Threat Strategy within Organizations : An Empirical Study on Purchasing Decision-Making

Che-Jen Su   Fu Jen Catholic University, Taipei, Taiwan

Namjae Cho   Hanyang University, Seoul, Korea   Correspondence: njcho@hanyang.ac.kr

ABSTRACT

Threat is one special type of communication whereby one conveys opinion, knowledge, or attitude to another with an intention to influence and modify the latter's opinion or behavior. This research aims at identifying the antecedents and the effectiveness of threats applied in the process of purchasing decision-making. The research model integrates constructs derived from the literature of diverse discipline. The framework suggested explains the relative effects of threats, is tested empirically to verify the impacts on the influenced target's opinions and behaviors in buying centers. Data are collected from CAPM's members in Taiwan, and 208 respondents served as targets in the interpersonal relationships. LISREL findings indicate that threats are effective in winning a target's compliance. Additionally, influencing source's characteristics affect the choice of threats more strongly than target characteristics do. The relative ability of dependence on the source to cause manifest influence is even more significant than that of threats. Overall, the results of this study appear consistent with behavioral theories and research.

Key Word : Manifest Influence, Purchasing Decision-Making, Threat Strategy

I. 서 론

Threat is one special type of communication whereby one conveys opinion, knowledge, or attitude to another. However, different from other types of communication or sharing of information or knowledge, threat has a strong intention to influence and modify another's opinion or behavior. The use of threat in organizational context is a complicated phenomena, because organizational decision-making processes involve considerable amount of complexity (Kohli, 1989). Understanding the nature of influence within the buying function of an organization is of critical importance to researchers studying organizational buying behavior (Dawes et al., 1998).

Threatening is not used often as an influence strategy to obtain compliance from others in buying centers. There is, however, some research effort directed to explaining the use of threat in intra-firm contexts (Venkatesh et al., 1995). Unfortunately, not all studies have provided consistent findings on the consequences of threats strategy. Findings of Venkatesh et al. (1995) support that threats strategy is positively related to the level of manifest influence. On the contrary, Yukl and Tracey (1992) hypothesize that pressure tactics have a negative effect on the level of targets' (i.e. the influenced) task commitment, but their speculations are not fully supported by the results.

We think that there are important issues that have not yet received due attention in the study of threats strategy. First of all, most research on threats strategy

in marketing area has focused only on inter-organizational contexts of marketing channels (e.g., Frazier & Summers, 1984, 1986; Kale, 1989; Boyle et al., 1992; Shamdasani et al., 2001). Few scholars tried to generalize the findings to intra-organizational context such as purchasing committees (e.g., Venkatesh et al., 1995; Farrell & Schroder, 1999). Event researche on the effect of coercive power in buying centers did not consider threat as a strategy per se to apply power (Kohli, 1989). Despite of the two research stream, the overall model of threats strategy in organizational buying decision process is not understood.

Moreover, previous research on influence dynamics in buying centers assumed the decision unit as a single target (Kohli, 1989; Venkatesh et al., 1995; Dawes et al., 1998). Extrapolating the findings from group level research to individual level may produce a problem of locus and fallacies (Frankfort-Nachmias & Nachmias, 1992). The result leaves our understanding of personal effect of threats strategy limited, and provide us with little knowledge on the determinants at the level of individual source or target. Researches on social influence and interpersonal influence process cast us useful perspectives on this issue (Schriesheim & Hinkin, 1990).

In this paper, we first conceptualize the structure of a buying center and offer an integrated framework for exploring determinants and outcomes of the threats strategy in buying centers. We then report results of our empirical examination of the influence behavior.

II. CONCEPTUAL FRAMEWORK

Efforts to explain the dynamics in buying centers provide valuable insights into the mechanisms operating beyond a simple structure, if some additional

factors are considered. Building on research about the influence in buying centers, channel relationships, and social networks, we propose a framework of threat strategy in organizational buying decision-making. This framework encompasses the influential issues advanced by Kipnis et al. (1980), Rao et al. (1995), Venkatesh et al. (1995), and Farrell and Schroder (1999). It identifies the principal factors that constitute antecedents of threats strategy and its consequences.

The 'target' in this research represents the individual that is the focus of an influence attempt (Tedeschi et al., 1977; Frazier & Summers, 1984; Venkatesh et al., 1995). The meaning of 'source' in this paper implies the individual engaging in an influence attempt (Tedeschi et al., 1977; Frazier & Summers, 1984; Venkatesh et al., 1995).

We focus on the buying center network in which the target's characteristics (e.g., the status of source and target) and the source's characteristics (e.g., organizational goals, referent power, information power, coercive power, and organizational level) affect the choice of threats strategy and the degree of influence on the process of decision-making (e.g., manifest influence).

1. Threat as a Mediator

Although threat as an influence strategy has been a focus of some previous research, the focus of interest was limited to the development of classification scheme of this coercive tactic (cf. Venkatesh et al., 1995). In the domain of marketing, threat is categorized as a strategy which does not alter the target's perception on the inherent desirability of an intended behavior (cf. Frazier & Summers, 1984,

1986; Kale, 1989). Venkatesh et al. (1995) modify Frazier and Summers' schema and suggest that this stratrgy relies on the source's ability to mete out rewards or punishments (i.e., instrumentality) and focuses on personal interest of the target (i.e., nontask orientation). Their idea requests for the need to take the broader infrastructure into account in exploring the nature of threats.

A source's exercise of threat strategy pertains to explicitly stating its willingness to apply "negative sanctions," should the target fail to perform a desire action (cf. Tedeschi et al., 1973; Frazier & Summers, 1984, 1986; Kale, 1989). Similarly, "pressure" defined as the source's use of demands, threats, intimidation, or persistent remind on the influence is used to convince the target to comply with a request and to do what the source wants (cf. Yukl & Falbe, 1990; Yukl & Tracey, 1992). As a related construct "sanction" involves the use of organizationally derived rewards and punishments, while "assertiveness" involves the use of a direct and forceful approach without warning of sanction (cf. Kipnis et al., 1984; Schriesheim & Hinkin, 1990). Yukl and Falbe (1990) equate pressure tactic with assertiveness. These confusing descriptions reflect the ambiguity in the nature of threats.

On the other hand, threat is considered as a socially undesirable and highly costly strategy (Frazier & Summers, 1984; Venkatesh et al., 1995). The draw-backs of the use of threats include the potential to magnify conflict leading the dissolution of a relation-ship (French & Raven, 1959; Bucklin, 1973; Kale, 1998), and high surveillance cost over a substantial period of time (cf. Raven & Kruglanski, 1970). It is also prone to hamper the future effectiveness of other influence strategies which are based on mutual trust (cf. Baldwin 1971; Frazier & Summers, 1984) and

reduce the target's dependence on the source (French & Raven, 1959).

2. Effectiveness of Threat as Dependent Variable

The effectiveness of influence strategies involves multiple indicators. Despite limited, existing literature reveals some dimensions such as: (1) perception of influence style (cf. Wayne & Ferris, 1990; Rao et al., 1995), (2) impression formed by targets (cf. Ralston, 1985; Wayne & Ferris, 1990; Rao et al., 1995), (3) readiness to respond (cf. Dahl, 1957; Keith et al., 1990), and (4) manifest influence (cf. Venkatesh et al., 1995; Dawes et al., 1998).

Essentially, influence is a behavioral strategy that people use to bring about a change in another's attitudes or opinions (cf. Perreault & Miles, 1978; Rao et al., 1995). In the context of buying centers, manifest influence refers to the attempt to change purchase opinions and behavior of buying center members (Kohli & Zaltman, 1988; Kohli, 1989). We focus on manifest influence due to its advantage of capturing both intentional and unintentional effects on decision-making (Dawes et al., 1998) and changes in opinion and behavior (Venkatesh et al., 1995).

3. Source-Related Variables

Sources' goals, motivation, or objectives of influence refer to the reason that they attempt to mani-pulate the targets' impression (Kipnis et al., 1980; Yukl & Falbe, 1990; Rao et al., 1995). Kipnis et al. (1980) propose five general reasons to influence others: (1) obtain assistance, (2) have others to do their jobs, (3) obtain personal benefits, (4) initiate

changes in the work, and (5) improve target's job performance. They also find these goals vary as a function of the target status, and the goals again affect the choice of influence tactics (Kipnis et al., 1984; Yukl & Falbe, 1990; Rao et al., 1995). We believe that organizational goals, not necessarily that of their own (Rao et al., 1995), would be meaningful in the model of threats.

Power is one's ability to influence others, and base of power is the characteristics of a person that provide the person the ability to influence others (cf. Gaski 1984; Kohli & Zaltman 1988). Bases of power can be transformed into influence strategies, which is the "means" or "instruments" the source uses to exert power over the target (Dahl, 1957). Different types of power such as the referent power, information power, and coercive power are incorporated into our framework for understanding threats (cf. Venkatesh et al., 1995; Farrell & Schroder, 1999). Prior studies also suggest that organizational level or the formal position of a source should be incorporated (Kipnis et al., 1980; Rao et al., 1995).

4. Target-Related Variables

Factors that affect the target's resistance include the target's dependence on the source, or the extent to which the target relies on the source for obtaining his or her goals and objectives (cf. Keith et al., 1990). A source with a high level of power (i.e., a target's dependence on the source) tends to manipulate the exchange relationship with the target to catch a large proportion of the rewards by way of using coercive influence strategies including threats and pressures. That is, target's dependence on the source is related positively to the source's choice of coercive influence

strategies (e.g., Frazier et al., 1989; Keith et al., 1990).

On the other hand, power plays the role of providing effective coordination in the exchange relationship. A source with high power is able to easily apply non-coercive approaches to win compliance, and thus lessen the need to exercise coercion (cf. Frazier & Summers, 1986). An influencer with low power tends to make more frequent use of coercive strategies (cf. Kim, 2000; Shamdasani et al., 2001).

Interestingly, the results regarding the relationship between a firm's power and its use of coercion were mixed (cf. Frazier & Rody, 1991). Previous research finds that this power-coercion relationship could be positive (cf. Dwyer & Walker, 1981), negative (Frazier & Summers, 1986; Boyle & Dwyer, 1995), or neutral (Ganesan, 1993) in inter-firm contexts. The direction of influence strategies may explain the variation in the choice of strategies (cf. Kipnis et al., 1980; Sillars, 1980; Kipnis et al., 1984; Yukl & Falbe, 1990; Yukl & Tracey, 1992). In general, as the status of the target increases, the source places more reliance on rational tactics (Kipnis et al., 1980).

III. HYPOTHESES AND MODEL DEVELOPMENT

On the basis of previous research and the rationale presented in the following paragraphs, we developed an integrated model of threats strategy. As shown in Figure 1, we believe that target-related factors and source-related factors have both direct and indirect effects on the use of threats strategy and manifest influence in the context of organizational buying decision-making. The model extends current understandings on the effectiveness of threats strategy in three ways. First, it explicitly includes the context of
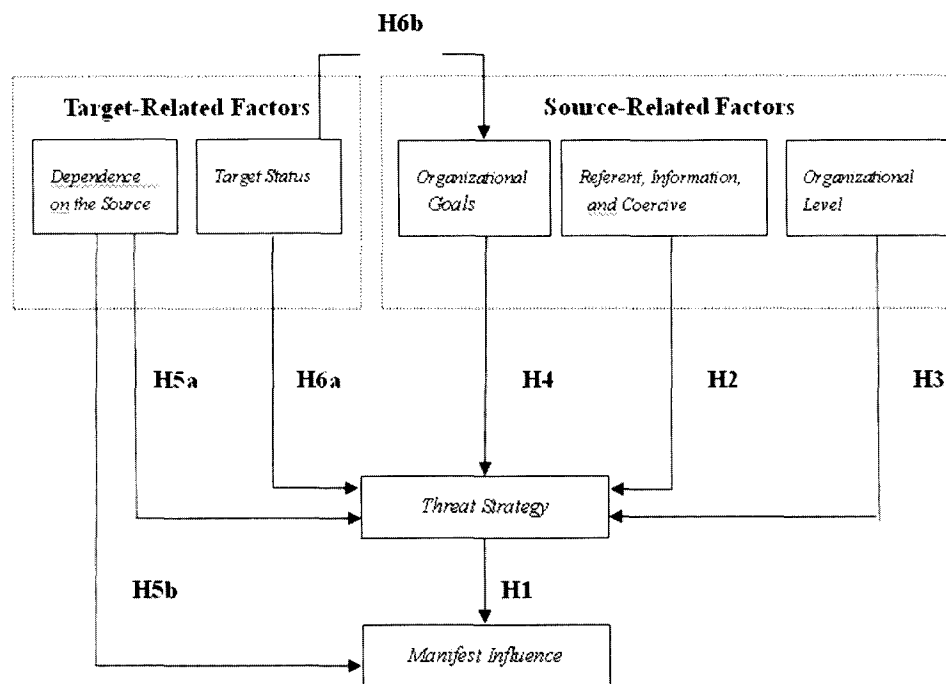
(Fig. 1) Determinants of Threat Strategy and Influence

buying centers and social influence. Second, considering the importance of interpersonal influence in organizational buying decision-making, the effects of target and source-related factors are explicitly addressed. Finally, the notion that threats tactic is a fundamentally useful strategy is elaborated upon and contingencies that moderate threats strategy are delineated.

1. Effect of Threats on Manifest Influence

The effectiveness of threats strategy has not been completely specified in existing literature. One reason is that the success of a given threat depends on factors which were seldom discussed in previous frameworks (cf. Frazier & Summers, 1984). These unclear findings on threat-influence relationship request for the introduction of moderating variables. Venkatesh et al. (1995) classify threats strategy as one of the "non-taskoriented" influence strategies and speculate that threat has a

less positive effect than "task-oriented" influence strategies. However, this strategy has been reported to have a stronger positive effect on manifest influence than most of the task-oriented strategies. Overall, studies on the outcomes of influence strategies have found either a negative or non-significant correlation between the pressure and the success of an influence attempt (Yukl & Tracey, 1992). The directions of pressure or threats appear to moderate this relationship (cf. Schilit & Locke, 1982; Case et al., 1988; Yukl & Tracey, 1992). Thus, we propose the following hypothese:

Hypothesis 1: The greater the use of threats, the greater the source's manifest influence on the target.

2. Effects of Coercive, Referent, and Information Power on Threats

Venkatesh et al. (1995) find that people with rein-

forcement power become habitual users of the threats strategy because of the expected or past successes. Besides, targets may expect a person with a coercive power to use the threats strategy, thereby, encouraging its use. Moreover, pressure tactics seem to be based on coercive power already possessed by the source (cf. Yukl & Tracey, 1992). Those with reinforcement power may use their position to win others' compliance (cf. Farrell & Schroder, 1999). Accordingly, we hypothesize the following:

Hypothesis 2a: The greater the coercive power, the more likely threats are used.

In addition, threats made by someone with referent or information power would not only lack credibility and be ineffective, but could also reduce the power for subsequent occasions (cf. French & Raven, 1959). These viewpoints are speculated (cf. Farrell & Schroder, 1999) or partially supported by empirical research (cf. Venkatesh et al., 1995).

Hypothesis 2b: The greater the referent power, the lower the use of threats.

Hypothesis 2c: The greater the information power, the lower the use of threats.

3. Effects of Organizational Level on Threats

Interaction with a person in a high level is more important than with one in a low level (cf. Gardner & Martinko, 1988). Kipnis et al. (1980) find that the source's level in the organization is closely associated with the use of influence strategies. As the source's level goes up, it is more likely that direct tactics of influence such as assertiveness and sanctions are used. Thus, we suggest the following hypothesis:

Hypothesis 3: The higher the source's positions

within an organization, the more likely the threats strategies are used.

4. Effects of Organizational Goals on Threats

Research on social influence indicates that when pursuing organizational-level goals, such as improved performance and the promotion of new ideas and changes, influencers perceive high legitimacy in their goals, and thus, use administrative sanctions, pressure and assertiveness (cf. Kipnis et al., 1980; Kipnis et al., 1984; Rao et al., 1995). Rao et al. (1995) also find that sources tend to seek to fulfill organizational goals through assertiveness (considered similar to pressure tactics by Yukl & Falbe, 1990) even though they are subordinates. On the basis of previous research, we hypothesize:

Hypothesis 4: The closer the sources task is to the fulfillment of organizational goals, the higher the possibility that they use threats.

5. Effects of Dependence on the Source on Threats and Manifest Influence

As review earlier in this paper, the dependence-coercion relationship has not been fully clarified by empirical studies. Based on literature reviews, Kim (2000) explicitly speculates that the link between power and the use of non-coercive strategies be positive, and the relationship between power and the use of coercion be negative. However, Shamdasani et al. (2001) find that the use of coercive and non-coercive strategies are not mutually exclusive, implying that the coercion trade-off proposed by Kim is not convincing. The conflict could be caused by the intensity

of coercion. A target highly dependent on an exchange relationship would naturally strive for maintaining a smooth and harmonious relationship (cf. Kale, 1989). This situation makes the source believe that the target is supposed to be highly tolerant on influence attempts and, thus, encourages the source to apply direct influence strategies (.e.g. requests, legalistic pleas, promises and threats) instead of indirect influence strategies such as recommendations and information exchanges (cf. Frazier & Summers, 1984; Kale, 1989; Boyle et al., 1992; Frooman, 1999). We argue that the dependence could be a potential solution to explain mixed findings in previous studies (Frazier & Rody, 1991; Su, 2003).

> *Hypothesis 5a: The greater the target's dependence on the source, the more likely the threats strategy is used.*

Additionally, there are evidences showing the positive relationship between the dependence of one channel members on another and the latter's perception of the power (e.g., Etgar, 1976; Brown et al., 1983; Skinner & Guiltinan, 1985). When a target has a large stake in the relationship, the target gets more dependent on the source and is more likely to be tolerant to demands from the source (Bucklin, 1973; El-Ansary, 1975). This discussion suggests the following hypothesis:

> *Hypothesis 5b: The greater the target's dependence on the source, the greater the source's manifest influence on the target.*

6. Effects of Target Status on Threats and Organizational Goals

In the case of upward influence, it is better for

the source to achieve the objective by focusing on target's compliance on the task at hand (i.e. task-oriented strategies). Pressure tactics or threats are non-task-oriented influence strategies appealing to target's personal interests (Venkatesh et al., 1995). Such strategies are used more toward subordinates than toward peers or superiors (Yukl & Tracey, 1992). Thus, the following hypothesis appears reasonable:

> *Hypothesis 6a: The higher the target's relative status, the less the use of threats.*

The reasons for exercising influence vary across the status of the target person (Kipnis et al., 1980). Yukl and Falbe (1990) refine and replicate the Kipnis et al. study, and find that requesting improved performance (i.e., organizational goals) is more likely to be employed for downward influence attempts than for lateral or upward ones. Thus, the following hypothesis is consistent with results from previous research:

> *Hypothesis 6b: The target's relative status has a negative relationship with exercising influence toward organizational goals.*

IV. METHOD

1. Participants

The sample was drawn from the list of the members of Chinese Association of Purchasing Management (CAPM). The list ensures that the subjects are actively involved in organizational buying decision. The majority of the research informants was meant to be purchasing agents from several dozen private companies and nonprofit organizations in various sectors.

2. Procedure

A total of 395 survey questionnaire packets that include personalized letters asking for their participation in this research were mailed. The initial mailing was followed by a reminder and a second copy of the questionnaire two weeks after the first mailing. This procedure was repeated two weeks after the first run. The final dataset included a collection of 208 usable responses, yielding 52.7% response rate. Maximum likelihood estimation (MLE) was applied. The sample size approximates "critical sample size" of 200 (Hoelter, 1983). More than half of the affiliate organizations were manufacturing and financial service organizations. 58% of the respondents were male and 42% were female.

To ensure the involvement of a considerable interaction in the buying center decisions making, we asked the respondents to consider a product or service purchased that was (1) more than NT$500,000, (2) with strategic importance to the organization, (3) an infrequent purchase, (4) available from various suppliers so that the decision should not be an obvious choice, and (5) finalized to be purchased within the past 18 months (cf. Venkatesh et al., 1995; Dawes et al., 1998). We also asked the respondents to include only those that satisfy minimum six months source-target relationship (cf. Yukl & Tracey, 1992). To ensure variance in the direction of influence attempts, the informants were divided into three groups evenly, upward, downward, and lateral.

The informants were asked to think of a joint decision which they were familiar with and describe how the source influenced them in the final phase of the decision-making. This design follows the guideline suggested by Conrad (1990). Informants assessed the type of sources' power (i.e., coercive, referent, and information power), organizational levels, threats strategy used, organizational goals related to the influence, their dependence on the source, and the level of consequent actual influence.

3. Instrumentation

The measure of manifest influence initially suggested by Kohli and Zaltman (1988) was used with a minor adaptation to conform to the interpersonal context. Scales for threats strategy were developed with reference to previous research (i.e., Frazier & Summers, 1984, 1986; Boyle et al., 1992; Venkatesh et al., 1995). The measure for the type of power (i.e. coercive, referent, and information power) was adapted from the scale developed by Kohli (1989) and Venkatesh et al. (1995). The measure for organizational goals was an adaptation of the scale suggested by Yukl and Falbe (1990). Measures of organizational level and target status were drawn from existing research (Rao et al., 1995; Kipnis et al., 1980). Target's dependence on the source was measured using a minor modification of the scale developed by Ross, Jr. et al. (1997). The research measures are listed in Appendix.

Based on the analysis of 50 pretest survey result, instruments were further calibrated and modified. We combined some variables into a single construct; such as influence strategies (i.e., requests, information exchange, recommendations, promises, threats, and legalistic pleas), base of power (i.e., referent power, information power, expert power, reward power, coercive power, and legitimate power), and individual goals (i.e., organizational goals and personal goals). Exploratory factor analysis was applied to the

combinations. Two constructs (manifest influence and dependence on the source) were found further to be combined. Reliability of the instrument assessed by Cronbach's alpha was acceptable, alpha values ranging from 0.62 to 0.97. After the main survey, we deleted some items from their respective constructs when there were opportunities to improve scale reliability. The final values of Cronbach's alpha ranged from 0.72 to 0.97.

Confirmatory factor analysis (CFA) in a LISREL model was performed to check the construct validity. As shown in Table 1, p-values of chi-squire indicated that there were two models considered significant (i.e., individual goals; p).10) or marginally significant (i.e., manifest influence; p).05). However, since this statistics are very sensitive to many factors (cf. Jöreskog & Sörbom, 1993; Hair et al., 1998), we complemented it with other diagnostics. In most of the models values of GFI, NFI, and AGFI were greater than 0.9 and all Non-normed Index Delta 2 values exceeded 0.9, suggesting that the data fit proposed models nicely or acceptablly (cf. Bagozzi & Yi, 1988; Grandzol & Gershon, 1998; Tamimi, 1998; Won & Sohal, 2002). All standardized factor loadings to the latent variables ranged from 0.5 to 0.95 with p-values<0.01, providing evidence for convergent validity. Additionally, the confidence interval around the correlation between any two latent constructs does not include 1, demonstrating discriminant validity (Anderson & Gerbing, 1988).

V. ANALYSIS AND RESULTS

1. Model Estimation

An overall measurement model of threats strategy with 9 constructs and 31 indicators was analyzed by LISREL. Estimating the hypothesized model by MLE produced p-value of chi-square <0.01, so we could conclude that significant differences exist between the actual model and the proposed one. The values of the indicator statistics (GFI =.80, RMSR =.07, NFI =.84, AGFI =.78, and non-normed index delta 2 =.91) showed that the model is at the level of marginal acceptance (Bagozzi & Yi, 1988; Grandzol & Gershon, 1998; Tamimi, 1998; Won & Sohal, 2002). As can be seen in Table 2, the standardized factor loadings for all multi-item constructs were positive and high (which range from .57 to .94) with p-values <0.01, indicating the convergence of these items to corresponding underlying constructs.

2. Hypotheses Testing

The relative effects of the individual factors included in the model were analyzed after model estimation. Figure 2 demonstrates the path diagram of the structural model. Structural parameter estimates (standardized coefficients) from the hypothesized model are reported in Table 3. We applied one-tailed tests to determine the significance of each cause-effect relationship. As predicted by H1, the use of threats has a marginally significant positive effect on the source's manifest influence on the target ($\beta32=.27$; p<.10). An influencer appears to cause changes in purchase decision of the buying center member through the threat to retaliate, punish, become uncooperative, make things difficult, discontinue specific benefits, reduce support, or disrupt the decision making process.

Overall, our results indicate that the base of power is strongly associated with the use of threats. A

statistically significant and positive relationship exists between the levels of coercive power and threats (γ 23=0.34; p<.01), in support of H2a. A source with the power to interfere with promotions, block salary increases, or assign unpleasant tasks, tends to exercise threats strategy to change the target's opinions and behaviors. Consistent with H2b, there is a significant negative relationship between the level of a person's

[Table 1] Results of the CFA

CFA Models	Indicators	Standardized Factor Loadings (t-values)	P-values for Chi-squire	GFI	RMSR	NFI	AGFI	Non-normed Index Delta 2
Dependence on the Source		.80a		.89	.06	.90	.84	.91
	X2	.80 (9.67)***	<.01					
	X3	.61 (7.95)***						
	X4	.57 (7.50)***						
Base of Power b				.90	.06	.92	.85	.97
Coercive Power	X6	.84a						
	X7	.94 (17.83)***	<.01					
	X8	.86 (15.63)***						
Referent Power	X9	.77a						
	X10	.79 (11.52)***						
	X11	.90 (12.97)***						
	X12	.67 (9.96)***						
Information Power	X13	.69a						
	X14	.76 (9.10)***						
	X15	.70 (9.66)***						
	X16	.80 (9.35)***						
Individual Goals b				.99	.03	.99	.94	.99
Organizational Goals	Y1	.95a						
	Y2	.72 (7.28)***	>.10					
Influence Strategies b				.88	.06	.91	.83	.96
Threats	Y3	.89a						
	Y4	.93 (20.82)***	<.01					
	Y5	.94 (21.42)***						
	Y6	.85 (17.29)***						
	Y7	.92 (20.51)***						
	Y8	.90 (19.21)***						
	Y9	.92 (20.38)***						
Manifest Influence	Y10	.78a		.98	.01	.97	.94	.97
	Y11	.86 (12.78)***						
	Y12	.77 (11.36)***	>.05					
	Y13	.69 (9.91)***						
	Y14	.84 (12.57)***						

a Fixed at 1.00 before standardized   b Construct(s) not included in this study were(was) omitted
*: P<.10, **: P<.05, ***: P<.01.

referent power and his or her use of threats ($\gamma 24=$ -.37; p<.01). If a source has a target's admiration, he or she will be less likely to use threats strategy, whereas an influencer's information power is found unrelated to the frequency with which threats are used ($\gamma 25=0.09$; p>.10). Thus, H2c is not empirically supported by the results.

As hypothesized in H3, the positive relationship between sources' level in their organizations and their use of threats is supported ($\gamma 26=.17$; p<.01). H4 is strongly supported ($\beta 21=.26$; p<.01). Threat has a significant positive correlation with the goal of an organization seeking to perform a new task or to produce better performance.

[Table 2] Assessment of Measurement of the LISREL Model

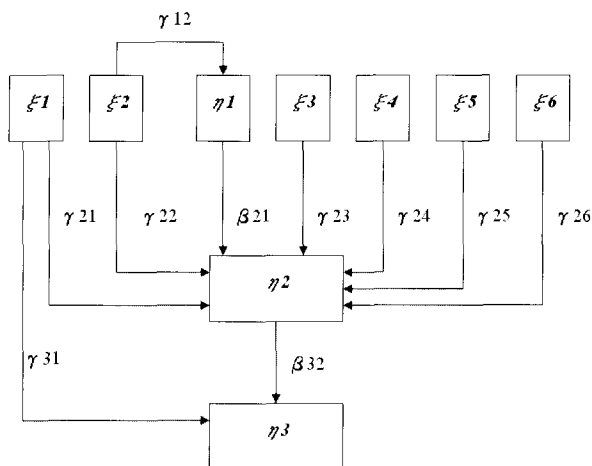| Constructs	Indicators	Standardized Factor Loadings	Cronbach's alpha
Dependence on the Source	X1	.79a	
	X2	.79***	.80
	X3	.66***	
	X4	.57***	
Coercive Power	X6	.85a	
	X7	.94***	.92
	X8	.88***	
Referent Power	X9	.76a	
	X10	.76***	
	X11	.92***	.87
	X12	.68***	
Information Power	X13	.72a	
	X14	.76***	
	X15	.75***	.84
	X16	.78***	
Organizational Goals	Y1	.93a	.82
	Y2	.72***	
Threats Strategy	Y3	.88a	
	Y4	.92***	
	Y5	.92***	
	Y6	.85***	.97
	Y7	.92***	
	Y8	.91***	
	Y9	.90***	
Manifest Influence	Y10	.80a	
	Y11	.84***	
	Y12	.77***	.90
	Y13	.69***	
	Y14	.82***	

a Fixed at 1.00 before standardized.   *: $P(.10$, **: $P(.05$, ***: $P(.01$.

The positive effect of target's dependence on the source is partially supported. H5a, which predicts a positive effect of target's dependence on the source on the use of threats, was not supported ($\gamma 21 = .05$; $p \rangle .10$). However, the dependence-manifest causality proposed by H5b is statistically significant ($\gamma 31 = .45$; $p \langle .01$). A source in a buying center tends to win compliance from highly dependent target.

H6a, which hypothesized the relationship between the target's relative status and the use of threats, is not supported ($\gamma 22 = .09$; $p \rangle .10$). In support of H6b, the target's status appears to have a significant

[Fig. 2] Path Diagram for the Structural Model

[Table 3] Estimated Effects within the LISREL Model

Hypotheses	Parameters	Coefficients	t-values
H1 (+)	$\beta 32$	.27	1.92*
H2a(+)	$\gamma 23$	.34	5.43***
H2b(−)	$\gamma 24$	− .37	− 5.55***
H2c(−)	$\gamma 25$	.09	1.37
H3 (+)	$\gamma 26$	.17	2.94***
H4 (+)	$\beta 21$	.26	6.95***
H5a(+)	$\gamma 21$	.05	.75
H5b(+)	$\gamma 31$	.45	5.33***
H6a(−)	$\gamma 22$	.09	1.56
H6b(−)	$\gamma 12$	− .15	-2.32**

*: $P \langle .10$(one tailed), **: $P \langle .05$(one tailed), ***: $P \langle .01$(one tailed).

negative effect on exercising influence through the means of organizational goals ($\gamma 12 = -.15$; $p \langle .05$).

Overall, the model we suggested explains various aspects of the dynamics of threats strategy used in buying centers. Most of the hypotheses proposed in our model are empirically supported. Among the causes that may enforce changes in purchase decision of the targets, dependence on the source appears to have the strongest positive effect on manifest influence. The use of threats, which is positively related to manifest influence, is not as effective as dependence on the source is. Our hypotheses pertain to alternative factors that may have effects on the use of threats, and we find many important causality between types of power and the threats strategy (i.e., referent power and coercive power). In contrast to influencer's power, organizational goals and organizational level have less strong but significant effects on the use of threats.

VI. DISCUSSION AND CONCLUSIONS

The purpose of this research is to investigate the determinants and impact of threats strategy in buying centers. We assessed relative importance of various determinants by examining a comprehensive set of constructs compared to previous individual studies. We found several empirical supports along with some discrepancies.

In general, our findings were consistent with our proposition. Threats strategy was found to be effective to a limited extent in bringing about changes in opinions and behaviors of buying center members related to purchase decision. The result is consistent with the research advocating positive relationship between threats strategy and manifest influence in

organizational buying (cf. Venkatesh et al., 1995), while countering to the findings of Yukl and Tracey. One explanation to this result could be the differences between threats and other similar constructs. Pressure tactics (cf. Yukl & Falbe, 1990; Yukl & Tracey, 1992) and sanctions (cf. Kipnis et al., 1980, 1984) are almost synonymous to threats strategy defined in the previous literature (cf. Tedeschi et al., 1973; Frazier & Summers, 1984; Venkatesh et al., 1995). In contrast, the concept of assertiveness proposed in Kipnis et al. does not involve the use of organizationally derived rewards and punishments (i.e., sanctions) but only a direct and forceful approach (Kipnis et al., 1984). On the other hand, Yukl and Falbe (1990) argue that pressures are similar to assertiveness. This conceptual ambiguity among different types of influence strategy should be further clarified to make a meaningful progress in this stream of research.

The effect of influence strategy seems to have a variety of dimensions. For instance, threats might be useful in bringing about targets' task commitment, but not so effective in producing high managerial effectiveness (cf. Yukl & Tracey, 1992). The decision-making processes, styles, and influence strategies may also change across decision phases (cf. Venkatesh et al., 1995). Differences in research design in this aspect can produce different results, suggesting the needs for comparative studies.

In addition, our findings suggest that source characteristics have a stronger impact on the choice of influence strategies than target characteristics, in consistent with Venkatesh et al. (1995). Sources also make greater use of threats strategy based on coercive or reinforcement power but not on referent power as predicted.

In contrast to our expectations, however, information power appears to be independent of threats strategy. This result is in line with the study of Venkatesh et al. (1995). In fact, recent studies suggest that the relationship between the bases of power and influence strategies is somewhat unclear and in need of further research (cf. Venkatesh et al., 1995; Farrell & Schroder, 1999). Our hypotheses were developed based on "coercive intensity" of influence strategies. Interestingly, the operational measures of these variables imply preference to coercive intensity to represent behavioral tendency of a choice. Coercive intensity of influence strategies could take the form of a continuum spanning from non-coercive strategies to soft coercive strategies, and to hard coercive strategies (cf. Frazier & Summers, 1986; Venkatesh et al., 1995). We speculate that the lack of significant power-influence strategy causality in many previous researches might be the caused by their research design, in which preference for coercive intensity was not measured as a continuum. In other words, the power that facilitates the preference to hard coercive strategies is not necessarily able to diminish the preference to non-coercive strategies. In the similar vein, Shamdasani et al. (2001) find that the uses of coercive and non-coercive influence strategies are not mutually exclusive. Thus, there may not be a concrete trade-off relationship between coercive and non-coercive influences, in support of our reasoning.

Our result also showed that as the source is in high level, when seeking to improve target's performance, assign work, initiate change, or promote new ideas, the sources feel high legitimacy and apply more direct influence strategies such as threats in consistent with previous research. (cf. Kipnis et

al., 1980; Kipnis et al., 1984; Frazier & Summers, 1986; Kale, 1989; Rao et al., 1995)

Our finding that target's dependence on the source leads to a more extensive use of manifest influence is in line with previous research (cf. Bucklin, 1973; El-Ansary, 1975; Etgar, 1976; Brown et al., 1983; Skinner & Guiltinan, 1985). However, contrary to our expectation, dependence on the source appears to have no effect on the use of threats. One possible reason is that a source with high power would know the target's expectation better, and thus violate communication norms on purpose to apply a more indirect strategy. This approach would reinforce manifest influence and should be considered in future research.

As suggested by Yukl and Falbe (1990), we hypothesized that target status was negatively related to the use of organizational variables as a reason for exercising threats strategy. However, target status did not have an effect on threats. Thus, our results replicated existing conflicting results on the effects of target's dependence on the source on influence strategy. Future dedications to analyze this phenomenon should be encouraged.

In summary, this study provides several important insights into the effective application of threats as an influence strategy by members of a buying center. However, there are some limitations that need to be taken into consideration for an improved future research.

First, there are substantial differences in the measurement of influence strategies among existing studies (Yukl & Tracey, 1992). This has been a serious problem for researchers to make comparison among previous findings and to design advanced research based on literature review. Thus, to integrate findings from diverse research, a commonly accepted

typology of influence tactics or strategies for empirical research should be developed and refined in the future.

Second, because influence attempts were not manipulated, causality could only be inferred from the data. A variety of extraneous factors, such as respondent biases and attributions, might influence the correlations. Specifically, we applied retrospective, lateral, and self-reported measure collected from the target. Previous research suggests that target's description of a source's influence attempt may be insensitive to subtle forms of influence which can be successful only when the target is not aware of its use (cf. Yukl & Tracey, 1992). Furthermore, manifest influence described by source in a decision-making process can be a "perceived influence" (cf. Beatty & Talpade, 1994). Incorporating opinions of the source could provide an unbiased report of actual behavior, and help us to identify the inconsistencies between the source's intention and the target's perception (cf. Venkatesh et al., 1995; Farrell & Schroder, 1999).

Third, a number of decision characteristics may affect the source's influence, including decision stages and the type of product (cf. Beatty & Talpade, 1994). Purchase decision-making in buying centers is a multistage process with variations (Venkatesh et al., 1995). In a family decision-making process, teenager's influence at the initiation stage was found to be stronger than at the search/decision stage (cf. Beatty & Talpade, 1994). It would be rewarding if the stage-influence strategy relationship was explored in a dynamic and longitudinal context. Future research can also examine the relative impact of product-specific factors on the use and effectiveness of threats strategy (cf. Venkatesh et al., 1995; Farrell & Schroder, 1999).

Our results imply that the relationship between the source's power or the target's dependence on the source and the use of a direct and coercive influence strategy may be contingent on the existence of some moderating variable(s). Based on the contribution of this study in understanding how threats are perceived and used, it is hoped that the framework and findings we provided can serve as a basis to develop and design future research on organizational buying decision-making.

REFERENCES

[1] Anderson, J. C., & Gerbing, D. W. 1988. Structural equation modeling in practice: A review and recommended two-step approach. *Psychological Bulletin*, 103(3):411-423.

[2] Bagozzi, R. P., & Yi, Y. 1988. On the evaluation of structure equations model. *Academy of Marketing Science*, 16:76-94.

[3] Baldwin, D. 1971. The power of positive sanctions. *World Politics*, 24(October):19-38.

[4] Beatty, S. E., & Talpade, S. 1994. Adolescent influence in family decision making: A replication with extension. *Journal of Consumer Research*, 21:332-341.

[5] Boyle, B. & Dwyer, F. R. 1995. Power, bureaucracy, influence, and performance: Their relationships in industrial distribution channels. *Journal of Business Research*, 32(March):189-200.

[6] Boyle, B., Dwyer, F. R., Robicheaux, R. A., & Simpson, J. T. 1992. Influence strategies in marketing channels: Measures and use in different relationship structures. *Journal of Marketing Research*, 29:462-473.

[7] Brown, J. R., Lusch, R. F., & Muehling, D. D.

1983. Conflict and power-dependence relations in retailer-supplier channels. *Journal of Retailing*, 59(4):53-80.

[8] Bucklin, L. P. 1973. A theory of channel control. *Journal of Marketing*, 37(1):39-47.

[9] Case, T., Dosier, L., Murkinson, G., & Keys, B. 1988. How managers influence superiors: A study of upward influence tactics. *Leadership and Organizational Development Journal*, 9(4): 25-31.

[10] Conrad, C. 1990. *Strategic Organizational Communication: An Integrated Perspective*. TX: Holt, Rinehart, & Winston.

[11] Dahl, R. A.1957. The concept of power. *Behavioral Science*, 2(July):201-215.

[12] Dawes, P. L., Lee, D. Y., & Dowling, G. R. 1998. Information control and influence in emergent buying centers. *Journal of Marketing*, 62(July):55-68.

[13] Dwyer, F. R., & Walker, O. C. 1981. Bargaining in an asymmetrical power structure. *Journal of Marketing*, 45(Winter):104-115.

[14] El-Ansary, A. I. 1975. Determinants of power-dependence in the distribution channel. *Journal of Retailing*, 51(2):59-74.

[15] Etgar, M. 1976. Channel domination and countervailing power in distribution channels. *Journal of Marketing Research*, 13(3):254-262.

[16] Farrell, M., & Schroder, B. 1999. Power and influence in the buying centre. *European Journal of Marketing*, 33(11/12):1161-1170.

[17] Frankfort-Nachmias, C., & Nachmias, D. 1992. *Research Methods in the Social Sciences* (4th ed.). London: Edward Arold.

[18] Frazier, G. L., & Rody, R. C. 1991. The use of influence strategies in interfirm relationships

in industrial product channels. *Journal of Marketing*, 55(1):52-69.

[19] Frazier, G. L., & Summers, J. O. 1984. Interfirm influence strategies and their application within distribution channels. *Journal of Marketing*, 48(3): 43-55.

[20] Frazier, G. L., & Summers, J. O. 1986. Perceptions of interfirm power and its use within a franchise channel of distribution. *Journal of Marketing Research*, 23(2):169-176.

[21] Frazier, G. L., Gill, J. D., & Kale, S. H. 1989. Dealer dependence levels and reciprocal actions in a channel of distribution in a developing country. *Journal of Marketing*, 53(January):50-69.

[22] French, J. R. P., Jr., & Raven, B.H. 1959. The bases of social power. In D. Cartwright (Ed.), *Studies in Social Power:* 150-167. MI: University of Michigan Press.

[23] Frooman, J. 1999. Stakeholder influence strategies. *Academy of Management Review*, 24(2): 191-205.

[24] Ganesan, S. 1993. Negotiation strategies and the nature of channel relationships. *Journal of Marketing Research*, 30(May):183-203.

[25] Gardner, W. L., & Martinko, M. J. 1988. Impression management: An observational study linking audience characteristics with verbal self-presentation. *Academy of Management Journal*, 31:42-65.

[27] Gaski, J. F. 1984. The theory of power and conflict in channels of distribution. *Journal of Marketing*, 48(3):9-29.

[28] Grandzol, J. R., & Gershon, M. 1998. A survey instrument for standardizing TQM modeling research. *The International Journal of Quality Science*, 3(1): 80-105.

[29] Hair, J. F., Jr., Anderson, R. E., Tatham, R. L., & Black, W. C. 1998. *Multivariate Data Analysis* (5th ed.). NJ: Prentice-Hall.

[30] Hoelter, J. W. 1983. The analysis of covariance structures: Goodness-of-fit indices. *Sociological Methods and Research,* 11:325-344.

[31] Jöreskog, K. G., & Sörbom, D. 1993. *LISREL 8: Structural Equation Modeling with the SIMPLIS Command Language.* IN: Scientific Software, Inc.

[32] Kale, S. H. 1989. Dealer dependence and influence strategies in a manufacturer-dealer dyad. *Journal of Applied Psychology*, 74:379-384.

[33] Keith, J. E., Jackson, D. W., Jr., & Crosby, L. A. 1990. Effects of alternative types of influence strategies under different dependence structures. *Journal of Marketing*, 54(3):30-41.

[34] Kim, K. 2000. On interfirm power, channel climate, and solidarity in industrial distributor-supplier dyads. *Academy of Marketing Science*, 28(3):388-405.

[35] Kipnis, D., Schmidt, S. M., & Wilkinson, I. 1980. Intra-organizational influence tactics: Explorations in getting one's way. *Journal of Applied Psychology*, 65(4):440-452.

[36] Kipnis, D., Schmidt, S. M., Swaffin-Smith, C., & Wilkinson, I. 1984. Patterns of managerial influence: Shotgun managers, tacticians, and bystanders. *Organizational Dynamics*, 12(3):58-67.

[37] Kohli, A. 1989. Determinants of influence in organizational buying: A contingency approach. *Journal of Marketing*, 53(July):50-65.

[38] Kohli, A., & Zaltman, G. 1988. Measuring multiple buying influences. *Industrial Marketing Management*, 17(3):197-204.

[39] Perreault, W. D., Jr., & Miles, R. H. 1978. Influence strategy mixes in complex organizations. *Behavioral Science*, 23:86-98.

[40] Ralston, D. A. 1985. Employee ingratiation: The role of management. *Academy of Management Review*, 10(3):477-487.

[41] Rao, A., Schmidt, S. M., & Murray, L. H. 1995. Upward impression management: Goals, influence strategies, and consequences. *Human Relations*, 48(2):147-167.

[42] Raven, B. H. & Kruglanski, A. 1970. Conflict and power. In P. Swingle (Ed.), *The Structure of Conflict:* 69-109. NY: Academic Press.

[43] Ross, W. T., Jr., Anderson, E., & Weitz, B. 1997. Performance in principal-agent dyads: The cause and consequences of perceived asymmetry of commitment to the relationship. *Management Science*, 43:680-704.

[44] Schilit, W. K., & Locke, E. 1982. A study of upward influence in organizations. *Administrative Science Quarterly*, 27:304-316.

[45] Schriesheim, C. A., & Hinkin, T. R. 1990. Influence tactics used by subordinates: A theoretical and empirical analysis and refinement of the Kipnis, Schmidt, and Wilkinson subscales. *Journal of Applied Psychology*, 75(3): 246-257.

[46] Shamdasani, P., Keh, H. T., & Chan, K. T. 2001. The efficacy of power and influence strategies in a conventional channel: A Singapore perspective. The *Journal of Business and Industrial Marketing*, 16(1):21-38.

[47] Sillars, A. L. 1980. The consequential and distributional structure of conflict interactions as a function of attributions concerning the locus of responsibility and stability of conflicts.

In D. Nimmo (Ed.), *Communication Yearbook* 4:217-235. NJ: Transaction.

[48] Skinner, S. J., & Guiltinan, J. P. 1985. Perceptions of channel control. *Journal of Retailing*, 61(4):65-88.

[49] Su, C. J. 2003. An integrated framework for understanding intra-organizational influence strategies. *Journal of Human Resource Management*, 3(4):109-131.

[50] Tamimi, N. 1998. A second-order factor analysis of critical TQM factors. *The International Journal of Quality Science*, 3(1):71-79.

[51] Tedeschi, J. T., Schlenker, B. R., & Bonoma, T. V. 1973. *Conflict, Power and Game.* Chicago: Aldine.

[52] Venkatesh, R., Kohli, A. K., & Zaltman, G. 1995. Influence strategies in buying centers. *Journal of Marketing*, 59(4):71-82.

[53] Wayne, S. J., & Ferris, G. R. 1990. Influence tactics, affect, and exchange quality in supervisor-subordinate interactions: A laboratory experiment and field study. *Journal of Applied Psychology*, 75(5):487-499.

[54] Wong, A., & Sohal, A. 2002. An examination of the relationship between trust, commitment and relationship quality. *International Journal of Retail and Distribution Management*, 30(1):34-50.

[55] Yukl, G., & Falbe, C. M. 1990. Influence tactics in upward, downward, and lateral influence attempts. *Journal of Applied Psychology*, 75(2):132-140.

[56] Yukl, G., & Tracey, J. B. 1992. Consequences of influence tactics used with subordinates, peers, and the boss. *Journal of Applied Psychology*, 77(4):525-535.

Appendix: Measures and Items

ξ1: *Dependence on the Source (5 point scale, from "strongly disagree" to "strongly agree")*

X1: S/he is essential to fulfill my task or achieve my goal.

X2: S/he is important to my present as well as future task-fulfilling or goal-achieving.

X3: I am quite dependent on him or her.

X4: S/he offers a unique set of benefits to my task-fulfilling or goal-achieving.

Items were scored on a five-point scale ranging from "strongly disagree" to "strongly agree."

ξ2: *Target Status*

X5: S/he served as your (1) boss, (2) peer, or (3) subordinate.

ξ3: *Coercive Power (5 point scale, from "none" to "all")*

X6: I believed s/he was capable of interfering with my promotions.

X7: I thought s/he could block my salary increases.

X8: I believed s/he could arrange for me to be assigned to unpleasant tasks.

ξ4: *Referent Power (5 point scale, from "none" to "all")*

X9: I thought highly of his or her personality.

X10: I shared his or her personal values.

X11: I identified with him or her as a person.

X12: I had high regard for his or her personal qualities.

ξ5: *Information Power (5 point scale, from "none" to "all")*

X13: S/he served as a communication link between the suppliers and me.

X14: S/he was in direct contact with the suppliers.

X15: S/he was responsible for obtaining information about suppliers for me.

X16: S/he held independent discussions with the various suppliers on my behalf.

ξ6: *Organizational Level*

X16: His or her level in the organization was (1) non-manager, (2) low manager, (3) mid-manager, or (4) upper manager.

η1: *Organizational Goals (5 point scale, from "never" to "always")*

Y1: Asked you to do a new task or work on a new project or account.

Y2: Asked you to do a task faster or better.

η2: *Threats Strategy (5 point scale, from "never" to "always")*

Y3: Made it clear that failure to comply with his/her suggestion(s) would invite retaliation.

Y4: Threatened to become uncooperative if I failed to agree to his or her demand(s).

Y5: Communicated his or her ability to make "things difficult" for me if his or her specific demands were not met.

Y6: Stated or implied that specific benefits would be discontinued to me for not complying with his or her demand(s).

Y7: Threatened to reduce his or her support, should his or her demand(s) not be met.

Y8: Used threats of disrupting the decision making process.

Y9: Stated or implied that those who did not comply with his or her wishes would be punished.

η3: *Manifest Influence (5 point scale, from "very small" to "very large.")*

Y10: How much impact did s/he have on your thinking?

Y11: To what extent did s/he influence the criteria used for making your final decision?

Y12: How much effect did his/her involvement in
the purchase process have on how you rated
various options?

Y13: To what extent did s/he influence you into
adopting certain positions about the options?

Y14: To what extent did his or her participation
influence your decision eventually reached?

━━━━━━━━━━━━━━━━━━━━ ♩ 저 자 소 개 ♩ ━━━━━━━━━━━━

조 남 재 (Namjae, Cho)

서울대학교에서 산업공학 학사, 한국과학기술원에서 경영과학 석사, 미 보스턴대학교에서 경영정보학 박사를 취득하였다. 현재 한양대학교 경영학부 교수로 재직중이다. 한국소프트웨어 진흥원자문 위원, 서울도시철도공사 전산자문위원, 산자부 e-biz 인덱스자문위원, 한양대디지털 경영 연구센터소장 등을 수행하고 있다. 주요 관심분야는 전자상거래와 e-비즈니스, 지식경영, 디지털 산업 전략 및 정책 등이다