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An exploration of the 'dark side' associations of conflict, power and dependence in customer-supplier relationships

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ABSTRACT

The purpose of this paper is to present the findings from a critical literature review of the 'dark side' issues related to three constructs, namely conflict, power and dependence, in customer-supplier relationships. Previous research has focused on discrete characteristics that influence relationships, but there is a paucity of research that considers the intertwining of a set of characteristics that may create darker associations or consequences for relationships. The paper contributes to IMP literature through this investigation of darker associations of relationships as much of the previous literature on customer-supplier relationship development has been concerned with building trust, developing commitment or managing long-term goals and mutuality (IMP Group,

The paper considers the research on conflict, power and dependence in relationships, tracing its development from January 1980 to the end of 2014, and assessing the dark side issues raised in previous research, placing particular emphasis on 'asymmetric' customer-supplier relationships.

The contribution of the paper lies in its critique of this focused body of literature and in the development of a better understanding for future IMP researchers on the derivations, foundations and findings concomitant to the 'dark side' of conflict, power and dependence in customer-supplier relationships. The paper proposes themes and future avenues of research related to the dark side of conflict, power and dependence, placing emphasis on the 'bi-polarity' of each relationship characteristic, the dynamics of relational benefits, the consequences of their evolution on inter-organizational trust and its impact on the dark side of relationships. Hence, the paper contributes through the identification of potential research areas and propositions to guide future conceptual developments in the field.

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1. Introduction

The purpose of this paper is to present a review and critique of the literature on the 'dark side' associations or consequences of conflict. power and dependence in customer-supplier relationships. Our intention is not to develop an all-encompassing review of the 'dark side' literature, but rather to review three constructs and to investigate their associations with the darker side of relationships through an in-depth examination of relevant literature from January 1980 to the end of 2014. Thus, the paper focuses particularly on conflict, power and dependence as important relationship characteristics that may influence the darker side of the atmosphere of customer-supplier relationships. Although other relationship characteristics may arguably have dark consequences too, we focus on these particular characteristics as they may potentially create problems or challenges in customer-supplier relationship development (Das & Kasturi, 2004; Lee & Johnsen, 2012).

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These problems and challenges may range from a lack of beneficial outcomes, goal congruence or dysfunctional interaction through powerdependence asymmetries (Cowan, Paswan, & Van Steenburg, 2015; Marcos Cuevas, Iulkunen, & Gabrielsson, 2015; McAlister, Bazerman, & Fader, 1986) to a lack of perceived fairness or interdependence which may spur conflict (Kumar, Scheer, & Steenkamp, 1995). Previous studies have not considered conflict, power and depen-

dence as a set of intertwining relationship characteristics that may have darker associations or consequences for customer-supplier relationships. Our intention is therefore to address the need for an examination of how this particular set of three relationship characteristics may create dark side influences, through an in-depth examination of the literature. We therefore adopt the three constructs as key search terms for our literature review, these being the most common terms associated in previous papers with dark side issues. We use the three constructs to firstly systematically select relevant papers and then to undertake a nuanced narrative analysis to examine in what ways these constructs are linked to dark side issues. We place emphasis in our review on asymmetric customer-supplier relationships which have been found to be a setting in which conflict, power and dependence issues may thrive

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and predominate (Johnsen & Ford, 2008). Following Johnsen and Ford (2008) and Lee and Johnsen (2012), we define asymmetry in customer–supplier relationships as 'an imbalance in the size and characteristics of a relationship' (Lee & Johnsen, 2012, p.192), for instance one party may be smaller and have less power, but have more trust in the relationship than its larger counterpart.

Previous research has often focused on characteristics of relationships that favor a 'bright' side or positive perspective. For example, much of the literature on customer-supplier relationship development has been concerned with building trust, developing commitment or managing long-term goals and mutuality (IMP Group, 1982). Positive consequences for customers and suppliers have been associated with, for example, suppliers' potential to develop specialized capabilities (Möller & Törrönen, 2003) or more balanced characteristics e.g. more trust and commitment to large customers or capabilities in specific technology or agility in product design. When the IMP group started to work on the interaction approach (IMP Group, 1982) they attempted to analyze and apply the concepts of power and dependence in industrial marketing, recognizing it was "relatively under-explored" (1982, p. 369), but their focus on networks and cooperation has led this group to neglect the role of power in business relationships (Olsen, Prenkert, Hoholm, & Harrison, 2014), which can be seen as a call to further investigate this construct. Furthermore, some IMP researchers have highlighted that dependence, power and conflict problems can complicate the development and direction of customer-supplier relationships making them more challenging to manage (Havila & Wilkinson, 2002; Lee & Johnsen, 2012; Munksgaard, Johnsen, & Patterson, 2015).

Other authors indicate that high levels of dependence, limited power or frequent conflicts can confuse the direction of the relationship, limit a supplier's confidence and energy and its ability to forge new relationships (Havila & Wilkinson, 2002; Lee & Johnsen, 2012). It therefore appears important to develop a better understanding of the influences of conflict, power and dependence on the outcomes of relationships.

In this paper we investigate the dark side issues associated with conflict, power and dependence and link this literature with that of asymmetric customer–supplier relationships, drawing on previous classifications of the characteristics of asymmetric relationships (Johnsen & Ford, 2008; Johnsen, Johnsen, & Lamming, 2008; Lee & Johnsen, 2012; Munksgaard et al., 2015). We posit that there is a paucity of research that builds conceptually on how conflict, power and dependence may link to the dark side of customer–supplier relationships. Furthermore, the potential for conflict, power and dependence to create damaging or negative associations in asymmetric customer–supplier relationships remains an under-investigated area. We aim to contribute to the business-to-business marketing field by examining the dark side issues related to conflict, power and dependence through a focused literature review which investigates their associations and consequences in customer–supplier relationships.

In this paper we seek to find answers to the following two research questions:

- What are the key themes in the literature on the dark side of conflict, power and dependence in customer–supplier relationships?
- What are the avenues of research on the dark side of conflict, power and dependence in customer–supplier relationships that may guide future conceptual developments in the field?

Our contribution in this paper lies in the analysis of this focused body of literature and in the development of a better understanding for future researchers on the derivations, foundations and findings concomitant to the 'dark side' of conflict, power and dependence in dyadic customersupplier relationships. We further identify potential research areas, critiques and propositions to guide future conceptual developments; we also highlight how the three constructs belong to both the "bright" and "dark" sides of relationships, placing particular emphasis on the 'bi-polarity' of each relationship characteristic and the role played by the mutual quest for relational benefits. We suggest that following the

consolidation of research themes provided by our literature review that further research could investigate the dynamics of relational benefits, the consequences of their evolution on inter-organizational trust and its impact on the dark side of relationships.

In the following section we present a background to our investigation of the dark side of conflict, power and dependence in customersupplier relationships, relating partly to IMP-related research, before proceeding to a discussion of the research methodology of the study. We then present our findings from the literature review. In the final sections of the paper we draw conclusions and identify future avenues of research and propositions to guide future conceptual developments in the field, with particular relevance for IMP research.

2. Background to the 'dark side' characteristics of customer–supplier relationships

As indicated in the introduction, the literature on customer–supplier relationships may be considered to have both a 'lighter' and a 'darker' side. It has been found that close relationships do not necessarily equate with 'good' relationships (Anderson & Jap, 2005). Value creation in relationships can be damaged by either too little or too much 'social capital' (Villena, Revilla, & Choi, 2011). As parties draw closer together and relationships become more stable during the relationship development process, conflicts and inconsistencies may come to the fore (Grayson & Ambler, 1999) and tensions may destabilize relationship development potential (Fang, Chang, & Peng, 2011). In trying to guard against opportunism in relationships (John, 1984) by choosing to work with already close partners, firms may find that opportunism is actually aggravated. This can be because of the very proximity and intimacy the firm sought out in relationships, as closer partners may feel more justified in confronting their partners with hurtful truths about their relationship, creating damage that proves difficult to repair (Wuyts & Geyskens, 2005).

Suppliers may benefit from the positive advantages of working in trusting and committed long-term relationships where they can rely on developmental support, focused application of their capabilities or a regular income stream (Goffin, Lemke, & Szwejczewski, 2006). However, imbalanced customer–supplier relationships can be considered problematic to function within and to manage, as smaller suppliers work to achieve the strategic goals of their larger customers foregoing their own goals (Johnsen et al., 2008). Asymmetric relationships, where a difference in size exists between the parties (Johnsen & Ford, 2008), have been considered as fraught with difficulties because of imbalances in the characteristics of the relationship or because of the negative consequences associated with the process of developing and investing in relationships longer-term with a single dominating customer (Lee & Johnsen, 2012; Munksgaard et al., 2015).

The characteristics of customer–supplier relationships are also linked to the Industrial Marketing and Purchasing Group's (IMP) interaction model (IMP Group, 1982). The model presented dyadic relationships as frequently long-term, often becoming institutionalized, and viewed through variables describing the participants in the interaction process, the elements and process of interaction, the atmosphere affecting and influencing the interaction and the environment within which interaction takes place. The atmosphere of a relationship is described in terms of the power–dependence relationship between the parties, the level of conflict and/or co-operation, overall closeness or distance and mutual expectations (IMP Group, 1982). Relationships between two parties are rarely equal, therefore there will be issues of power balance, control and dependency to resolve or cope with for each party.

The relative position of power, and the extent to which this power extends, may influence the level of co-operation or conflict between parties and create an atmosphere of closeness or distance and the development of expectations or requirements relating to the outcome of the interaction process. The atmosphere is an outcome of the relationship between parties and advantages and disadvantages may be evident in

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