marketing. And, trust itself is frequently treated as a two-factor second-order construct (Ganesan, 1994). Hence, whilst the relationship strength construct examined here has been found to be a useful measure of the overall existence or extent of relationship strength, it does not provide more detailed information about the individual elements of relationship strength. For example, trust is represented by a single item in this scale. Hence, further development of a much more complex in-depth representative measure of the relationship strength construct would necessitate the development of more complex measures of each of the elements of relationship strength. This would provide an understanding of which elements of relationship strength are more important to employees, which antecedents have a greater effect on different elements and what are the consequences of failures to develop different elements of the relationship. Such issues cannot be assessed by scale developed here, necessitating a deeper exploration of firm-employee relationship strength. But in correlating strongly with the global test item representing firm-employee relationship strength, our scale would be used as a comparative scale in order to assess the convergent validity of a more complex relationship strength model.

In addition, given the previously identified complexity of marketing relationships (eg Barnes 1995), further exploration of what constitutes a strong relationship is warranted. In particular, qualitative research which explores the composition of strong firm-employee relationships will not only provide a deeper exploration of relationship strength elements, but will likely identify any elements which may have inadvertently been excluded from this analysis. Such research might take the form of focus groups and/or interviews. This is particularly pertinent as this research has commenced from a position of adopting a scale from a different kind of relationship. It is vital in moving the research into firm-employee relationships forward to ensure that all aspects of relationship strength are accounted for. This is also important if we are to understand eventually if
all marketing relationships are composed of similar elements.

Prior to complete acceptance of the developed scale as a suitable measure of overall relationship strength, more research is required to further assess the validity of the scale, particularly with regards to discriminant and construct reliability. Further research is also required to assess the applicability of the scale to other firm-employee relationships and therefore its generalisability. Despite the initial positive finding, the research findings are limited to a single firm sub-population within the tourism industry service sector of a single country. Hence, further data collection and re-assessment of the scale is recommended. In addition, evidence from this firm was that relationships were generally strong. Even though the results demonstrate that the full range of results were represented by participants, the scale also needs to be assessed in circumstances where one might expect weak relationships within a firm setting, in order to determine the generalisability of the scale across the gamut of relationships.

A further area of research related to measuring both sides of the dyad will alleviate another limitation of the study. Although measuring the single side of the dyad is justified and it is appropriate to examine employees’ perceptions in this study, exploration of the senior managers’ perceptions of the strength of the relationship would offer further depth of knowledge. It would be very valuable to understand, for example, if the strongest relationship must exist with both parties perceiving a strong relationship, or whether examples can exist where one side of the dyad perceives a strong relationship whilst the other does not.

Finally, the ability to find support for use of a scale previously developed to measure industrial supplier-buyer relationship strength to examine firm-employee relationship strength provides evidence of the possibility of developing a standardized relationship strength measure that could be suitable for examining all relationships of the firm, as Morgan and Hunt (1994) proposed for their relationship marketing scale. Hence, the scale should now be adapted to a variety of other marketing relationships such as firm-customer relationships and alliance partner relationships in an attempt to demonstrate the possibility of developing a general measure of the strength of all marketing relationships.

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