

From Little Things Big Things Grow

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Abstract

Network change and relationship development are the cornerstone of research in a B2B context. In terms of relationship development, the area of relationship dissolution has been extensively investigated by IMP researchers. In trying to understand why relationships are terminated, most studies have looked at major incidents and their negative impact on relationships and ultimately on the network. While it is clear from previous research that major incidents can lead to relationship termination, we feel minor incidents and the accumulation of those over time have been somewhat ignored in the literature. Arthur Conan Doyle in the *Memoirs of Sherlock Holmes* said that “It has long been an axiom of mine that the little things are infinitely the most important”. With the importance of little things in mind, in this paper we aim to gain an understanding of the impact of a series of little things on relationships and networks. In doing so, we seek to determine whether relationships fully recover from little events, or alternatively, if repeated, minor negative incidents erode trust, commitment etc. over time. For example if a supplier is late delivering once that might be acceptable, but three or four times may begin to damage the relationship. The paper also considers the extent of damage incurred each time and whether the impact of minor incidents is amplified as they accumulate over time. In examining minor events, we explore the relevance of criticality and the effect of small incidents on a relationship as perceived by different parties, as well as the extent to which any relationship damage caused by such negative incidents can be repaired. This work-in-progress paper presents a preliminary review of literature, touching on factors which contribute to relationship ending, the dissolution process and events. From this we suggest areas for further development.

Factors influencing relationship ending

According to Halinen and Tahtinen (2002), causes of relationship ending can be linked to factors and events, these being grouped depending on whether they are predisposing, precipitating or attenuating factors and events. In suggesting such groupings, the authors argue that while those classed as predisposing and precipitating can stimulate relationship ending, attenuating factors and events can hinder this process.

Predisposing factors

These are factors which already exist when a company enters into a relationship. The fact that managers might be more sensitive to or interpret some elements in a particular way means these can affect manager behaviour, thus making a relationship more vulnerable to break down. While some elements such as cultural or historical (Halinen & Tahtinen, 2002; Seabright et al., 1992) might have an unconscious effect on manager behaviour, others factors are more clearly linked to the relationship itself. These latter types of predisposing factors can be related to the task (e.g. highly complex and abstract task (Tahtinen, 2001), the actors themselves (e.g. company’s poor performance, cultural differences (Halinen & Tahtinen, 2002), to the dyadic relationship (e.g. a poor choice of partner or conflicting goals) or to the network (e.g. availability of alternative partners). Broadly speaking, predisposing factors are less visible and can increase the risk of dissolution if they are not acknowledged by the parties (Halinen and Tahtinen, 2002).

Precipitating Events

These events bring change to the existing relationship and function as a trigger for parties to take actions to end their relationships. These events may be sudden and dramatic and a considerable amount of research has examined this aspect. Alternatively, a series of events may occur over time, gradually building the pressure for change. Little research has been conducted in this area. Precipitating events can emerge from the companies themselves, from the dyadic relationship or the network in which the relationship is embedded (Halinen and Tahtinen, 2002). More specifically, these events may include bankruptcy, change of personnel, performance failures, or a more attractive alternative exchange partner (supplier or customer). Managers' reactions to the precipitating event can lead to dissolution (Vaaland & Purchase, 2005). Reactions may be based on misinterpretation and an inability to decide on the parties' mutual benefits and their fairness (Tuusjarvi & Blois, 2004).

Attenuating factors and events

These factors moderate the effect of the predisposing factors and the precipitating events, acting as an exit barrier. Attenuating factors relate to the actors themselves, the relationship or the network. Strong personal relationships with high levels of trust and commitment may moderate the predisposing factors and precipitating events. Strong resource ties or strong activity links may also act as attenuating factors, while the lack of alternative partners may equally have the same affect.

The process of dissolution

Besides elements which might contribute to relationship-ending, a number of researchers have developed insight into the process of relationship-breakdown, including Duck (1982), Halinen and Tahtinen (2002), Fleming (2011) and Ping and Dwyer (1992). This is particularly important given that understanding characteristics of the phases associated with progression towards relationship dissolution might enable managers to either handle this process such that the ending is a positive outcome for parties involved (Alajoutsijä, Möller & Tähtinen, 2000), or alternatively, to act in order to stay that progression.

In the most recent work on relationship dissolution, authors identify a number of stages in the process of dissolution, these being adapted from Duck (1982). Duck's (1982) original proposition for relationship dissolution is based on interpersonal and social aspects of relationship dissolution, while authors such as Halinen and Tähtinen (2000) Fleming (2011), and Ping and Dwyer (1992) develop and adapt this to account for relationship characteristics in business markets. Here we present Duck's original process stages, as our interest at this point lies more particularly in the events which might precipitate progression within the process. Duck's process model consists of 4 phases: namely

Intrapsychic

During this stage the actor is reflecting on the relationship and examining its costs and benefits. They may be considering the costs of leaving the relationship and the positive benefits of potential alternatives. This is an internal process which is not shown to the other actor. Dissolution may not be inevitable at this stage, the actor may do nothing, they may wish to rectify the relationship or they may wait until another has been identified. When a build-up of complaints occur which go beyond a certain threshold the actor may hint that there is a problem.

Dyadic

Once the actor thinks there is a problem then something needs to be done. There will potentially be interaction between the parties who will not necessarily have the same perspective of the relationship. Issues considered in the intrapsychic stage may not have previously been raised until now which may be a shock (?) to the other actor. The parties involved meet to discuss whether to terminate the relationship or to negotiate and determine actions which can be taken to maintain the relationship.

Social

The actors may communicate with external actors. Networks can play a role in that they may exert pressure for the relationship to continue. There may be parties which are reliant on the relationship. Networks can also play a role in dissolution. Once it is apparent that a relationship is breaking down then other parties may further facilitate this process.

Grave dressing

During this stage the actors develop an account of the dissolution. In leaving neither of the parties want to develop a reputation for untrustworthiness as this may be problematic in developing future relationships. In order to avoid this, the actors may develop a credible, socially acceptable version which may sometimes suggest there was an initial flaw present from the beginning.

While looking at the breakdown process, common to all of the models is the fact that the process only starts at the point at which a critical threshold has been reached and an actor determines that this juncture necessitates the dissolution of a relationship. We now move on to examine what might be considered as key junctures.

Incidents: major and minor

Research acknowledges that critical incidents cannot be looked at in isolation and that the history of the relationship and time (including past, present and future) will influence how an actor perceives the incident and the action they will take (Edvardsson & Strandvik, 2008). However, whilst research has looked at critical incidents and their impact on relationship development, these kind of events may not be the only ones to lead to dissolution. A series of minor events may have a cumulative negative affect on a relationship, through gradually eroding the positive relationship atmosphere.

Edvardsson, Kowalkowski, Strandvik & Voima (2014) develop the idea of a negative critical wave (NCW) model, describing this as “a disturbance in a relationship that emerges and develops within or beyond individual working relationships” (p.284). A negative critical wave starts when one or more actors observe or feel that there is some kind of deviation from normal within the relationship due to a problem or disturbance. Edvardsson et al. (2014) propose a typology of negative critical waves in which the amount of energy generated by a wave is determined by locus, magnitude and amplitude. The authors explain *locus* as referring to the location at which a problem is originally identified, suggesting that this can encompass the nature of the relationship i.e. whether it is stable, unstable or turbulent. Regarding *magnitude*, Edvardsson et al. relate this to the time and space associated with a disturbance, inferring that some problems may occur over a long period whereas others maybe shorter. Additionally, the authors propose that the scope associated with magnitude is such that it can extend from a problem being focused in a small area of the organisation within the original relationship, to multiple organisational areas and relationships. The third element contributing to wave energy, *amplitude*, consists of two components, affective and communicative. The affective component refers to the intensity of the emotions of the actors involved, while the communicative is explained as the manner in which the disturbance is signalled both in terms of media (formal vs. informal) and the number of recipients.

Edvardsson et al. (2014) suggest that it is through the combination of the variables locus, magnitude and amplitude that energy associated with a negative critical wave is generated, changing the nature of the relationship between the buyer and supplier and other relationships in the network. The wave associated with this energy is neither constant (it both absorbing and losing energy (Edvardsson et al., 2014), nor singular in its form. In fact the authors propose four types of wave, these being:

Silent compact waves

These have a narrow magnitude and low amplitude, consisting of two types of wave. The first occurs due to a technical process in stable relationships, centring on middle management who may handle a problem but do not communicate it. The second type comes about due to a social problem e.g. abusive language centred in functional departments (e.g. operations) and involving strong emotions. Here, anger is felt in dealing with the problem but the difficulty is not (Edvardsson et al., 2014).

Silent extensive waves

These tend to start with a technical or communication problem within functional departments (e.g. operations), occurring over a longer time period but involving limited or no communication and very little emotion. The number of people affected by the wave is more extensive (Edvardsson et al., 2014).

Intense compact waves

These waves start with either technical or social problems within unstable or turbulent relationships. They tend to occur over a short period and have a narrow focus but they create high emotions. These problems are not widely communicated (Edvardsson et al., 2014).

Intensive, extensive waves

These waves may be initiated by either social or technical issues. They tend to occur in turbulent or unstable relationships within the operational department. Their magnitude tends to be short and spatially wide. These problems create both high emotion and a high level of communication (Edvardsson et al., 2014).

The propositions presented by Edvardsson et al (2014), provide new insight, moving beyond the notion of critical incidents which might frequently be associated with relationship dissolution. However, we identify a number of shortcomings in this work, particularly around variables which contribute to wave energy as well as disturbances used to characterise waves and the consequences of those disturbances.

First of all, with regard to the *magnitude* and *amplitude* variables, what is unclear in Edvardsson et al.'s proposals is whether these variables are influenced by types of complaints and whether they interact. With regard to magnitude, it might be expected that more negative energy is created when a greater number of people are involved and that a long term disturbance will generate more negative energy than a short term disturbance. Indeed, the temporal and spatial dimensions of magnitude may interact to determine the negative energy. Similarly, for amplitude the type of complaint may determine the strength of the affective component and whether it is communicated. It might also be expected that these variables interact, for example a situation which is less affective, i.e. slightly irritating or annoying may not be communicated, whereas one which is more affective may be more likely to be communicated. Magnitude and amplitude may also interact to influence the generation of negative energy, e.g. a disturbance over a longer period, involving a number of people, may be more likely to be communicated and produce a greater affective reaction.

Looking at the notion of *disturbance*, we see two issues with the model. First of all, the negative critical wave model is developed based on managers' recall of "expected or unexpected disturbances" (Edvardsson et al., 2014, p.287). While this enables the development of the negative wave and energy associated with it, clarity is lacking as to the nature of the disturbances used to develop these concepts. If fairly substantial problems were used in the empirical investigation to derive the concepts, then the potential impact of minor incidents is not accounted for. These incidents may be slightly irritating or annoying and not even communicated to the other actor in the relationship. This means that their impact individually or collectively is unclear.

Continuing with our examination of the notion of disturbance, further clarification is needed as to whether the concepts are appropriate for a single episode or a number of related episodes. A single or a series of related negative incidents may vary in the degree of negative energy created; e.g. a single major disturbance may create more energy than a series of smaller related events and vice versa. In addition to a series of related events, a series of unrelated events could occur which again may vary in the energy generated. With a series of episodes both the seriousness of the episodes and the temporal distance between them will influence the impact. It is not clear whether a series of unrelated negative episodes will have a greater negative impact than a series of unrelated negative episodes. The closer events are to one another in time, the greater the negative impact, irrespective of whether they are related or not. The number and degree of positive episodes that occur between the negative incidents may moderate the impact of the negative episodes. Whilst it is obvious that even one major negative incident may lead to dissolution it is less obvious as to the influence of more minor events. A number of minor episodes temporally close together may cumulatively generate enough negative energy to lead to dissolution.

Looking at the second issue associated with disturbance, Edvardsson et al. (2014) categorise the generators of disturbance as either technical or social, although it is unclear how negative events might be categorised in this way. Regarding the consequences of disturbances, Edvardsson et al. (2014) state that the disturbances create negative energy. However there is a lack of clarity as to what is meant by the term negative energy. In relation to the dissolution process the level of dissatisfaction is referred to. Dissatisfaction will have an effect on the relationship atmosphere, so the levels of trust, cooperation and commitment will be impacted. However, these elements are not directly considered by the negative critical waves model. If negative episodes (whether minor or major) occur, it is possible that the memory of the episode remains and will influence future action. The degree of influence may be determined by the seriousness of the previous negative incidents, the outcome and the length of time that has passed.

Areas for further research

While our consideration of possible shortcomings of Edvardsson et al.'s model presents numerous possibilities for further development, one which is of particular interest is the impact of minor episodes. As yet it is not clear how a minor episode might be defined by the actors, e.g. it may include turning up late for an appointment, or being spoken to in an inappropriate tone. These incidents may not be communicated to the other actor, however they may be mentioned within the company. The impact of such negative minor episodes needs to be ascertained. If a minor incident occurs it is important to know whether it affects the individual's level of satisfaction, and the actor's perception of the relationship atmosphere i.e. trust, cooperation and commitment. If the relationship atmosphere is affected, it is necessary to understand how long the damage may last. The variables encompassed by the relationship atmosphere may vary in the extent to which they are each affected, as well as whether they might recover and to what degree. Whilst an individual episode may inflict minimal damage and it may be that the previous levels of satisfaction, trust etc. can be attained, a series of minor incidents may have a cumulative effect. After the first incident, the levels of satisfaction, trust, commitment etc. may recover and attain the same level as previously, but with a second negative incident their levels may decrease. With subsequent negative events there may be even further erosion of the levels of these factors. It is possible that minor incidents may have varying degrees of negative impact on variables such as trust, cooperation and commitment.

These minor incidents and how they could potentially lead to dissolution is of importance as they are likely to be more frequent in occurrence than major incidents. It needs to be clarified as to whether, after a number of minor events, an actor will communicate with the offending party as a form of warning, attempt to resolve the issue or whether they will dissolve the relationship. An understanding of the impact of minor incidents on the dynamics of the relationship and specifically the relationship atmosphere may enable actors to be more effective in implementing appropriate solutions.

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