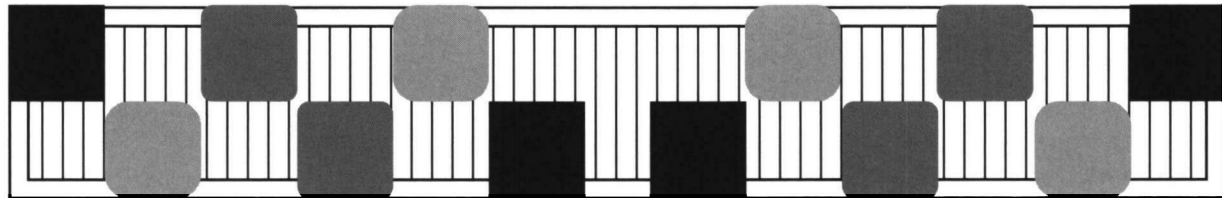


Trust and Commitment: Reciprocal and Multidimensional Concepts in Distribution Relationships

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Introduction

Exchanges between organizations are often treated by scholars as discrete events in which individual entities are characterized as rational, calculating, and self-interested, with exchange behaviors unaffected by social relations (e.g., Frenzen and Davis, 1990). One of the basic assumptions is that parties of an exchange relationship will act opportunistically without regard for their exchange partners whenever they can further themselves or their organizations by so doing (John, 1984).

Despite the one-time prevalence of this view, closer, deeper inter-organizational relationships (i.e., distribution channel relationships) are receiving increasing attention by both practitioners and leading marketing scholars (e.g., Gundlach and Murphy, 1993; Welch, 2006). Among the most frequently examined variables that affect the development of such relationships are trust (e.g., Bakker et al., 2006; Wang, 2006) and commitment (e.g., Anderson and Weitz, 1992; Lehtonen, 2006; Tummala et al., 2006). Understanding the important roles of trust and commitment in distribution channels is crucial in understanding channel relationships. However, we still have only a superficial knowledge of the complexities and subtleties of trust and commitment in these relationships.

Blau (1964) contends that a major function of exchange is the creation of trust within and between organizations. Trust is viewed by some as social capital that gains value as it deepens between two business partners (e.g., Bakker et al., 2006). Some research even suggests that trust in a channel relationship increases channel performance (Child et al., 2003; Lin et al., 2005). Morgan and Hunt (1994) suggest that trust must be present in a channel relationship

before commitment can be developed, and more recent research concurs with these findings (e.g., Kilburn et al., 2006; MacMillan et al., 2005). Supporting this relationship, Moorman et al. (1992) suggest that trust is a major determinant of commitment.

Like trust, commitment is an essential ingredient for successful distribution channel relationships (Lehtonen, 2006; Tummala et al., 2006). Committed partners are willing to invest in valuable assets specific to an exchange, demonstrating that they can be relied upon to perform essential functions in the future (Anderson and Weitz, 1992). Indeed, the concept of commitment is becoming a focal point in explaining marketing even as the very nature of marketing moves further away from the transactional view of exchange and toward the concept of relationship marketing (Gundlach et al., 1995). Commitment, like trust, is reciprocal in nature (Anderson and Weitz, 1992; Gundlach et al., 1995). Commitment is also a complex variable composed of more than one dimension (Ozag, 2006).

Therefore, this study includes multiple dimensions of both trust and commitment in a trust-commitment cycle and assesses the relationship between them. This examination uses data from relationships between manufacturers and distributors in distribution channels. Though previous work has explored the dimensions of these variables and other work has examined the relationship between trust and commitment, no previous research has done both.

Literature Review

Morgan and Hunt (1994) suggest that trust and commitment should be important to understanding close, long-term marketing relationships. These concepts are key for three reasons. First,

they encourage managers to work at preserving relationship investments by cooperating more closely with exchange partners. Second, they encourage managers to seek long-term benefits by staying with existing channel partners instead of being attracted to short-term profits. Finally, trust and commitment encourage managers to be more willing to take high-risk actions because they believe their partners will not act opportunistically. In summary, trust and commitment lead directly to cooperative behaviors that are conducive to relationship maintenance within a marketing channel.

Trust is a prerequisite for the development of commitment between two channel partners. In addition, the commitment of one channel partner (i.e., the buyer) will enhance the other partner's (i.e., the seller) trust in that partner (i.e., the buyer).

■ Trust

Trust is an essential ingredient in cooperation and agreement between two parties (e.g., Lee and Dawes, 2005; Wang, 2006). It is important in exchange relationships because it leads to constructive dialogue and cooperative problem solving (Pruitt, 1981). Thus, it plays a critical role in the development of long-term relationships because short-term inequities are inevitable in any relationship (Wilding and Humphries, 2006). At this most basic level, one party must act before the other party, and therefore, must rely on the other party to honor its obligations (Kronman, 1985). Consequently, any type of coordination between parties leave them open to exploitation.

Similarly, through trust, channel partners develop confidence that, over the long-term, short-term inequities will be corrected to yield a long-term benefit (Wang, 2006). In addition, mutual, or reciprocal, trust is more likely than one-way trust (Burgess and Huston, 1983). Since trust is a multidimensional concept, all dimensions must be considered when attempting to define it (McAllister, 1995).

Dispositional trust. Interpersonal trust is a basic feature of all social situations that demand cooperation and interdependence. Whether loaning money, forming a car pool, or visiting a physician, individuals must decide whether the risk of becoming vulnerable and dependent is worth the risk involved. This element of risk is the foundation of dispositional trust. The prediction of individuals and organizations to trust is known as dispositional trust. When individu-

als or organizations choose trusting over not trusting a vast majority of the time, they have a high level of dispositional trust. Though dispositional trust held by an organization, such as a business firm, operates similarly to dispositional trust in individuals, this idea of an organization's predisposition to trust has been almost totally neglected in business academic literature (Lewin, 2003).

With the ever-increasing reliance on inter-organizational relationships to become competitive, firms face the "trust or not to trust" choice with increasing frequency. Firms might tend to be risk-averse or conservative; in other words, they may be unwilling to put their fate in the hands of another firm. This loss of control can be a disincentive to trust. Also, firms may just have a tradition of not trusting. In these cases, the firms would have low dispositional trust. In order for a distribution relationship between firms to deepen (for firms to even consider relying on one another), the participants must at least be moderately predisposed to trust. Based on this discussion, *dispositional trust* in the inter-organizational setting can be defined as the general tendency of a company to rely on the words, promises, and deeds of another firm, whether contractually controlled or not. In addition, dispositional trust occurs before the company becomes familiar with these other firms.

Credibility trust. Most popular definitions of trust in the literature tend to define trust from a reliability perspective. For example, brand names, trademarks, logos, etc. are symbols that promise a certain kind of service or product. Guarantees are more explicit antecedents of trust. Experience with a distribution partner is another basis for trusting that partner (Schurr and Ozanne, 1985). Schurr and Ozanne (1985) conclude that necessary communication and concession-making processes in a distribution channel are influenced by beliefs about a partner's trustworthiness.

Credibility trust, then, is the extent to which one party believes that the other party in a channel relationship has the required expertise to perform the job effectively and reliably and is willing to use that expertise in the channel relationship (c.f., Ganesan, 1994). In other words, the relationship with a channel partner is more attractive when the partner is more trustworthy because, by definition, the trustworthy partner's word is reliable and exchange obligations will be fulfilled (Schurr and Ozanne, 1985).

Benevolent trust. Though some scholars suggest that trust does not include an “altruistic or benevolent” component, Larzelere and Huston (1980) contend that mutual trust exists to the extent that one party believes another to be benevolent and honest. McAllister (1995) acknowledges the importance of this affective dimension of trust and defines it as the emotional bond between parties. Affective trust is influenced by how one firm views the fairness of its distribution partner and by the treatment it receives as a legitimate and respected member of the distribution channel (Korsgaard et al., 1995).

This benevolent dimension of trust focuses on the motives and intentions of the channel partner (Kiessling and Harvey, 2004). It includes the qualities, intentions, and characteristics attributed to the partner rather than its specific behaviors (Rempel et al., 1985). Thus, a channel member who is concerned with the outcomes of its partner, along with its own, will be trusted to a greater extent than one concerned solely with its own welfare (Ganesan, 1994). *Benevolent trust*, therefore, is the extent to which one party believes the other has intentions and motives beneficial to it when new conditions arise, conditions for which obligations did not previously exist (c.f., Rempel et al., 1985).

Commitment

As the discipline of marketing moves further away from the discrete and contractual exchange view, commitment is likely to become increasingly important in the examination of distribution channel phenomena (Gundlach et al., 1995). Commitment, which is an essential ingredient for successful long-term channel relationships (e.g., Lehtonen, 2006; Tummala et al., 2006), has been defined as “an implicit or explicit pledge of relational continuity between exchange partners” (Dwyer et al., 1987). Commitment implies a willingness to make short-term sacrifices to realize longer-term benefits. Others

have indicated that commitment is associated with motivation and involvement (Mowday et al., 1982), positive effect and loyalty (Kanter, 1972), performance and obedience to organizational policies (Angle and Perry, 1981), and several other positive distribution channel outcomes (Cullen et al., 1995). Like trust, understanding the nature of commitment requires recognition that it is complex and multidimensional (Gundlach et al., 1995).

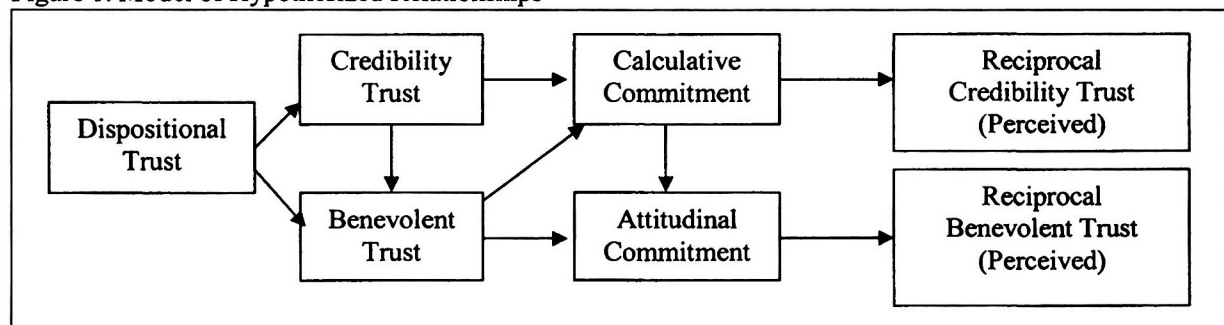
Calculative commitment. Two dimensions of commitment have dominated the literature. The first sees commitment as calculative. Becker (1960) regarded this dimension of commitment as behavioral rather than attitudinal. This dimension is also referred to as behavioral commitment and continuance commitment. *Calculative commitment* is the extent to which one firm is bound to another through extraneous interests rather than favorable affect toward the organization (Srinivasan and Brush, 2006).

Attitudinal commitment. Known as attitudinal commitment, this dimension suggests that commitment has an affective or attitudinal component. One firm will identify with the distribution channel partners and, therefore, is committed to maintaining membership to pursue the channel’s goals (McGee and Ford, 1987). *Attitudinal commitment* is specifically defined as an affective or emotional attachment to the distribution channel such that the strongly committed firm identifies with, is involved in, and enjoys membership in the channel (Allen and Meyer, 1990).

Hypotheses

The trust-commitment cycle is an important step in understanding the trend toward closer inter-organizational relationships. Firms involved in or seeking such relationships should understand the necessary components of developing and maintaining them. In addition,

Figure 1. Model of Hypothesized Relationships



scholars should be interested in this study's clarification of the dimensions of trust and commitment and the relationships among the various dimensions (Figure 1).

■ The buyer's trust

Trust is a multidimensional construct. Indeed, some scholars have suggested that in interpersonal settings these dimensions may even be hierarchical and act as phases in the evolution of trust (e.g., Gulati, 1995). These arguments posit that trust progresses through the dispositional, attitudinal, and cognitive dimensions by means of mutually rewarding and satisfying interactions and increasing confidence in the relationship (Driscoll et al., 1972). Further, Gulati (1995) suggests that trust "emerges between organizations over time through repeated ties." The starting point is dispositional trust, with the most evolved component being the affective dimension (benevolence). Trust, then, expands to include the affective component rather than moving away from the cognitive component. This higher evolution of trust includes both the cognitive and the affective elements.

Like interpersonal relationships, trust in cooperative distribution relationships may be rooted in the predisposition of the members to engage in deep and close inter-organizational relationships. Not all organizational cultures permit such closeness and the requisite intention to trust (Larson, 1991). Individual firms vary in their inclination and willingness to trust in inter-organizational settings. Some firms have an inherent tendency to seek and forge strong, mutually beneficial alliances, while others do not appear disposed to this under any circumstances. Firms without the disposition to trust will not look for close relationships with channel partners, and relationships between them and their exchange partners will remain at arm's length, based in transactions or discreet contracting (Williamson, 1985). However, firms that are predisposed to trust other firms (dispositional trust) will tend to develop inter-organizational relationships that are deeper in general and exhibit certain characteristics, including the more evolved dimensions of trust. Thus, the evolution from dispositional trust in a distribution channel relationship to credibility trust, and then to benevolent trust is a process where strong development of each lower dimension of trust increases the likelihood of moving to the next level. Therefore, the following relationships are hypothesized.

H₁: The higher one company's dispositional trust for a channel partner, the higher its credibility trust for that channel partner.

H₂: The higher one company's dispositional trust for a channel partner, the higher its benevolent trust for that channel partner.

H₃: The higher one company's credibility trust for a channel partner, the higher its benevolent trust for that channel partner.

■ The buyer's trust and commitment

Commitment to a channel partner is manifested in part by engaging in consistent types of activities based on the recognition of the costs associated with discontinuing the relationship (Kilburn et al., 2006). Specifically, calculative commitment is demonstrated when a firm (i.e., the buyer) consciously performs activities that will allow its channel partner (i.e., the supplier) to "calculate" the amount of commitment it has toward it. These calculations can be based on issues such as the amount of resources expended in maintaining the relationship, the number of other channel partners, and the resources expended on these relationships (MacMillan et al., 2005).

Channel partners consider commitment among partners as key to achieving their goals and outcomes. Thus, they will strive to develop and maintain this asset in their relationships. For example, if buyers in channel relationships have credibility trust for their suppliers, they have monitored the reliability and other characteristics of those suppliers and have determined them to be trustworthy. As the amount of evidence about the trustworthiness of a supplier increases, the buyer will see more potential benefit from the relationship and be more willing to commit resources to the relationship. Likewise, the buyer will tend to have fewer relationships so they can build and maintain commitment to that supplier. These activities are based on calculative commitment, the cognitive component of commitment. The buyer has determined that the supplier is credible through cognitive "calculations" (credibility trust) and is now willing to demonstrate its commitment in a cognitive manner (calculative commitment).

Similarly, benevolence, the affective component of trust, should result in the development of the cognitive component of commitment (calculative commitment). A buyer will have a greater tendency to commit to the relationship with a supplier if the trust for that supplier is internalized. In addition, the buyer that has internalized

the trust for a supplier will be willing to forgo relationships with similar suppliers to concentrate on the relationship with the trusted supplier (e.g., MacMillan et al., 2005). Thus, if a buyer feels trust for the supplier at the most evolved, internalized, and affective level (benevolent trust), this feeling of benevolence will enter into the "calculations" of whether to be committed to the supplier and whether to devote resources to the relationship. When the buyer feels that the supplier is empathetic and sensitive to the buyer's position and needs, even when conditions change, the buyer will likely commit resources to build the relationship because of the significant benefits.

Attitudinal commitment requires channel partners to look beyond contractual requirements and calculations of benefits. The attitudinally committed partner feels obliged to the relationship itself. It is committed to what the relationship represents and entails (Cullen et al., 1995). It implies that channel partners view their own company goals as secondary to the goals of the relationship.

The type of commitment that needs to be constantly and consciously demonstrated is a lower level than is possible in an ongoing relationship (Shore and Wayne, 1993). A higher level of commitment moves beyond this need to consciously demonstrate by committing resources and foregoing other relationships. This higher level, attitudinal commitment, is the state of internalizing the commitment toward another party. It moves beyond mere economic rewards, costs, and benefits that may come from a relationship. Internalization means that a party feels a part of the partnership, future plans will naturally include the partner, and the temptation to seek other relationships in hard times is diminished. Partners are willing to make efforts to resolve problems rather than exiting the relationship (Anderson and Weitz, 1992).

This evolved dimension of commitment depends on the amount of trust one partner feels for another. A firm must feel secure with a partner before attitudinal commitment can occur. For example, a buyer must be confident that the supplier will consider the buyer's interests and needs, even through changing conditions. If such trust exists, the commitment will take the form of a desire to develop a stable relationship, a willingness to make short-term sacrifices to maintain the relationship, and an internal confidence in the stability of the relationship (Anderson and Weitz, 1992). Based on this discussion,

the following hypotheses are indicated.

H₄: The more positive a firm's credibility trust is toward a channel partner, the more positive its calculative commitment toward that partner.

H₅: The more positive a firm's benevolent trust is toward a channel partner, the more positive its calculative commitment toward that partner.

H₆: The more positive a firm's benevolent trust is toward a channel partner, the more positive its attitudinal commitment toward that partner.

■ The buyer's commitment

When a relationship between two parties is first beginning, one party will feel bound to it through extraneous or external interests (e.g., financial rewards) rather than favorable affect toward their partner (Reichers, 1985). However, as the relationship goes on, the external interests will be taken for granted, and identification with the relationship as well as an internalization of the relationship will occur. In other words, if the relationship, which is at first based on calculative commitment or external interests, consistently results in these external rewards, a party will eventually view the partner and the relationship as "part" of themselves, and future plans and strategies will include that party (Nelson and Quick, 1991). However, note that commitment cannot expand to include this higher level (attitudinal commitment) without the presence of calculative commitment.

In a channel situation, the buyer will be committed to a relationship with a supplier because the supplier provides some type of financial or other external reward. As this level of commitment embeds, the channel partners will accept the joint goals and values of the partnership as their own. In other words, attitudinal commitment requires that channel partners look beyond contractual obligations and their estimates of benefits to their own companies. As buyers are able to determine the consistency of the external benefits from the supplier, they will begin to count on them and internalize the supplier and relationship goals (Gulati, 1995). Indeed, they will even begin to consider their own goals and objectives as secondary to those of the relationship. If a buyer never develops this calculative commitment, it will never be able to approach this evolved level of attitudinal commitment. Therefore, the following hypothesis is offered.

H₇: The higher one company's calculative commitment toward a channel partner, the higher its attitudinal commitment toward that partner.

■ **The buyer's commitment and the supplier's trust**

Trust is reciprocal (e.g., Hingley, 2004). In addition, as a buyer demonstrates calculative commitment in a relationship, the supplier will come to trust the buyer as reliable, willing, and able to deliver on role performance in the relationship. Suppliers are aware that firms will not seek to bond to other exchange partners unless there is some level of commitment. The buyer's attempts to bond will convey to the supplier that the buyer is willing to forgo other considerations so they can commit to that particular supplier. If the buyer demonstrates consistency in these bonding attempts that signify calculative commitment, the supplier will begin to trust (credibility trust) the buyer. In other words, the buyer sees the benefits and rewards that can result from a relationship with the supplier. The buyer commits resources to build the relationship and invests in the relationship in other ways. Because of these efforts by the buyer, the supplier sees that the buyer has expertise and competence in performing important channel tasks. In addition, the supplier sees that the buyer will apply expertise in a conscientious and consistent fashion.

Through the course of the relationship and the normal interaction, the buyer's attitudinal commitment to the supplier will become apparent. This occurs when the buyer demonstrates that the goals of the relationship have become internalized and supersedes any individual firm goals the buyer may have. In other words, as the buyer begins to internalize the relationship goals and identify with the supplier and the relationship, the supplier will become aware of this higher level of commitment. As this occurs, the supplier will develop trust toward the buyer on the benevolent dimension. The supplier will feel like the buyer is really committed to the relationship and is not in it merely for the economic benefits. The supplier will begin to have more confidence that the buyer will not act in a harmful manner toward the supplier, regardless of the circumstances that arise. The supplier will also realize that the buyer is sensitive and empathetic to the supplier's position in the relationship and will consider the supplier's interests. Therefore, the following hypotheses are proposed.

H₈: The higher a firm's calculative commitment toward a channel partner, the more its partner reciprocates with credibility trust toward it.

H₉: The higher a firm's attitudinal commitment toward a channel partner, the more its partner reciprocates with benevolent trust toward it.

Methodology

Many measures in the study were derived from those used in previous research, while others were developed specifically for this study or were slightly modified to fit the study's objectives. The completed questionnaire was reviewed by a panel of research experts and refined on the basis of their feedback. In addition, telephone calls to all manufacturers in the selected industry (electronic components) determined the relevancy of the research hypotheses under investigation. The manufacturers in this SIC (3679) are original components manufacturers. Table 1 summarizes conceptual definitions and sources of the various measures. For the last two hypotheses, the respondents were asked to answer questions about their perceptions regarding their partners' levels of trust for the respondents' firms.

Each of the firms in the chosen sample (electronic components manufacturers) was initially screened by telephone. According to Heide and John (1992), collecting data from manufacturers and buyers from a single industry is important to limit extraneous sources of variation. This preliminary screening served two purposes: it helped identify key informants who were most knowledgeable about the relationships and the issues being investigated (Anderson et al., 1994; Kumar et al., 1995); and it boosted the response rate by getting prior commitments to participate. The screening shortened the list of potential respondents. Of the 1,062 original firms, 768 were deemed suitable for the study and tentatively agreed to participate. Subsequently, each company was sent a prenotification letter that explained the study, emphasized its importance, reminded about the agreement to participate, and urged in a timely response. Several days later, the questionnaire package was mailed to the key informants in each organization, including the questionnaire, a cover letter explaining the study and assuring confidentiality, and a postage-paid return envelope.

The steps in the data collection procedure were expected to result in a respectable response

Table 1. Definitions, Sources, and Reliabilities of Measures

Conceptual Definition	Source	Alpha
<u>Trust</u>		
<ul style="list-style-type: none"> • Dispositional Trust A general tendency held by a company that the words, promises, and deeds of another firm, whether contractually controlled or not, can be relied upon. 	New with Rotter 1967; 1980	.63
<ul style="list-style-type: none"> • Credibility Trust The extent to which one party believes that the other party in a channel relationship has the required experience to perform the job effectively and reliably and is willing to use that expertise. 	McAllister 1995; Rempel et al. 1985	.90
<ul style="list-style-type: none"> • Benevolent Trust The extent to which one party believes that the other party has intentions and motives beneficial to it when new conditions arise, conditions for which obligations did not exist. 	McAllister 1995; Rempel et al. 1985	.90
<u>Commitment</u>		
<ul style="list-style-type: none"> • Calculative Commitment The extent to which one party is bound to the other party through extraneous interests rather than favorable affect toward the other party and is willing to invest resources on behalf of the relationship. 	Meyer and Allen 1984	.80
<ul style="list-style-type: none"> • Attitudinal Commitment The extent to which a partner internalizes the goals and values of the partnership and is willing to expend effort on the relationship and its goals above its own goals. 	Meyer and Allen 1984	0.63

rate, equivalent to similar channels research. Acceptable rates run from 25% to 36% (e.g., Boyle et al., 1992). Of the 768 companies, 107 returned usable questionnaires, resulting in a response rate of only 13.9%. Two factors that may have contributed to this lower response rate were the length of the questionnaire and the perceived sensitivity of the information in this particular industry, according to comments of several respondents.

The first step in data analysis is to make the measures as parsimonious and unidimensional as possible. To this purpose, exploratory factor analysis and reliability analysis were used to reduce the scales. The resulting measures were all acceptably above the suggested Cronbach's alpha level of .70 showing suitable reliabilities (Cronbach, 1951; Nunnally, 1978). The only exception was the measure for dispositional trust, with a Cronbach's alpha of .63. However, since it was a new measure developed for this study, and based on guidelines suggested by other scholars (Churchill and Peter, 1984), it was

deemed sufficiently reliable to proceed with the assessment of the hypotheses.

Results

Ordinary least squares (OLS) regression was used to examine the individual hypotheses. Each was assessed individually because preliminary evaluation indicated that examining them in combination sometimes weakened the results, thus causing concern about isolating the exact impact of the independent variables on the dependent variables. In addition, this phenomenon is common when there is a relatively small sample size. In summary, the hypotheses were examined individually to more accurately assess the influence of the independent variables. The results of hypotheses testing are summarized in Table 2.

The effects of dispositional trust on the more evolved forms of trust — first, credibility trust, and second, benevolent trust — were mixed. The predisposition of a company to trust does not affect the development of that firm's credibility

Table 2. OLS Regression Results of Hypotheses Testing

Hyp. Number	Independent Variable	Dependent Variable	Parameter Estimate	t-Value
H1	Dispositional Trust	Credibility Trust	0.05	0.42
H2	Dispositional Trust	Benevolent Trust	0.07	1.16*
H3	Credibility Trust	Benevolent Trust	0.83	14.19***
H4	Credibility Trust	Calculative Commitment	0.26	1.95**
H5	Benevolent Trust	Calculative Commitment	0.42	2.80***
H6	Benevolent Trust	Attitudinal Commitment	0.65	7.85***
H7	Calculative Commitment	Attitudinal Commitment	0.45	4.67***
H8	Calculative Commitment	Reciprocal Credibility Trust	0.14	1.30*
H9	Attitudinal Commitment	Reciprocal Benevolent Trust	0.29	3.80***

* $p \leq .10$ ** $p < .05$ *** $p < .01$

trust, indicating no support for H₁. However, as predicted, higher dispositional trust does lead to higher benevolent trust ($t = 1.16, p \leq .10$); thus, H₂ is supported. Further, a high level of credibility trust (the mid-level of the three trust levels) was shown to have a positive effect on the development of benevolent trust (the uppermost level of the three trust levels) ($t = 14.19, p \leq .01$), supporting H₃.

All three hypotheses predicting that the upper two levels of trust would lead to both levels of commitment were supported by this research. First, support for H₄ was found by showing that the more positive a company's credibility trust toward its channel partner, the more positive that company's calculative commitment toward its partner will be ($t = 1.95, p \leq .05$). Second, a company's benevolent trust for its channel partner also leads to higher levels of calculative commitment toward that partner ($t = 2.80, p \leq .01$), indicating support for H₅. Finally, H₆ is supported because the benevolent trust one company has for its channel partner also leads to higher levels of attitudinal commitment toward that partner ($t = 7.85, p \leq .01$).

Results of this research also indicate support for the concept a channel relationship evolving from the lower level of commitment (calculative commitment) to the higher level (attitudinal commitment). Suggesting support for H₇, the higher one firm's calculative commitment for its channel partner, the higher its attitudinal commitment toward that partner ($t = 4.67, p \leq .01$).

It was also hypothesized that one firm's commitment would lead to higher levels of its channel partner's trust toward the firm. Results indicated that the higher one company's calculative commitment, the higher its channel partner's

credibility trust for that company ($t = 1.30, p \leq .10$); therefore, H₈ is supported. In addition, results suggest that the higher one company's attitudinal commitment, the higher its channel partner's benevolent trust for that company ($t = 3.80, p \leq .01$), supporting H₉.

Discussion and Implications

The findings of this study confirm the existence and importance of separate and distinct levels of both trust and commitment. Each type or level of trust and commitment influences the distribution channel relationship differently and becomes more relevant as the relationship ages.

Though the predisposition of an organization to trust other organizations (dispositional trust) does not directly influence the more cognitive or lower level of trust (credibility trust), it was shown to positively impact the affective or higher level of trust (benevolent trust). Therefore, each level of trust, as illustrated in Figure 1, is important, and the existence of dispositional trust within an organization makes it more probable that an organization in a distribution channel will move to the highest level of trust with its partners. This evolution develops as organizations come to trust one another over a long relationship without having to check up on whether the partner firms are keeping their contracts, etc.

The implication for managers is that they have the option of consciously developing a trusting (dispositional trust) corporate culture that will advance these distribution partnerships to higher levels of trust. If one company trusts another, the resources that might be expended on checking the trustworthiness of channel partners can be spent in other areas. Trust is also important for

maintaining long-term channel relationships, making it less necessary to constantly find new partners. Since a significant switching cost is involved every time a channel partner must be replaced, trust is crucial to the efficiency of a distribution channel operation. Trust should be viewed by managers as an evolutionary phenomenon, and longevity in these distribution channel relationships is necessary before the evolution can occur and the efficiency of the highest level of trust is realized.

Of course, as trust evolves between two channel partners, the desire for managers to commit more resources to one another to maintain these relationships efficiently will increase. A company will begin at the lower-level, cognitive state of commitment, known as calculative commitment. During this time, managers of one company will be constantly checking to ensure that resources committed to the relationship are well expended. However, over time, the relationship will evolve toward the higher-level, affective state of commitment, known as attitudinal commitment. At that point, managers will be able to withdraw resources from the "checking-up" process and will feel that they should commit to the relationship.

Of course, no relationship between two organizations is likely to evolve to the point where no checks and balances are required. However, at the higher levels of trust and commitment, these efforts (and resources) can be minimized by managers, making the distribution channel more efficient overall. The confirmation that both trust and commitment are evolutionary concepts further implies to managers that maintaining long-term relationships (relationship marketing) is desirable to allow these phenomena to occur. This, in turn, will make the distribution channel and the process of distributing products as efficient as possible.

Dr. Black's research focuses on marketing strategy, business-to-business marketing, consumer behavior, and electronic marketing. His findings have been published in various journals and presented at conferences.

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**Trust and Commitment: 46
Reciprocal and Multi-
dimensional Concepts in
Distribution Relationships**

Those who create products or services often do not distribute (sell) them. Their success may be in the hands of their distribution channel. The degree of mutual trust and commitment between the organizations is crucial to their mutual long-term success. This study of the many dimensions of trust and commitment — the two are not the same — and the evolutionary nature of their development reflects a survey of electronic components manufacturers, testing nine hypotheses. Managers should benefit from results showing the importance of proceeding step-by-step to build each level of the various types of trust and commitment.

Gregory S. Black

**Supply Chain Integration and 56
Organizational Success**

Much has been written about the importance of managing the supply chain if global companies wish to succeed. A key aspect of such management is integrating activities within and across companies in the chain. Organizations that achieve this should be expected to have higher levels of performance. Using data from the third round of Global Manufacturing Research Group results, this study analyzed several performance measures, including year-to-year-changes, to confirm that supply chain integration does improve performance. The study also found interesting variations among countries.

**Rhonda R. Lummus, Robert J. Vokurka, and
Dennis Krumweide**

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