What is dark about the dark-side of business relationships?

Ibrahim Abosag [a,*], Dorothy A. Yen [b], Bradley R. Barnes [c]

[a] SOAS, University of London, United Kingdom
[b] Brunel University London, United Kingdom
[c] Sheffield Business School, United Kingdom

ARTICLE INFO

ABSTRACT

Over the last decade or so, the term 'dark-side' in referring to business relationships has been increasingly used in academic discourse. Despite such a growth in the number of studies, relatively little critique has been offered among scholars. The fact that effectively managing the dark side of business relationships has potentially greater influence of contributing to inter-organizational success beyond more focus on the positive side necessitates an urgent critique surrounding 'what is dark about the dark side of business relationships?' Thus, we aim to provide an overview relating to the 'dark side' of business relationships in a quest to generate greater debate on the subject.

© 2016 Elsevier Inc. All rights reserved.

1. Introduction

Businesses spend significant amounts of time to build and maintain a host of relationships with their key stakeholders. Such efforts usually result in positive impact through increased trust, greater commitment and further relationship cooperation. These in turn often encourage parties to develop reciprocal norms that enhance value creation through continuous learning, interaction, as well as promoting psychological closeness and reciprocity (De Wulf, Odekerken-Schroder, & Iacobucci, 2001; Palmatier, Jarvis, Bechkoff, & Kardes, 2009). Thus, it is not surprising to see that much of the business-to-business literature has been devoted to enabling relational parties to invest in activities and strategies aimed at building positive relationships. However, in order to ensure overall success, investing in positive elements of relationships alone is not enough, as business partners must protect against detrimental perceptions, actions and behaviors (e.g. Anderson & Jap, 2005; Barnes, 2005; Blois, 2010; Fang, Chang, & Peng, 2011; Gaski, 1984; Grayson & Ambler, 1999; Hibbard, Kumar, & Stern, 2001; John, 1984; Moorman, Zaltman, & Deshpande, 1992; Villena, Revilla, & Choi, 2011).

In fact, research from behavioral science suggests that reducing the negative impacts of the dark-side within the relationship has greater influence on the success of business relationships than investing purely on the development of positive relationships (Baumeister, Bratslavsky, Finkenauer, & Voks, 2001). The prominent role of the negative elements of business relationships has encouraged researchers over the past two decades to focus on this area. While most have only partially examined such negative elements, a few studies have been purely devoted to this subject (e.g. Gaski, 1984; John, 1984; Mooi & Frambach, 2012; Mysen, Svensson, & Payan, 2011).

Increased attention on the dark-side of relationships has helped to provide a greater understanding of the nature of business relations, which often require careful management. Knowing how negative relational elements impact on relationships is likely to prove useful for both academic and practitioners. With this aim, this introductory overview provides a critical discussion of 'dark-side' relationships and attempts to answer the question of what is dark about the dark-side? The introduction proceeds by a discussion of tolerable, irritating and intolerable dark-side relationships and some suggestions for future research are provided.

2. What is dark?

Despite the recent widespread use of the term 'dark-side' in business relationships, very little critique of the literature and this subject has been offered. The notion of a 'dark side' suggests 'problems', 'challenges', 'difficulties', and 'drawbacks' related to structural issues that exist in business relationships, such as size differences, or the imbalance of power; processes within business relationships, including creativity issues, capability development, changes in market dynamics; and outputs, for example performance, competitiveness and satisfaction.

The term 'dark-side' first emerged in the business-to-business literature in the mid to late 1990s and further work has continued around this theme well into the new century (Anderson & Jap, 2005; Barnes, 2005; Grayson & Ambler, 1999; Hakansson & Snehota, 1995). Earlier studies did not use this term, but generally referred to a 'negative side' that focused on related constructs (e.g. Gaski, 1984; John, 1984;

* Corresponding author.
E-mail addresses: Ibrahim.abosag@soas.ac.uk (I. Abosag), Dorothy.yen@brunel.ac.uk (D.A. Yen), b.r.barnes@shu.ac.uk (B.R. Barnes).

Moorman et al., 1992). Other studies have referred to it as 'relationship unrest' (Good & Evans, 2001), 'relationship burdens' (Hakansson & Snehota, 1998), 'relationship stress' (Holmlund-Rytkönen & Strandvik, 2005), 'the adverse sides' of business relationships (Strandvik & Holmlund, 2008), 'relational misconduct' (Hawkins, Wittman, & Beyerlein, 2008; Jensen, 2010), and 'detrimental intentions' (Liu, Liu, & Li, 2014; Pressey, Tzokas, & Winklhofer, 2007). Anderson and Jap (2005) argued that most relationships that appear strong are often vulnerable to forces that are quietly going on beneath the surface. Although the degree of 'darkness' can vary in business relationships, in terms of impact and consequence, the dark-side has a contradictory effect on typically good-functioning relationships (Burt, 1999).

Often business relationships are neither bright nor dark, but rather represent a combination of the two. It has long been recognized in the literature that the dark-side is inspirable from the very meaning of relationships (Hakansson & Snehota, 1998). According to Hakansson and Snehota (1995) relationships that are valuable in certain ways may also have some aspects of negativity. Similarly, Grayson and Ambler (1999) pointed out that relationships can have specific benefits, yet also have their inherent drawbacks. Furthermore, Samaha, Palmatier, and Dant (2011) explain that over time relationships invariably are damaged and understanding this is critical for long-term success. The dark-side represents a natural component of business relationships and is unavoidable, but it can be successfully managed and reduced. Such dark-side effects have also been found to exist in medium-term (Barnes, 2005), long-term (Grayson & Ambler, 1999), and in close business relationships (Noordhoff, Kyriakopoulos, Moorman, Pauwels, & Dellaert, 2011). According to Hakansson and Snehota (1998) the risk of such dark-side effects can never be ruled out, as they are the systematic consequence in terms of the development of such relationships.

Despite researchers overwhelming recognition of the important of understanding the dark-side in business relationship (e.g. Fang et al., 2011; Grayson & Ambler, 1999; Hakansson & Snehota, 1995), the degree of darkness can be outlined along a spectrum of increased darkness. Fig. 1 shows the increased spectrum of darkness in business relationships, by specifically addressing tolerable dark-side and intolerable dark-side. Immediately above the spectrum are the notions that reflect different degrees of darkness. Below the spectrum are reactive behavioral traits to the increased darkness.

3. The tolerable dark-side

In our view, business relationships are not inherently good or bad but rather, relationships can produce both simultaneous bright and dark-side effects. Such dark-side effects in their early appearance may be useful if businesses are capable of effective learning. However, failure to learn and adapt within business relationships can allow for early conflict to appear (Ford, 1980). Being tolerable to such dark-side effects may therefore be essential for managers to realize in order for them to acquire realistic relationship expectations (Hakansson & Snehota, 1995). Awareness of the sources that can contribute to the dark-side can help to play a significant role in dealing with their effects on the relationship. The dark-side can stem from different sources including moderate levels of moral hazards (Wuyts & Geyskens, 2005), the

adverse selection of a partner (Swink & Zsidisin, 2006), close interpersonal ties (Noordhoff et al., 2011), and imprecise contractual agreements (Dewatripont & Sekkat, 1991).

However, once the dark-side appears in a relationship, uncertainty immediately emerges too. The negative impact of environmental uncertainty has been well documented in the literature (e.g. Geyskens, Steenkamp, & Kumar, 1998). Relationship uncertainty can be the outcome of negative interactions, engagement and communications. Uncertainty is defined as the extent to which a partner has sufficient information to foresee the consequences of their decisions and enable them to make key decisions with confidence (Achrol & Stern, 1988). Initial appearance of a dark-side in business relationships leads to low levels of uncertainty. Thus, through the effective sharing of information and flexibility in terms of adaptation, levels of uncertainty can be reduced. Failure to exchange information and an unwillingness to adapt allows uncertainty to increase and prevents businesses from seeing unanticipated changes in circumstances around the relationship (Noordeweir, John, & Nevin, 1990). This can often make it more challenging for predicting partners' demands and behaviors (Kohli, 1988).

The dark-side frequently results in conflicting views around issues relating to the relationship. Conflict is a disagreement between partners (Dwyer, Schurr, & Oh, 1987), yet it can be resolved as part of on-going business (Anderson & Narus, 1990). Therefore, although routine and expected conflict can exist in most relationships, it may be useful for helping business partners to correct, modify and change their ways to enhance value (Wang et al., 2008). Conflict may arise from differing goals, expectations, or the clashing of cultural norms (Araujo & Mouzas, 1997). The effective handling of conflict can lead to increased productivity (Anderson & Narus, 1990), improved creativity (Bengtsson & Kock, 2000; Gadde & Håkansson, 2010), further relationship benefits (Vaaland & Håkansson, 2003), and greater value creation (Mele, 2011; Möller & Törrönen, 2003). However, what tends to matter when trying to resolve conflict is the parties' attitudes. While positive attitudes toward conflict enable managers to see its usefulness and long-term benefits for the relationship (Jehn & Mannix, 2001), negative attitudes increase uncertainty and tension (Tjosvold, Hui, Ding, & Hu, 2003). Rose and Shoham (2004) argue that international partners can be particularly prone to such negative conflict. Meanwhile unresolved conflict can disrupt learning and impede on the sharing of information (Chang & Gotcher, 2007), which in turn increases the emotional distance and tension between relational partners.

The impact of the dark-side will increase in relationships when expected and routine conflicts are not dealt with swiftly or successfully. Tension causes stress and discomfort (Proença & de Castro, 2005), provokes unrest (Good & Evans, 2001), and weakens relationship quality (Dwyer et al., 1987). Dark-side relationships occur when tensions emerge (Fang et al., 2011). Tension singles the end of two important factors in relationships. Firstly, it signals the end of harmonization within relationships that typically involve enhancing trust and future commitment. Secondly, tension can initiate the weakening of previously strong relationships. The danger of tension within relationships is that it can serve as a motive for punishing non-cooperative behavior, adding further costs, wasting opportunities and it has the potential to cause severe and unrepairable conflict. Studies in sociology have demonstrated a link between tension and increased conflict (Jensen, 2010). In studying
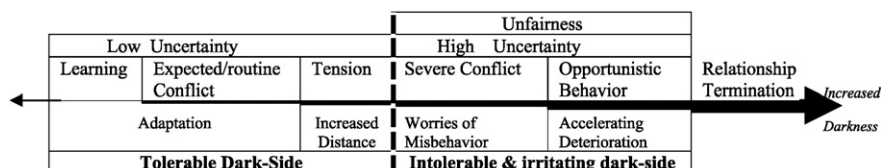

			Unfairness		
Low Uncertainty			High Uncertainty		
Learning	Expected/routine Conflict	Tension	Severe Conflict	Opportunistic Behavior	Relationship Termination
Adaptation		Increased Distance	Worries of Misbehavior	Accelerating Deterioration	
Tolerable Dark-Side			**Intolerable & irritating dark-side**		

Fig. 1. The spectrum of increased darkness.