An Investigation into the Effect of Power Components on Trust and Commitment between Suppliers and Customers (with Intermediary Effect of Conflict and Satisfaction): A Multiple Case Study of Industrial Companies of Firoozkooh Industrial Park

An Investigation into the Effect of Power Components on Trust and Commitment between Suppliers and Customers (with Intermediary Effect of Conflict and Satisfaction): A Multiple Case Study of Industrial Companies of Firoozkooh Industrial Park
Uma Investigação sobre o Efeito dos Componentes de Potência na Confiança e Compromisso entre Fornecedores e Clientes (com Efeito Intermediário de Conflito e Satisfação): Um Estudo de Caso Múltiplo de Empresas Industriais do Parque Industrial de Firoozkooh

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Abstract

Marketing relationships are main issues that have been considered in industrial markets. The reality of industrial marketing is that many supplier organizations and buyer deal with each other for many years, and long term relationships are formed between them. In this study, the relationships between suppliers and customers of industrial companies of Firoozkooh industrial park were studied, with regard to the effect of power components on trust and commitment with the mediator effect of satisfaction and conflict. The statistical population was about 500 people. 100 people were selected as sample. Sampling method is quota sampling. For this research, library and field methods have also been used. In this study, using two analytical tools, SPSS and AMOS, two descriptive and inferential statistics were used to analyze the data. At the descriptive level, figures were plotted and data were analyzed using statistical characteristics such as frequency, percentage. Cronbach's alpha was used to verify the reliability of the questionnaire, K-S test to determine data normalization, structural equation model to reject or confirm the research hypotheses, a goodness of fit to determine the fitness of the research model, confirmatory factor analysis to explain the variable by each of the related

Resumen

Las relaciones de marketing son temas principales que se han considerado en los mercados industriales. La realidad del marketing industrial es que muchas organizaciones proveedoras y compradores se tratan entre sí durante muchos años, y se forman relaciones a largo plazo entre ellos. En este estudio, se estudiaron las relaciones entre proveedores y clientes de empresas industriales del parque industrial Firoozkooh, con respecto al efecto de los componentes de poder en la confianza y el compromiso con el efecto mediador de la satisfacción y el conflicto. La población estadística fue de unas 500 personas. Se seleccionaron 100 personas como muestra. El método de muestreo es el muestreo de cuotas. Para esta investigación, también se han utilizado métodos de biblioteca y de campo. En este estudio, utilizando dos herramientas analíticas, SPSS y AMOS, se utilizaron dos estadísticas descriptivas e inferenciales para analizar los datos. A nivel descriptivo, las cifras se representaron gráficamente y los datos se analizaron mediante características estadísticas, como la frecuencia y el porcentaje. Se utilizó el alfa de Cronbach para verificar la confiabilidad del cuestionario, la prueba KS para determinar la normalización de los datos, el modelo de

questions in the questionnaire. Data analysis showed that non-repressive power had a positive and significant effect on satisfaction, trust and commitment, while repressive power had a negative and significant effect on these factors and increased the conflict. The result of using non-repressive power sources, such as power of reward, knowledge, returning, etc., can lead to long-term and efficient relationships.

Keywords: Power, trust, commitment, satisfaction, conflict.

ecuación estructural para rechazar o confirmar las hipótesis de investigación, una bondad de ajuste para determinar la idoneidad del modelo de investigación, el análisis factorial confirmatorio para explicar la variable por cada una de las preguntas relacionadas en el cuestionario. El análisis de los datos mostró que el poder no represivo tuvo un efecto positivo y significativo en la satisfacción, la confianza y el compromiso, mientras que el poder represivo tuvo un efecto negativo y significativo en estos factores y aumentó el conflicto. El resultado del uso de fuentes de poder no represivas, como el poder de recompensa, el conocimiento, el retorno, etc., puede llevar a relaciones a largo plazo y eficientes.

Palabras claves: Poder, confianza, compromiso, satisfacción, conflicto.

Resumo

As relações de marketing são as principais questões que foram consideradas nos mercados industriais. A realidade do marketing industrial é que muitas organizações de fornecedores e compradores lidam uns com os outros por muitos anos, e relacionamentos de longo prazo são formados entre eles. Neste estudo, foram estudadas as relações entre fornecedores e clientes de empresas industriais do parque industrial de Firoozkooh, no que diz respeito ao efeito dos componentes de poder na confiança e comprometimento com o efeito mediador da satisfação e do conflito. A população estatística foi de cerca de 500 pessoas. 100 pessoas foram selecionadas como amostra. O método de amostragem é a amostragem de cotas. Para esta pesquisa, a biblioteca e os métodos de campo também foram usados. Neste estudo, utilizando duas ferramentas analíticas, o SPSS e o AMOS, duas estatísticas descritivas e inferenciais foram utilizadas para analisar os dados. No nível descritivo, os números foram plotados e os dados foram analisados usando características estatísticas, como freqüência e porcentagem. O alfa de Cronbach foi utilizado para verificar a confiabilidade do questionário, o teste de KS para determinar a normalização dos dados, o modelo de equações estruturais para rejeitar ou confirmar as hipóteses de pesquisa, a adequação do modelo de pesquisa e a análise fatorial confirmatória para explicar a variável por cada uma das questões relacionadas no questionário. A análise dos dados mostrou que o poder não repressivo teve um efeito positivo e significativo na satisfação, confiança e comprometimento, enquanto o poder repressivo teve um efeito negativo e significativo sobre esses fatores e aumentou o conflito. O resultado do uso de fontes de energia não repressivas, como poder de recompensa, conhecimento, retorno, etc., pode levar a relacionamentos eficientes e de longo prazo.

Palavras-chave: Poder, confiança, compromisso, satisfação, conflito

Introduction

Marketing relationships are main issues that have been considered in current industrial markets. In industrial marketing with a traditional approach, marketing mix factors were considered only as a tool to exercise the suppliers' power, and suppliers were active in industrial transactions, and industrial buyers were passively accepting marketing mix factors. While it is said that the parties in the industrial market often work with each other and industrial buyers play an active and decisive role, the reality of industrial marketing is that many supplier and buyer organizations deal with each other for many years, and long-term relationships are formed between them. Such long-term relationships can have significant advantages for both parties (Haghighi Nasab and Shariat Zadeh, 2010).

This study examined the effect of power components on trust and commitment between

the industrial supplier and the buyer and its effect on satisfaction or conflict between the parties.

Exercising repressive power, conflict and satisfaction: repressive power is based on this fact that one of the parties in a business relationship has the ability to exert pressure on the other party or interact with it, if its demands are not met by another. Exertion of pressure may be in the form of imposing financial penalties, refusing critical support, or threatening to breach the contract. The use of suppressive power is likely to exacerbate tension and disappointment because one party does things that the other party does not like, or does not have the resources to do the job, or feel guilty to do it. Inevitably, this situation will lead to disagreement between the parties and will obviously increase the conflict. According to the above argument, the following hypothesis is presented:

H1a: There is a positive relationship between exercising suppressive power in the buyer-seller relationships and conflict.

The use of repressive power may also affect the individual's sense of satisfaction with the business relationships. The use of this power source will increase the social and economic costs that may outweigh the advantages derived from the relationship. This contrary relationship between exercising repressive power and satisfaction has been proven in a number of empirical studies conducted in both domestic and international business environments. Based on the discussion above, we can extract the following hypotheses:

H1b: there is a negative relationship between exercising repressive power and the satisfaction with buyer-seller business relationship.

Non-repressive power, conflict and satisfaction: Non-repressive power comes from five main sources:

A) the reward is based on one of the parties knowledge of the ability of the other to interfere with it; (b) the legal authority is based on the knowledge of one of the parties on the other, which has the necessary legal power to determine the characteristics and manner of communication; (c) the returning is based on the identification of one party by the other; d) proficiency is based on the knowledge of one of the parties about the knowledge or proficiency of the other party; e) the information is based on

the knowledge of one of the parties about the other one, which has some unique information. It is obvious that the exercise of non-repressive power does not include the elements that cause friction in relationships. Contrary to repressive power, this kind of power creates a high level of agreement between the parties, as it involves a large amount of "inherent utility" of certain actions. Through the free expression of ideas and common discussions, the parties are motivated to: a) the emergence of all possible controversies that can subsequently be resolved; b) better understanding of each other's views; c) critical review of past actions and identification of mistakes; and d) integrated analysis and provide a mutually agreed solution to solve problems. As a result, the conflict in the relationship will be reduced. In this case, any disagreement is of a practical nature rather than an inefficient nature. The negative relationship between the exercise of non-repressive power and conflict, with a focus on domestic or foreign business relationships, has been studied several times in empirical literature. According to the previous discussion, the following hypothesis is presented:

H2a: There is a negative relationship between the exercise of non-repressive power and conflict in the buyer-seller business relationship.

The exercise of non-repressive power helps to increase the financial and social benefits. For example, providing financial rewards, assistance, and access to specialized information will help to promote common interests and collective goals in the relationship as well as enhance the friendly and constructive atmosphere. These positive aspects will subsequently lead to a high level of satisfaction in business relationships. Based on these results, we can hypothesize that:

H2b: there is a positive relationship between exercising non-repressive power and satisfaction in buyer-seller business relationship.

Conflict and Trust: Conflict is a preventive behavior in business relationships that prevents the parties from acquiring resources or doing an activity for their development. Conflicts are usually created in conditions of disagreement, tension, and disappointment between buyers and sellers due to structural reasons (such as competing for the same resources, the need to maintain autonomy in the relationship, achieving different and even opposite goals) or attitudinal reasons (such as a role that is poorly defined and poorly implemented, different expectations

about potential outcomes, and controversial opinions on relationships). Conflict in relational exchanges is inevitable. However, it can lead to direct collisions and hostile actions when it gets out of control and can be damaging (or ineffective).

This situation will subsequently undermine trust between the two parties. It is due to the fact that aggressive behavior causes the business partner do not trust the other party. Accordingly, we may suggest this hypothesis:

H3: There is a negative relationship between conflict t and trust in the buyer-seller business relationships.

Satisfaction and Trust: Satisfaction is a positive and effective state that derives from the expectations of the parties in a business relationship. Increasing trust between the parties will hinder the exploitation and the obligations, which were created during the relationship, will exist in future meetings. Therefore, satisfaction with past results gradually triggers trust, which is often claimed to have a cumulative nature over a long period of time. The reason is that building trust takes time after the repetition of satisfactory interactions. The analysis of the points mentioned above sets out the following hypothesis:

H4: There is a positive relationship between satisfaction and trust in buyer-seller business relationships.

Trust and commitment: Trust expresses the belief that the other party's promise is reliable, because the other party evaluate the perfection, honesty, truthfulness, and the ability of that party to do things that lead to positive results or prevent activities that end up in negative terms. Trust is a key factor in the relationship, and increases when the other party already has a reputation of being fair, the results of past relationships have been satisfactory, important problems related to success have been solved and special investments have been made. Its role is even more critical when going beyond national boundaries because of the distance, time, culture and other differences between the buyer and the seller. Trust is very valuable for interaction partners, because, it is created only once. They tend to spend more time, sources and energy to develop a sustainable relationship. Accordingly, it is hypothesized that:

H5: There is a positive relationship between trust and commitment in buyer-seller business relationships.

Considering the definitions given above and the analysis of relations in the industrial market, we find that these factors affect each other directly and indirectly. In this research, we examine the direct effects of power (repressive and non-repressive) on trust, commitment, and satisfaction.

The purpose of this study is to examine the role of two types of exercising power (repressive and non-repressive) in building trust-commitment in buyer-seller relationships, with the mediating effect of conflict and satisfaction. The importance of this study can be explained in three main areas: (a) This study offers a different definition of the relationship between trust-commitment and the exercise of power and associates with conflict and satisfaction as the primary factors; (b) This study attempts to clarify the role of power sources in buyer-seller relationships; (c) This study examines the relationship between a set of key behavioral constructs of buyer-seller relationships.

Research purposes:

1. There is a significant positive relationship between exercise of repressive power and conflict.
2. There is a significant negative relationship between exercise of repressive power and satisfaction.
3. There is a significant positive relationship between exercise of non-repressive power and satisfaction.
4. There is a significant negative relationship between exercise of non-repressive power and conflict.
5. There is a significant negative relationship between exercise of repressive power and trust.
6. There is a significant positive relationship between exercise of non-repressive power and trust.
7. There is a significant positive relationship between trust and commitment.

Literature review

Yee et al. (2009) studied the relationship between employee loyalty, service quality and firm performance in the service industry. This study conducted on 210 high-contact service

shops. The results showed that employee loyalty is effective on the quality of services, service quality is effective on customer satisfaction and customer satisfaction is effective on customer loyalty, and finally customer loyalty is effective on the profitability of the organization (Yee et al., 2009:109).

Gupta and Sharam (2008) concluded that that soft power resources (expertise, authority, information), as compared to the hard resources of power (bonus, law), result in more organizational obedience among employees.

Tamosaitis (2006) showed that job performance is related to the continuity of organizational commitment and the results indicate that there is a relationship between emotional commitment and performance and no relationship between normative commitment and performance. The results of the research showed that there is a relationship between actual performance of employees and continuous commitment, and a significant relationship between performance and emotional commitment, but no relationship between normative commitment and performance.

Chervenak and Mc Cullough (2005) stated that today the relationship between medical schools and educational hospitals is based on the power and this relationship is not ethically analyzable and the leaders of both types of organizations are not able to respond to the conditions in the ethical framework.

Verhoest (2004) studied the behavioral dimensions of power distribution channels, such as independence, control, satisfaction, performance, power and contact. The research shows that the more the power of the group is, the greater chance the group has to use force for influencing their interactions with other channel members. The use of coercive power increases the level of contact between the channels and leads to the bilateral dissatisfaction in the group. Such inefficient results can reduce the channel's performance. On the other hand, the power challenge in the positive state ends up in satisfaction, which leads to important effects on the channel's performance.

Burke and Wilcox (1997) conducted a study on a large home-based service company to examine the resources of supervisory power and subordinate satisfaction. They concluded that the expert power as the main source of power is in the first place, and the legitimate, coercive, referent and reward are in next places. The power of referent and expert is related to the greatest satisfaction, legitimate and reward powers are related to intermediate satisfaction and coercive power is related to the least amount of satisfaction.

Mozaffari and Tabatabaian (2004) conducted a study on the relationship between bases of power and performance of college deans and heads of physical education departments. The results showed that from the heads' point of view, the power bases used by them include: expertise, information, personal, legal, reward, relationship and punishment; and from the point of view of faculty members, the power bases include expertise, information, reward, personal, relationship, legitimate and coercive power. Meanwhile, there was a significant difference between the types of power bases used by heads of departments and their performance in faculty members' point of view. There was a significant correlation between the types of power bases used by heads and their performance from the viewpoint of faculty members.

Torabian (2006) indicated that the mangers' power bases have a significant effect on organizational climate. The results showed that referent and expert powers are two important bases for managers. The power bases for managers were referent, expert, reward, legitimate, and coercive.

Methodology

This descriptive survey is based on functional purpose.

Statistical population, sample and sampling method:
The statistical population of this research includes employees of industrial companies in Firoozkooh Industrial Park. The sample is a set of signs that are chosen from a larger part, group, or community, which represents the quality and characteristics of that part, group or community (Hooman, 2009). 100 people were selected. Quota sampling method is used and a few people are selected from each industrial company.

Two types of library and field methods have been used for this research. By using the library method, the necessary information about the literature of research has been collected through the journals, books and theses that have been

published in the field of research variables. In the field stage, standard questionnaires have been used. The questionnaire consists of 30 items, which is set up as a closed-ended questions based on 5 point Likert scale. Table 1 shows the number of questions associated with each variable.

Statistical methods

In the present SPSS and AMOS, as two descriptive and inferential statistical tools, were used to analyze the data. At the descriptive level, figures were plotted and data were analyzed using statistical characteristics such as frequency, percentage. Cronbach's alpha was used to verify the reliability of the questionnaire, K-S test to determine data normalization, structural equation model to reject or confirm the research hypotheses, a goodness of fit model to determine the fitness of the research model, confirmatory factor analysis to explain the variable by each of the related questions in the questionnaire.

Structural equation model

In this research, inferential statistics and structural equation modeling have been used to test the research hypotheses. Structural Equation Modeling is a powerful multivariate technique of multivariate regression family and is the extension of Generalized Linear Model, which allows researchers to test a set of regression equations simultaneously. Structural equation modeling is a comprehensive statistical approach for testing hypotheses about observed relationships, which is referred to as structural analysis of covariance and causal modeling. But the prevailing term is the structural equation modeling (SEM) (Hooman, 2005). Considering that the causal model has been used in this research, it is attempted to use the conceptual model to examine the effect of multiple variables. The structural equation model has been used to analyze the statistical data.

Goodness of fit model

As it is evident, Amos Software has developed a series of indicators to measure the goodness of fit of the model. All of the above-mentioned indicators are reviewed as follows:

The goodness of fit index (GFI): This index is a benchmark to measure the goodness of a model.

A value of over 0.9 indicates the acceptable model fit with respect to the data.

Normed fit index (NFI): This index also measures the goodness of the model obtained with respect to the data. If the value is higher than 0.9, then the model is fit.

Adjusted goodness of fit index (AGFI): In fact, this index is the adjusted state of GFI index with regard to degree of freedom (df), and is another measure for the goodness of the model. If the index is close to one, it indicates that the obtained model is good with respect to data.

Degrees of freedom (df): This index represents the degree of freedom of the model and should not be less than zero. Chi square to df ratio: One of the best index to measure the goodness of fit of a model is Chi square to df ratio. There is, of course, no standard limit to determine the goodness of this index. Authors believe this index should be less than 3. Ultimately, the fitness limit should be determined by the investigator and based on the type of research.

Root Mean Square Error of Approximation (RMSEA): This index is based on model errors and, like the Chi Square index, is a measure of badness of fit. Some authors believe that the index should be less than 0.05, and some others mention the value less than 0.08.

P-Value: This index measures the model's goodness of fit. There is no consensus on the acceptability of this index. Some statisticians believe that the value should be less than 0.05, while some emphasize that this value should be more.

Results

Demographics

To describe the demographics of the statistical population, descriptive statistics were used to classify the data related to age, educational level, job experience and position in organization.

Age

According to Figure 1, the age frequency shows that 19% of respondents are less than 30 years old, 42% are between 30 and 40 years old, 24% are between 40 and 50 years old, and 15% are older than 50 years of age (Figure 1).

Education

According to Table 2, 18% of respondents are holder of high school diploma or lower, 14% are holder of associated degree, 58% of are bachelor's degree, and 10% have a M.A. degree (Table 2).

Job experience

According to Table, 20% of the respondents have less than 5 years of job experience. 28% have 5-10 years of job experience. The job experience of 22% of respondents is between 10 to 15 years and 30% is more than 15 years (table 3).

The position in organization

According to table, 58% of respondents are managers, 30% are experts and 12% have other positions in the organization (table 4).

Testing for Normality

Since the researches done on the structural equation model is based on the assumption that data is normal, first the normality test is done. Therefore, the hypothesis of the normality of the data at the significance level of 0.05 was tested with the Kolmogorov-Smirnov technique. To test the normality, statistical hypotheses are set as follows:

H0: The distribution of data for each variable is normal.

H1: The distribution of data for each variable is not normal.

The results of normality test are presented in Table 6. As shown in the table, in all cases a significant level is higher than 0.05. Therefore, there is no reason to reject the null hypothesis on the normality of the data. In other words, the research data is normal and parametric tests can be performed (Table 5).

Structural Equation Modeling of Research Tools

In this study, the questionnaire is used to collect data. For confirmatory factor analysis, and structural equation modeling, standard factor loading and t-statistic are measured. Finally, the power of the relationship between the factor (latent variable) and the observable variable is shown by factor loading. The factor loading is between zero and one. If the factor loading is less than 0.3, the relationship is weak and should be ignored, and if the factor loading is between 0.3 and 0.6, it is acceptable and if it is higher than 0.6, it is highly desirable.

The t-test or t-value is used to determine the significance of the relationship between the variables. Significance is checked at 0.05. Therefore, if the observed factor loading is less than 1.96 using t-value, then the relationship is not significant (Klein, 2010).

Hypothesis testing with structural equation modeling

One of the strongest methods of analysis in behavioral science research is multivariate analysis. The nature of these issues is multivariate and they cannot be solved in a bivariate manner (each time, only one independent variable and one dependent variable are considered). Hence, in this research, structural equation modeling and path analysis have been used to confirm or reject the hypotheses. In this study, a hypothetical model is designed based on the research background in order to study the effects of independent variables (exercise of repressive power and non-repressive power) on dependent variables (conflict, satisfaction, trust and commitment), as well as the effect of dependent variables on each other. The hypotheses show the causal relations in the existing variables in the model.

Hypotheses testing

Main hypothesis: trust has a positive and significant effect on the commitment between buyer and seller.

The structural model will be discussed in the context of the standard estimation and significance coefficients. Figures 2 and 3 show the effect of the mediator variables on the dependent variables.

Using the structural equations modeling, the software outputs show the goodness of the fitted structural model for testing hypotheses ($\chi 2$ to df ratio is less than 3). The RMSEA = 0.042 also indicates the fitness of structural model. The value chi square to df ratio is about 2/351, which represents the high fitness. In other words, the observed data largely corresponds to the conceptual model of the research.

Hypotheses testing by path analysis

Hypothesis 1: The exercise of repressive power has a positive and significant effect on the amount of conflict between buyer and seller.

The structural model below shows the relationship between repressive power exercise and conflict. Figures 4 and 5 show the structural model on the standard estimation and significant coefficients. Exercising repressive power has a significant positive effect on conflict (0.43).

Hypotheses (relationships) are confirmed or rejected in significance state. In other words, if a significant number is higher than 1.96 or less than -1.96, the hypothesis is confirmed. Also, using the model of structural equations, the software outputs first show the goodness of the fitted structural model in order to test hypotheses (the chi square to df ratio is less than 3). The RMSEA = 0.045 also indicates the goodness of fitted structural model.

Hypothesis 2: The exercise of repressive power has a negative significant effect on the amount of satisfaction between buyer and seller.

The structural model below shows the relationship between the exercise of repressive power and satisfaction. Figures 6 and 7 show the structural model on the standard estimation and significant coefficients. Exercising repressive power has a significant negative effect on satisfaction (-0.26).

Hypotheses (relationships) are confirmed or rejected in significance state. In other words, if a significant number is higher than 1.96 or less than -1.96, the hypothesis is confirmed. Also, using the model of structural equations, the software outputs first show the goodness of the fitted structural model in order to test hypotheses (the chi square to df ratio is less than 3). The RMSEA = 0.073 also indicates the fitness of structural model.

Hypothesis 3: The exercise of non-repressive power has a negative significant effect on the amount of conflict between buyer and seller.
The structural model below shows the relationship between the exercise of non-repressive power and satisfaction. Figures 8 and 9 show the structural model on the standard estimation and significant coefficients. Exercising non-repressive power has a significant negative effect on conflict (-0.310).

Hypotheses (relationships) are confirmed or rejected in significance state. In other words, if a significant number is higher than 1.96 or less than -1.96, the hypothesis is confirmed. Also, using the model of structural equations, the software outputs first show the goodness of the fitted structural model in order to test the hypothesis (the chi square to df ratio is less than 3). The RMSEA = 0.062 also indicates the fitness of structural model. In other words, the observed data largely corresponds to the conceptual model of the research.

Hypothesis 4: The exercise of non-repressive power has a positive significant effect on the amount of satisfaction between buyer and seller.

The structural model below shows the relationship between the exercise of non-repressive power and satisfaction. Figures 10 and 11 show the structural model on the standard estimation and significant coefficients. Exercising non-repressive power has a positive significant effect on satisfaction (0.22).

Hypotheses (relationships) are confirmed or rejected in significance state. In other words, if a significant number is higher than 1.96 or less than -1.96, the hypothesis is confirmed. Also, using the model of structural equations, the software outputs first show the goodness of the fitted structural model in order to test the hypothesis (the chi square to df ratio is less than 3). The RMSEA = 0.070 also indicates the fitness of structural model. In other words, the observed data largely corresponds to the conceptual model of the research.

Hypothesis 5: The exercise of repressive power has a negative significant effect on the trust between buyer and seller.

The structural model below shows the relationship between the exercise of repressive power and trust. Figures 12 and 13 show the structural model on the standard estimation and significant coefficients. Exercising repressive power has a negative significant effect on trust (-0.48).

Hypotheses (relationships) are confirmed or rejected in significance state. In other words, if a significant number is higher than 1.96 or less than -1.96, the hypothesis is confirmed. Also, using the model of structural equations, the software outputs first show the goodness of the fitted

structural model in order to test the hypothesis (the chi square to df ratio is less than 3). The RMSEA = 0.054 also indicates the fitness of structural model. In other words, the observed data largely corresponds to the conceptual model of the research.

Hypothesis 6: The exercise of non-repressive power has a positve significant effect on the trust between buyer and seller.

The structural model below shows the relationship between the exercise of non-repressive power and trust. Figures 14 and 15 show the structural model on the standard estimation and significant coefficients. Exercising repressive power has a positive significant effect on trust (0.345).

Hypotheses (relationships) are confirmed or rejected in significance state. In other words, if a significant number is higher than 1.96 or less than -1.96, the hypothesis is confirmed. Also, using the model of structural equations, the software outputs first show the goodness of the fitted structural model in order to test the hypothesis (the chi square to df ratio is less than 3). The RMSEA = 0.031 also indicates the fitness of structural model. In other words, the observed data largely corresponds to the conceptual model of the research.

Research model

The structural equation model is used to measure the relationship between the main structures, i.e. repressive and non-arbitrary power, conflict, trust, satisfaction and commitment. The final model is presented in figure 16. The AMOS software output is used to draft the model. The results of the significance measurement of data are also presented in figure 16.

Fitness of the research model

In this research, structural equation modeling and AMOS software is used to determine general and partial fitness of model. First, the graphic of model is provided with software and the data from the questionnaire are used. Then, the hypothesized model is measured. This measurement is done to determine the consistency between theoretical model and experimental data. The goodness of fit criteria is indices that show this consistency. Table 7 shows some of these indices. The goodness of fit indices is divided into three general categories (absolute indices, incremental indices, and parsimony indices). Absolute indices are benchmarks that indicate how much the proposed model is able to reproduce the observed data. Incremental indices make it possible to compare the estimated model with other alternative models, and the parsimony criteria have been developed specifically to compare several models (Hosseini et al., 2014).

As shown in Table 7, the fit indices of the proposed model show a good condition. The minimum level required to accept the fitness is 0.992 for goodness-of-fit index, 0.956 for non-normed fit index (NNFI) (Tucker Lewis index, TLI), 0.997 for normed fit index (NFI) and 0.991 for comparative fit index (CFI). The Root Mean Square Error with a value of 0.055 is less than 0.08, indicates the utility of the model. Also, the normed chi-square (NC) related to parsimony indices with a value of 1.532 places in the range of 1 to 3. Looking at the values of all indices, it is safe to say that the conceptual model of the research is confirmed. In the partial fit of the model, the research hypotheses are examined. Table 8 shows the results of confirming or rejecting hypotheses on direct and indirect relationships between variables.

Table 1 Number of items related to the research variables

Variable	Number of items	Reference
Repressive power	5	Frazier and Summers (1986), Kale (1986), L.C. Leonidou et al (2008) Brown, Johnson, and Koenig (1995)
Non-repressive power	5	Frazier and Summers (1986), Kale (1986) and Brown et al. (1995)
Conflict	5	Etgar (1979) and Kumar, Stern, and Achrol (1992)

Satisfaction	5	Kumar et al. (1992) and Leuthesser and Kohli (1995)
Trust	5	Moorman et al. (1992), Morgan and Hunt (1994), Andaleeb (1996), and Doney and Cannon (1997)
Commitment	5	Morgan and Hunt (1994), Gundlach et al. (1995), and Kim and Frazier (1997)

Table 2 Frequency of respondents by education

No.	Category	Frequency	Percentage
1	High school diploma or lower	18	18%
2	Associate degree	14	14%
3	B.A	58	58%
4	M.A	10	10%
Total		100	100%

Table 3 Frequency of respondents by job experience

No.	Category	Frequency	Percentage
1	Lower than 5 years	20	20%
2	5-10 years	28	28%
3	10-15 years	22	22%
4	More than 15 years	30	30%
	Total	100	100%

Table 4 Frequency of respondents by position in organization

No.	Category	Frequency	Percentage
1	Manager	58	58%
2	Expert	30	30%
3	Others	12	12%
Total		100	100%

Table 5 Normality test

	Kolmogorov–Smirnov		
Test	Sig.	z	Mean
Exercise of repressive power	0.148	1.314	3.6420
Exercise of non-	0.163	1.229	3.4921

repressive power			
Conflict	0.265	1.003	3.4541
Satisfaction	0.276	1.006	3.596
Trust	0.473	0.733	3.2210
Commitment	0.159	1.034	3.54100

Table 6 Structural equation modeling test results for the proposed model

Indices	Type of index	Short form	Results	Acceptable fit
Absolute fit indices	Goodness of fit index	GFI	0.992	More than 90%
	Adjusted goodness-of-fit index	AGFI	0.941	More than 80%
Comparative fit indices	Non-normed fit index	NNFI(TLI)	0.956	More than 90%
	Normed fit index	NFI	0.997	More than 90%
	Comparative fit index	CFI	0.991	More than 90%
	Relative fit index	RFI	0.921	More than 90%
	Incremental fit index	IFI	0.932	More than 90%
Parsimonious fit indices	Parsimonious normed fit index	PNFI	0.312	More than 5%
	Root mean square error of approximation	RMSEA	0.055	Less than 8%
	Normed chi-square to fd	CIMIN/DF	1.532	1% to 3%

Table 7 The results of confirmation or rejection of hypotheses of direct and indirect relationships between variables

Existing relationship in conceptual model	Standard coefficient	Sig.	Result
Exercising repressive power-conflict	0.472	2.422	Confirmed
Exercising repressive power-satisfaction	-0.236	-3.253	Confirmed
Exercising non-repressive power-satisfaction	0.323	3.894	Confirmed
Satisfaction-trust	0.326	2.341	Confirmed
Conflict-trust	-0.683	-3.952	Confirmed
Trust-commitment	0.901	5.751	Confirmed
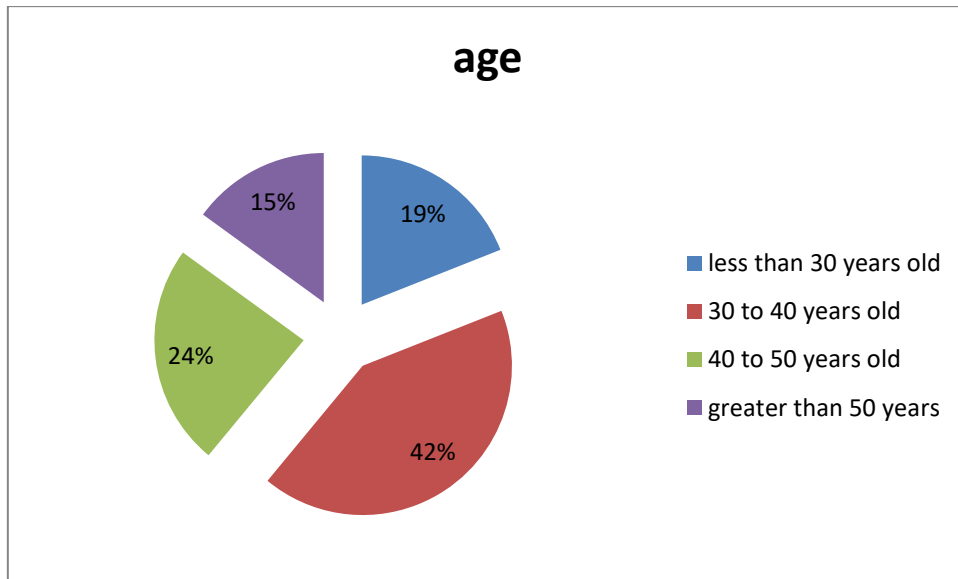
Figure 1 Frequency of respondents by age
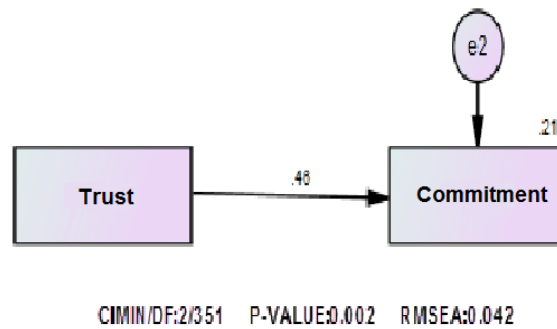
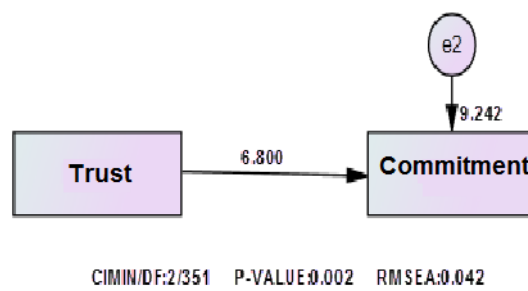*Figure 2* Model in standardized estimation coefficients mode

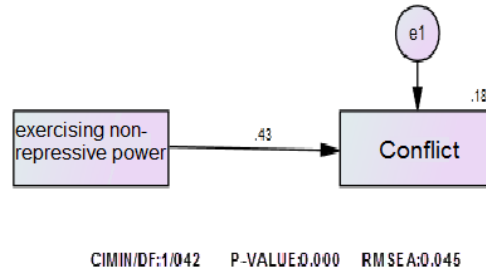*Figure 3* Model in the mode of significance coefficients

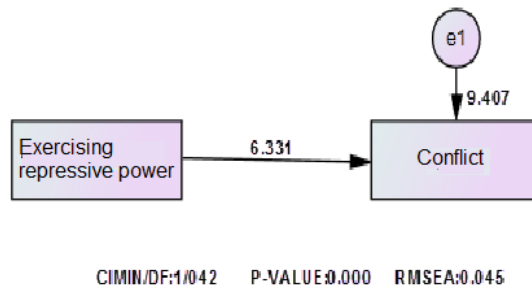*Figure 4* The model of the effect on exercising non-repressive power on conflict in standard estimation mode

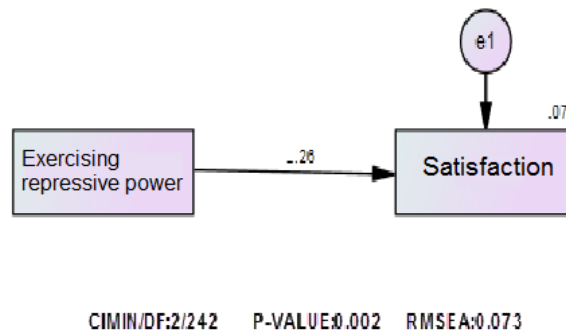
Figure 5 Model in the state of sig. coefficients

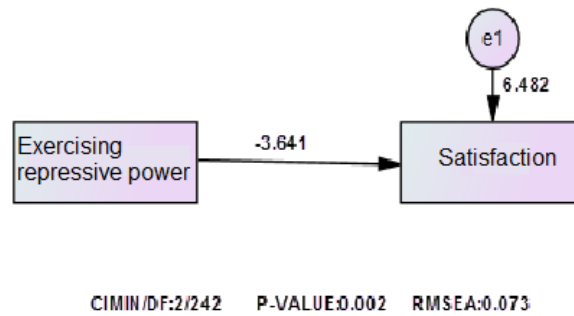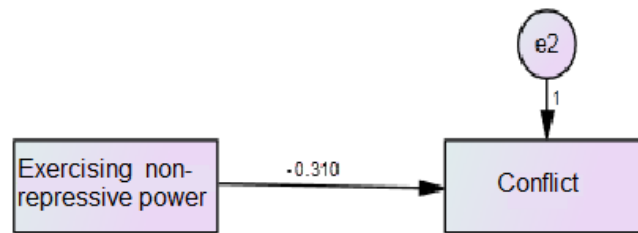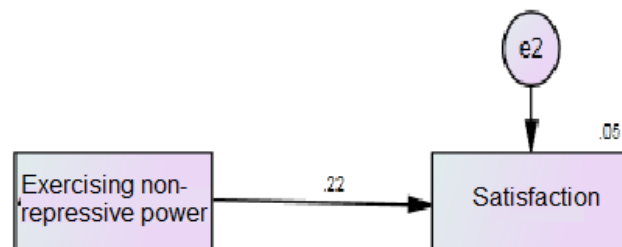*Figure 6* the model of exercising repressive power on satisfaction in the state of standard estimation

Figure 7 Model in the state of sig. coefficients

CIMIN/DF:1/753   P-VALUE:0.000   RMSEA:0.062

Figure 8 The model of exercising non-repressive power effect on conflict in standard estimation mode
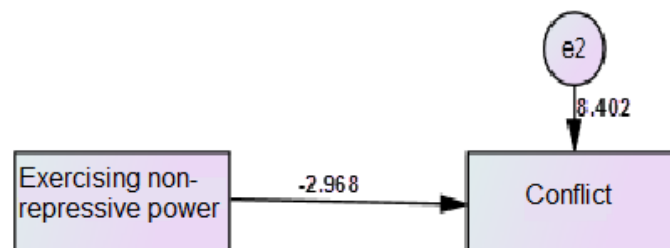
CIMIN/DF:1/753   P-VALUE:0.000   RMSEA:0.062

Figure 9 Model in the state of sig. coefficient

CIMIN/DF:2/1543   P-VALUE:0.003   RMSEA:0.070

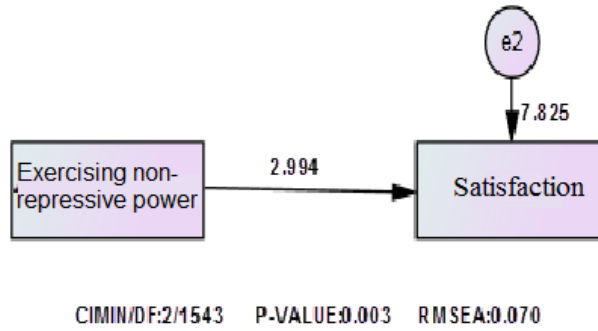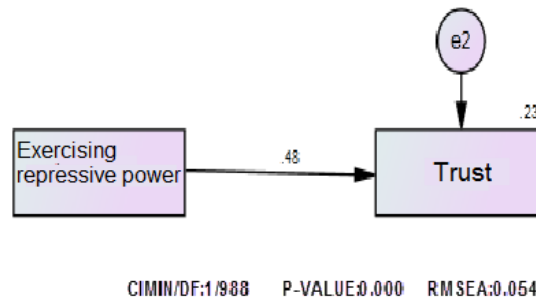Figure 10 The model of exercising non-repressive power effect on satisfaction in standard estimation mode

CIMIN/DF:2/1543   P-VALUE:0.003   RMSEA:0.070

Figure 11 Model in the state of sig. coefficients

CIMIN/DF:1/988   P-VALUE:0.000   RMSEA:0.054

Figure 12 The model of exercising repressive power effect on trust in standard estimation mode

CIMIN/DF:1/988   P-VALUE:0.000   RMSEA:0.054
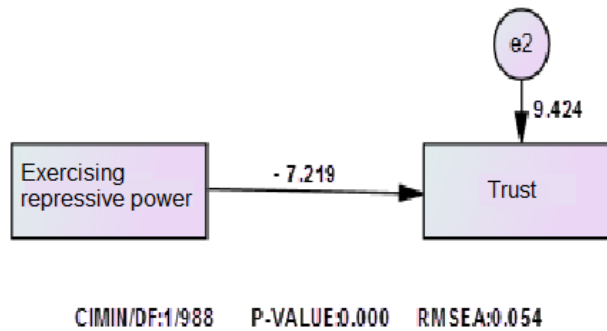
Figure 13 Model in the state of sig. coefficient

CIMIN/DF:2/004   P-VALUE:0.000   RMSEA:0.031
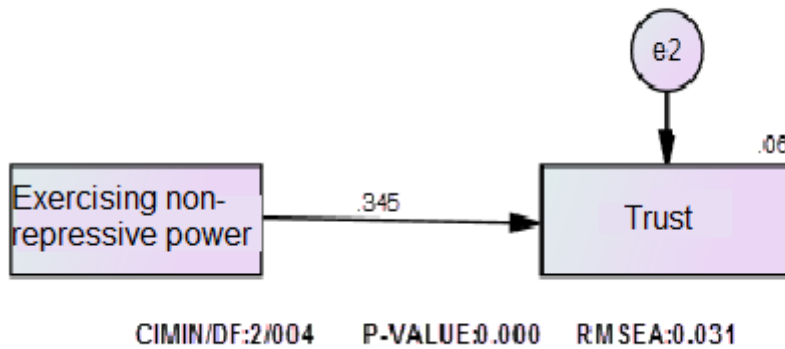
Figure 14 The model of exercising non-repressive power effect on trust in standard estimation mode
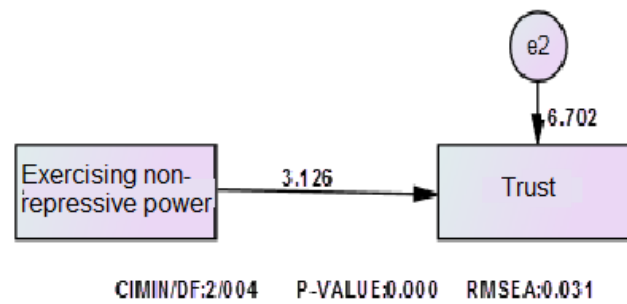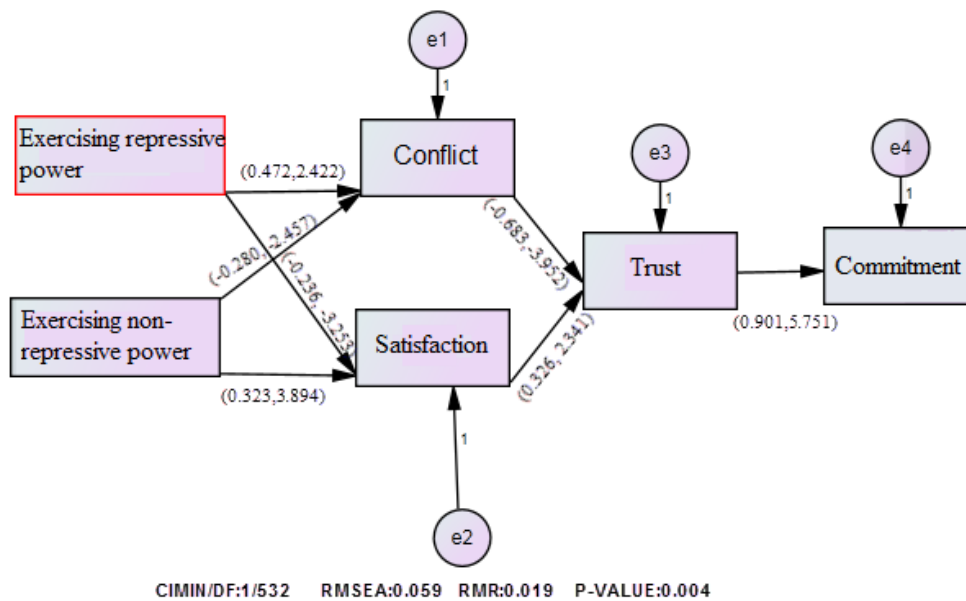
Figure 15 Model in the state of sig. coefficients

Figure 16 Results of final confirmed model and t-value statistics

Discussion

According to the results, if the customers are not satisfied with the products or services provided by the organization, the organization resort to two mechanisms of exit and voice in order to withdraw from this situation and satisfy customers. Any customer who exits or stops buying from the company or expresses his/her dissatisfaction, the company attempts to understand the situation. Significantly, the immediate consequences of increasing satisfaction, reducing customer complaints and increasing customer loyalty will be considered. According to the view of management authors and the results of the previous studies and the results of this research, it can be concluded that:

The highest percentage (42%) of respondents (managers and purchasing managers in industrial companies of Firoozkooh city) are young (30-40 years old) B.A graduates (58%), who have 15 years (and more) of job experience.

First hypothesis

Exercising repressive power has a positive significant effect on the amount of conflict between the buyer and seller. That is, if the relationship between the buyer and the seller is accompanied with threatening and coercion, conflicts and tensions will increase between them. Such a relationship will hit to a dead end in a short time. For example, Verhost (2004)

concluded that the more the power of the group is, the greater chance the group has to use force for influencing their interactions with other channel members. The use of coercive power increases the level of contact between the channels and leads to the bilateral dissatisfaction in the group. Such inefficient results can reduce the channel's performance. On the other hand, the power challenge in the positive state ends up in satisfaction, which leads to important effects on the channel's performance.

Second hypothesis

Exercising repressive power has a negative significant effect on the amount of satisfaction between the buyer and the seller. That is, if the relationships between the buyer and the seller is accompanied with force, or is in an inflexible legal framework, it causes dissatisfaction due to lack of proper customer relationship, in spite of the high quality of company's product. As Burke and Wilcox (1997) concluded that the expert power as the main source of power is in the first place, and the legitimate, coercive, referent and reward are in next places. The power of referent and expert is related to the greatest satisfaction, legitimate and reward powers are related to intermediate satisfaction and coercive power is related to the least amount of satisfaction.

Third hypothesis

Exercising non-repressive power has a negative significant effect on the amount of conflict between the buyer and the seller. That is, if the relationship between the seller and the buyer is a positive relationship that is accompanied with trust and commitment, and each party knows the limits and interests, there is less conflict. A mutual respect with trust and commitment arises, and if this relationship does not go to extremes, it will continue. Burke and Wilcox (1997) conducted a study on a large home-based service company and concluded that the expert power as the main source of power is in the first place, and the legitimate, coercive, referent and reward are in next places. The power of referent and expert is related to the greatest satisfaction, legitimate and reward powers are related to intermediate satisfaction and coercive power is related to the least amount of satisfaction.

Fourth hypothesis

Exercising non-repressive power has a positive significant effect on the amount of satisfaction between the buyer and the seller. In non-repressive relationships that include the respect of the rights of the buyer and seller or the service provider and the service recipient, that is, they interact without any coercion and threat, and respect such relationships. These relationships lead to satisfaction of both parties and continuing relationships and increase the profitability of companies. The results of this research also confirm such relationships. Mozaffari and Tabatabaian (2004) showed that there is a direct correlation between the performance and power bases of expertise, information, personal, legal, and reward, and there is an inverse correlation between the performance and the power bases of relationship, legitimate and coercive power. The correlation between effectiveness and power bases of expertise, information, personal, legal, reward, association and punishment was significant from the viewpoint of faculty members. Correlation coefficients showed that there is a direct correlation between effectiveness and power bases of expertise, information, personal and rewards and an inverse correlation with legal power bases, relationship and punishment of inverse relationship.

Fifth hypothesis

Exercising repressive power has a negative significant effect on the trust between the buyer and the seller. Management scientists concluded that exercising repressive power is affective on the relations between the seller and the buyer. In order to avoid negative effects, they suggested that avoid unproductive and useless behaviors caused by distrust. Secondly, those who are honorable always create a positive energy for others, and they force them to feel more worthy of themselves (Zarei Matin and Hasanzadeh, 2004). Therefore, exercising repressive power causes distrust and disappointment, and two parties will not trust each other. This distrust not only undermines the relationship, but also exacerbates the conflict and tensions between them and ultimately disrupts the relationship.

In general, it can be concluded that the nature of industrial and consumer markets has changed and has become modern, due to the increase in market participants. The industrial companies have many options to buy raw materials and sell their products. It causes that the effectiveness of non-repressive power resources to be eliminated and soft resources become more powerful. Trust and satisfaction between the

parties will increase due to the positive nature of these resources. It ultimately leads to long term relationships and lower costs for companies and market stability subsequently will be affected.

According to the results, it is suggested to the managers of industrial companies to avoid exercising negative power for making commercial relations and not indulge in applying positive power. If they want to succeed in their work, they must adhere to justice and be flexible and well-mannered. They must trust the other party and have moral commitment. They must pay attention to customer satisfaction and avoid conflicts as far as possible in an attempt to create a balanced and logical relationship. It is also suggested to managers of companies to use the results of this research for the success and development of their companies.

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