

## **Understanding the process of repair in dissolving B2B relationships: An SME perspective**

### **ABSTRACT**

This paper develops a unifying theoretical framework of business to business (B2B) relationship repair, identifying the actions and reactions that form the repair process. Despite considerable research examining the dissolution of B2B relationships, their repair has been insufficiently explored and we have very limited knowledge concerning the entire process. Using an interpretative philosophical position, the study applies a qualitative-methodological approach with data collected from SME managers' experiences in both repaired and dissolved relationships. Theoretically, the study draws upon the behavioural model of social exchange theory. The findings illustrate the dynamic sub-processes inherent in repairing relationships in trouble, driven by the parties' actions and reactions and influenced by the state of the relationship pre transgression. Moreover, the study reveals some critical junctures that aid the repair process. The study expands B2B dissolution literature and in particular, the repair literature, as this is one of the first attempts to capture the entire process from the beginning to its outcomes in the SME context.

Key words: Business to Business relationships, Dissolution, Repair

Competitive paper

### **Authors**

1. Tähtinen, Jaana, jaana.tahtinen@utu.fi, [Presenter], (Turku School of Economics at the University of Turku,, Pori, Finland)
2. Lynch, Patrick, plynch@wit.ie, (Waterford Institute of Technology, Waterford, Israel)
3. Fleming, Dierdre, flemingd@itcarlow.ie, (Institute of Technology Carlow, Carlow, Ireland)

## INTRODUCTION

Small and medium-sized enterprises (SMEs) represent the backbone of many economies and private sector employment. SMEs are intrinsically different in terms of their structure, management processes and response to business issues that impact upon them (Kelliher & Henderson, 2006). Most notably, a distinguishing feature of SMEs is the centrality of the Owner Manager (hereafter OM) (Reijonen & Komppula, 2007) and the need for resources which has an impact on the development of their businesses and relationships (Ring & Van de Ven, 1994). A key goal for resource poor SMEs is to build relationships to help the firm in its target markets (McGrath & O'Toole, 2011; Larson, 1992) and to grow (McAdam et al, 2004; Larson, 1992).

However, relationship management is not an easy task. Despite the importance the literature assigns to collaboration, there is evidence to suggest that up to 60% of alliances fail so an understanding of managing, maintaining and repairing B2B relationships is vital (Hughes & Weiss, 2007; Van de Ven, 2004; Parkhe, 1998). SMEs cannot afford the costly consequences of dissolution of their valued relationships, so in a number of cases OMs want disputes resolved (Jap & Anderson, 2007; Tahtinen & Vaaland, 2006) because considerable investments are at risk of being lost if the relationship ends, in addition to the onerous task of finding new partners and developing new relationships (Salo et al, 2009). Thus, if a business relationship is breaking down and dissolution would cause severe damage, repair efforts are needed (Salo et al, 2009; Vidal, 2006; Tahtinen & Vaaland, 2006).

Nevertheless, the majority of B2B relationship research has focused on the positives of developing successful relationships, resulting in less attention on conceptual development and empirical evidence related to problematic relationships facing dissolution (Holmlund & Hobbs, 2009). Although research (Ryan & Blois, 2010; Halinen & Tahtinen, 2002; Hocutt, 1998) has brought new insights to the dissolution of relationships, the main purpose has not been on how dissolution could be countered (Dirks et al, 2009; Vidal, 2006). Without this knowledge, OMs are not equipped with the know-how to manage dysfunctional relationships when the need arises (Dirks et al, 2009; Salo et al, 2009; Vidal, 2006). Verbalising this concept Van de Ven (2004) stated that *“the study of repair, forgiveness and reconstruction of relationships should be a high priority for organisation and management scholars and practitioners alike”* (cited in Vidal, 2006, p. 1). For current authors, such as Tahtinen et al (2007), this knowledge deficit has resulted in academics being unable to provide practitioners with the solutions needed to repair relationships on the brink of dissolution. Despite the acknowledgement that repair can happen during the course of dissolution, scant attention has been paid to this phenomenon (Salo et al, 2009; Tahtinen & Vaaland, 2006; Vidal, 2006).

Research on the process of dissolution (e.g. Halinen & Tahtinen 2002; Tahtinen & Halinen-Kaila, 1997) was the first to explicitly raise the question of repairing relationships. Studies emphasised that dissolution is a process and it cannot be understood if the temporal dimension i.e. past, present and future and the levels of context e.g. individual firms and dyadic relationships are not included in analysis (Halinen & Tahtinen, 2002, p. 175). In addition, business dissolution research highlights' the importance of the actors and their activities and actions in driving these processes. Of note, these actors, on the basis of their own evaluations, can halt the dissolution process by undertaking actions to repair the damage (Halinen & Tahtinen, 2002; Tahtinen, 2001). However, these studies do not expand the understanding of the repair stage.

Nevertheless, it would be misleading to suggest that extant literature has not examined the repair of B2B relationships. Recently, research on repairing relationships has emerged. Though few in number, these studies focus on the process of repair (see Salo et al, 2009; Tahtinen et al, 2007) or on the analysis of attenuating factors that motivate reasons to stay in the relationship (see Tahtinen & Vaaland, 2006; Vaaland & Tahtinen, 2003). Although research on service recovery exists, it is not suitable to business relationships as there is a tendency by researchers to focus on repair strategies for a particular conflictual episode (Gronroos, 1998) and the service providers response, rather than on the complex and dynamic processes involved in repairing B2B relationships (Salo et al, 2009; Tahtinen et al, 2007).

Thus, little is known about the dynamic processes of B2B relationship repair in dissolution, which is a fundamental but remarkably understudied problem in current B2B literature (Dirks et al, 2009; Salo et al, 2009; Tahtinen et al, 2007; Tahtinen & Vaaland, 2006). This study provides a model, which presents a deeper level of analysis on the process and sub-processes of repair. The conceptual theory domains provide the groundwork for this study, while empirical evidence in a B2B context is much more dynamic as several issues need to be addressed during the repair process. Specifically, B2B relationships have both positive and negative incidents throughout their existence. Hence, the overarching aim of this research is *to explore all the actions and activities of individuals in repairing dissolving B2B relationships in the context of the state of their relationships in order to gain a complete understanding of the total process*. This study views repair as an overall concept to take a holistic view of the phenomenon and a deeper understanding of the repair process.

## LITERATURE CONTEXT

B2B and social psychology relationship dissolution models propose repair as a stage that represents a turning point in the relationship (Tahtinen, 2003; Lee, 1984). Repair strategies stop decline and help the relationship to continue and shape its future direction (Tahtinen & Vaaland, 2006; Lee, 1984). However, success depends on both parties' willingness to take positive actions to repair a broken relationship. Social psychology research, through the works of Duck (1984), Baxter (1983) and Lee (1984), provide a model of repairing personal relationships linked to the dissolution process.

Duck (1984) suggests that repair has different goals at different stages of the process of dissolution. Indeed repair strategies have different rates of success depending on the stage of dissolution they are applied to. Specifically, different stages are susceptible to repair strategies and not to others. In other words, if certain strategies are not applied in time, they cannot work the further the relationship declines towards dissolution (Vidal, 2006; Duck, 1984). Problems occur in greater and lesser degrees during the stages of dissolution (Duck, 1984). Rather than presenting repair as a stage within dissolution, Duck's (1984) repair model looks at each stage and applies the objectives of repair during dissolution.

A key point here is that there is a threshold at each phase because the tension/ conflict levels rise as the partner moves from one phase to the next (Lee, 1984; Baxter, 1983; Duck, 1982). The form of the relationship changes due to relational deterioration so the emphasis of the early stages of the model is a cognitive one, focused on evaluation and decision-making (Halinen & Tahtinen, 2002).

In relation to repair, these stages are about the smoothing out of relationship processes and changing the way things are done. In the later stages, managers are faced with behavioural strategic choices about the best ways for managing the growing intent to dissolve the relationship (Giller & Matear, 2001) so repair here is about readjusting each company's views of one another.

Different repair strategies are required from the first stages of the dissolving process to the more advanced stages (Vidal, 2006). Where one partner is detached in the initial stages, communication is used, whereas network strategies, outside support and external interventions would be more suited to behavioural repair at the later stages (Vidal, 2006; Duck, 1984).

Whatever strategies are chosen will depend on the analysis of factors that led to dissolution in the first instance, and on the dissolving stage (Lee, 1984). Duck (1984) believes that repair will be most effective when it takes into account the concerns and issues most prominent in the relationship at each stage. Unless both partners understand each other's perception of the trouble the relationship is in (Vaaland & Tahtinen, 2003) the repairing process cannot progress. Repair must include the reestablishment of positives in the relationship and the actions required to reduce tension (Vidal, 2006; Vaaland & Tahtinen, 2003).

In the study of B2B relationships there is a multi-level of individuals involved within and external to the relationship as well as taking the time dimension into consideration, so Duck's (1984) model is deficient in that regard. However Lee's (1984) work highlights that "*there is strong evidence that the parameters of termination are related to distinct conditions in the dyad prior to, and following break-up*" (p. 67). It seems necessary then that if repair is to be understood, a holistic model is needed to understand the broader problem of relationship repair in B2B relationships (Dirks et al, 2009).

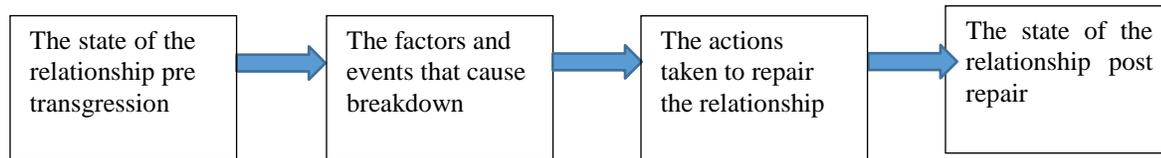
### Business to Business Repair Processes

Hirschman (1970) posited that relationships can be repaired, although he warned that a full recovery from a bad breakdown lags repair efforts. In essence relationship repair is a long-term project (Ping, 1999). The most important aspect of Duck's (1984) work relates to the cognitive and behavioural elements of repair. A key point here is that the strategies and process that are required to repair cognitive and behavioural relationship breakdown are different. In B2B relationship literature, Tahtinen's dissolution model (2002) presents repair strategies in the restoration stage such as reorganising activities, group discussions, extended deadlines, adapting software, changing personnel and the establishment of a resolution group. Whilst these were undertaken, the relationship still ended indicating that the timing of such activities came too late in the dissolution process.

Before a review of the various types of repair strategies, a discussion of the current B2B repair models is needed. In their model of triadic relationship restoration, Salo et al (2009) explore the changes in the atmosphere of the relationship. The relationship atmosphere and repair strategies are closely related where repair actions improve the atmosphere, which aid in the discussion and resolution of problems (Salo et al, 2009). The role of the actor is explored as their actions shape the direction of the process towards dissolution or repair. Their model includes three sub-processes; 1) voicing the concerns where the actors bring the issues out into the open, 2) analysing the relationship where there is a decision to either recover or end the relationship, and 3) normalizing the relationship where committed efforts are made and investments are made to

recover the relationship (Salo et al, 2009). This model builds on the work of Tahtinen et al (2007), but takes a deeper look at the sub process and applies a triadic view. Other repair models include the analysis and understanding of attenuating factors (Tahtinen et al, 2007; Tahtinen and Vaaland, 2003), but leave the actual process of repair unexplored.

Conceptual models such as that proposed by Dirks et al (2009) further divide the process into stages where relationship repair is viewed as a temporal process (fig, 1);



**Figure 1. Relationship repair as a temporal process (Dirks et al, 2009)**

The key here is that previous studies tend to focus on only one of these stages, without understanding the influences of the state of the relationship pre transgression and how the relationship changes as a result of such transgression (Dirks et al, 2009). Events can cause one or several elements of the relationship to break down and the actions taken to repair these elements can lead to different outcomes of the repair process (Dirks et al, 2009).

This research attempts to address gaps in current B2B research through the understanding of repair during the process of dissolution. As Duck (1984) points out, repair in early stage dissolution involves the restoration of the cognitive elements, whereas later stages includes the repair of behavioural elements of the relationship. In attempting to address this gap a holistic model is required (Dirks et al, 2009) which provides a broader view of the phenomenon. Furthermore, an examination of the dynamics of relationship repair is required because the process is largely driven by the actors involved (Halinen & Tahtinen, 2002).

There has been a considerable interest in the study of successful B2B relationships but when it comes to the dissolution and repair of such relationships, little is known on their effects and outcomes. As these studies have derived from different fields of research, it appears disjointed when it comes to gaining an overall view of the repair phenomenon. Therefore, it is beneficial to combine this valuable research into a holistic model that captures repair from the moment the trouble begins between firms through to the repair strategies undertaken when in repair mode. Furthermore, current research lacks an understanding of the outcomes of repair. It is the intention of this research to fill this gap in the literature from an SME perspective.

## METHODOLOGY

In order to empirically ground our investigation on B2B relationship repair, the present study used interview data from SMEs. Using a criterion sampling strategy (Miles & Huberman, 1994) we chose established Irish SMEs in manufacturing and services industries, with long-term buyer-supplier relationships and experiences of both relationships endings and deterioration with repair (following Tähtinen et al, 2007). The companies were sampled with the use of a regional SME database created for research purposes.

In personal interviews we first used critical incident technique (Flanagan, 1954) to trigger the interviewees to tell a narrative of what happened starting from the incidents. The critical incident was framed as a trigger event (Gnyawali & Stewart, 2003; Edvardsson & Strandvik, 2000; Keaveney, 1995) that created a change in the B2B relationships (Friman et al, 2002; Halinen et al, 1999). Thereafter, the interviews took an unstructured format to allow the flexibility needed to explore topics and details that arose during the interview. The resulting narrative data were then analysed thematically to uncover emergent themes and patterns with different outcomes for the business relationship (see Schurr, 2007).

The audiotaped in-depth face-to-face interviews with OMs resulted in 51 narratives (see Table 1). Although not dyadic, the data includes first hand narratives told by both buyers and suppliers.

**Table 1 Interview Details**

Interviewee role	Industry	Narratives Repaired / Dissolved	Duration (min)
Managing Director	Security Services	2 / 1	60
Sales Director	Consumer Electronics	4 / 2	55
European Sales Manager			70
Sales Manager			60
Managing Director	Insulation Services	- / 1	60
Managing Director	Clothing Manufacturer	2 / 1	80
Managing Director Chief Technical Officer	Software	2 / -	70
Managing Director	Software	1 / -	60
Managing Director	Electronics	- / 1	50
Managing Director	Software Service	1 / 1	60
HR Consultant	Merchant Services	1 / 1	50
Director	Security Services	1 / 1	75
Managing Director	Homeware Manufacturer	1 / 1	56
Store Manager	Health Services	- / 2	45
Managing Director	HR Services	1 / 1	60
Managing Director	HR Services	- / 1	45
Managing Director	HR Services	1 / -	60
Managing Director	Software	2 / -	75
Managing Director	Software and Hardware Services	2 / 1	90
Managing Director	On-line Solution Provider	1 / 2	60
Managing Director	Industrial Equipment	2 / -	60
Managing Director	Software	1 / 1	60
Managing Director	Print	1 / 1	60
Commercial Director	Transport	2 / 1	90
Managing Director	Training Provider	2 / 1	55
	Total:	51 narratives	1566 mins

To understand the dynamic nature of the actions and reactions of the actors in the repair process, the researchers analysed the data using abductive reasoning (Kovács & Spens, 2005; Dubois & Gadde, 2002) involving a constantly iterating cycle between data and theory to arrive at a sound

interpretation of the data. The notion of the evolving research project that is presented here, is that, understanding of complex phenomenon materialises over time from an iterating cycle of deduction (prior theory) and induction (theory emerging from the data) (Pettigrew, 1997). Nvivo, qualitative analysis software, was utilised to manage this iterative process by coding, retrieving, and facilitating the refining and categorisation of data through the linking of ideas and sources, identifying contradictions and comparing dissimilarities. This process continued until explanations stopped emerging from the data and resulted in our understanding of the repair process.

## FINDINGS

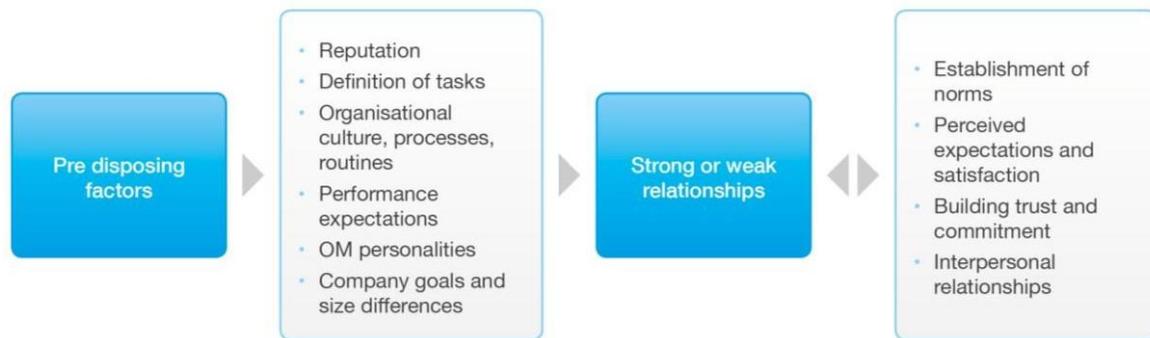
Consistent with Halinen & Tahtinen (2002) and Duck (1982) (see Figure 2), this research found that the state of the relationship pre transgression plays a significant role in understanding the repair of B2B relationships (Dirks et al, 2009). The interplay between predisposing factors and the state of the relationship pre transgression is evident in the critical incidents examined. Factors such as; reputation, definition of tasks, organisational culture, performance expectations and OM personalities facilitated the construction of relational exchanges, which forms the basis of strong or weak relationships (Halinen & Tahtinen, 2002; Duck, 1982).

SMEs in strong relationships were generally satisfied with their partners as their expectations were met during the course of interactions and past exchanges (Geyskens et al, 1999). These businesses established close cooperation at interpersonal and B2B levels characterised by relational norms, mutual satisfaction, trust and commitment (Salo et al, 2009; Harris et al, 2003; Morgan & Hunt, 1994; Dwyer et al, 1987). What is noteworthy here is that the presence of commitment and trust provided a fertile environment for the creation of strong inter-personal relationships (Ring & Van de Ven, 1994). The existence of personal bonds and social ties are important in the development and formation of psychological contracts (Ring & Van de Ven, 1994; MacNeil, 1980). They also act as a buffer in times of trouble where they are known to reduce conflict (Gedeon et al, 2009; Halinen & Salmi, 2001; Ring & Van de Ven, 1994). When precipitating events cause these relationships to breakdown, the existence of such relational commitment and trust reduces the partner's intention to dissolve their relationships (Morgan & Hunt, 1994) and as such, creates voluntary decisions to repair them (Hocutt, 1998; Rusbult, 1983).

*You developed the relationship over the years and ... they get to know you, they get to know that you're professional and that you're honest, that your word is your bond (OM, Security Services SME).*

The study provides insight into the impact of weak relationships on the repair process. These relationships were generally characterised by unfavourable predisposing factors pre transgression, such as the inability to agree commercial terms, power imbalances and acknowledgement of poor reputation which makes them more vulnerable to dissolution (Halinen & Tahtinen, 2002). OMs found it difficult to build strong relationships from the outset because of these factors, so when the relationship broke down, the evaluation of the issues in the context of an already vulnerable relationship made the repair process very difficult (Vaaland, 2003).

*We just know we have no future with these people, and they have a great product but the guy, one guy in the company is destroying it ... so when you have people like that in business, it's very hard to work with them (OM, Services SME).*



**Figure 2 The State of the Relationship pre Transgression**

This study provides a greater understanding of the impact of the state of the relationship on the outcomes of the repair process as past studies have failed to capture the importance of influencing factors on B2B relationships (Salo et al, 2009; Dirks et al, 2009).

In relation to precipitating events and consistent with Tahtinen et al (2007), this research provides new knowledge concerning different precipitating events that cause dissolution and have an impact on the repair process of B2B relationships (Figure 3). Following a call for more in-depth analysis of these events (Dirks et al, 2009; Ren & Gray, 2009; Salo et al, 2009), the study found that they not only influence the process of repair but influence each other as there are different reactions from OMs depending on the severity of the event (Hollmann et al., 2015; Dirks et al, 2009, Ren & Gray, 2009; Hibbard et al, 2001). Evidence suggests that more than one event starts the dissolution process, as reactions from either party can cause further precipitating events that disrupt exchanges (Hollmann et al., 2015; Tahtinen et al, 2009). As depicted in figure 3 by two-way arrows, the role of the partners is influential here (Salo et al, 2009) because their input at this stage was vital to the trajectory of the repair process. Indeed, their reactions could accelerate or decelerate the process of dissolution (Hollmann et al., 2015).

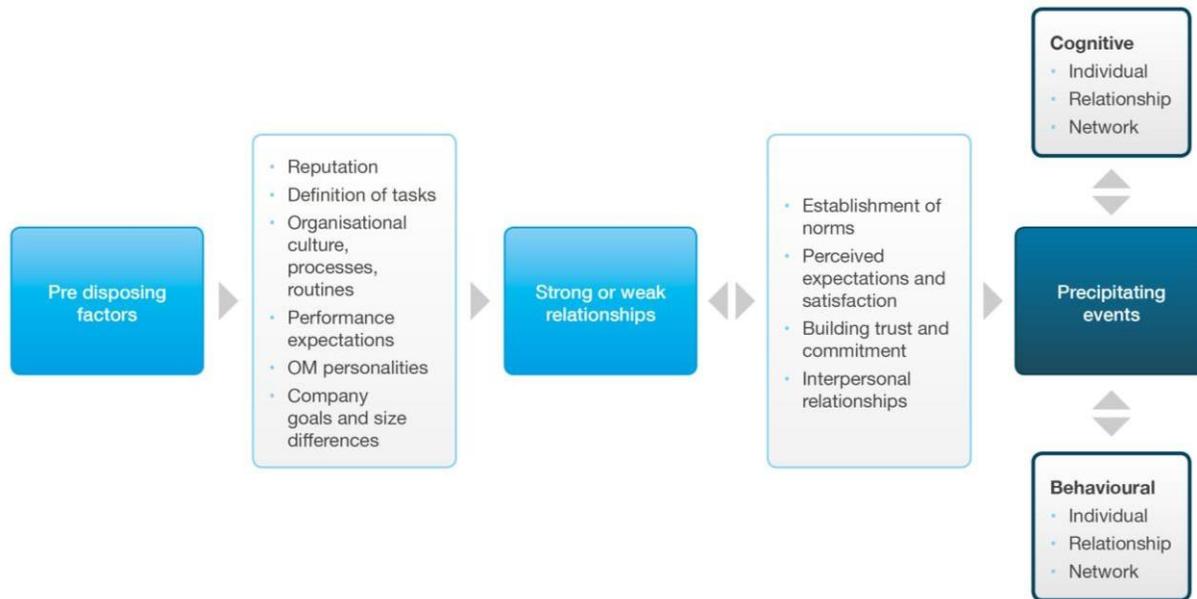
In order to make sense of the severity of the events, this study classifies them into cognitive:

*So we put him under pressure and we elected a new distributor, and they were part of the UK, they looked after the UK as well, and Ireland, and I of course went to him and I said, "Look, there's a new distributor that we went to"* (Senior Director, Consumer Electronics SME).

And behavioural levels;

*...that evening and he just started going on and on, and really speaking down to me, and I suppose, well I, well I probably lost it a little bit, and ... he lost it completely, "Don't speak to a supplier like that" and "I am your customer, and how dare you speak to me ..."* and he took the high moral ground then, *"I'll never – unless you apologise to me, I will never deal with you again"* and I said, *"Well look, you know, you will be waiting a long time for me to apologise to you", so I didn't* (OM, Services SME).

The empirical findings show that these events influence the repair process but when evaluated in the context of the state of the relationship, add further dynamics to the process of repair as there are many considerations to be made concerning the changes that have taken place.



**Figure 3 Precipitating Events causing Relationship Breakdown.**

Before any repair takes place, the elements of the relationship that have been damaged such as trust, affect and exchange, need to be understood in order to apply the most appropriate repair solutions (Fleming et al, 2016; Dirks et al, 2009; Vidal, 2006). This point of the process is very important, as the subsequent reactions from the offender or offended partner were conditioned by the severity of the event (Hibbard et al, 2001). Indeed, the reaction of the partners to dissatisfaction represented a key turning point in the repair process (Alajoutsijarvi et al, 2000).

The deterioration of the relationship brought about constructive, destructive and passive responses from partners (Vidal, 2006; Baxter, 1983). Apparent in this study (see Figure 4) is that when partners adopt a constructive strategy such as voice, the opportunity for negotiation towards repair increases. If dissatisfaction is low, OMs had the opportunity to use voice as an immediate reaction in order to make their frustrations known to the partner company and express their desire to change an uncomfortable situation to improve satisfaction (Ferguson & Johnston, 2010; Salo et al, 2009; Ping, 1997, 1993; Hirschman, 1970).

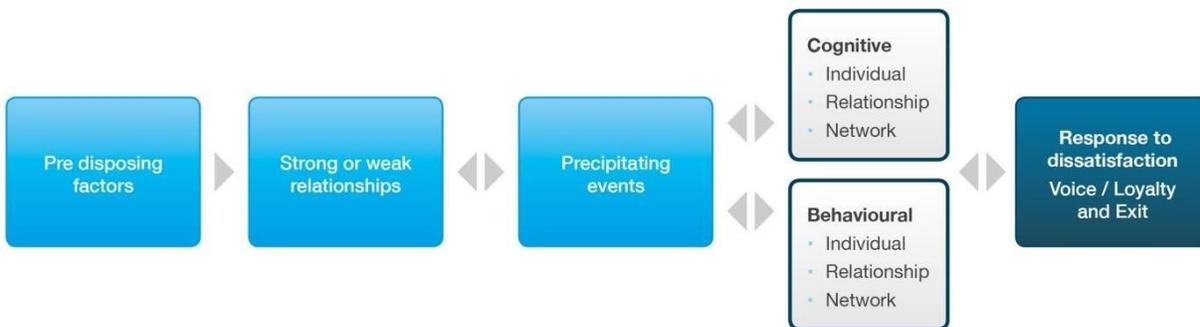
*I brought them in for a meeting, and you know, I told them in no uncertain terms what I thought of their behaviour had to have a little bit of a "Come to Jesus" talk with them (Senior Manager, Merchant Services SME).*

The use of voice demonstrated an intention to try and resolve the issues and offered larger opportunities for repair by making the issues aware to all parties (Salo et al, 2009; Vidal, 2006; Ping, 1993; Hirschman, 1970). This also moved the process into the inter-company stage as depicted in figure 4. In other instances, SMEs used the silent approach to dissatisfaction by remaining loyal to the partnership in the hope that relations would improve. Partners choose this option rather than voicing because the dependence was greater on the other company (Ping, 1993; Rusbult et al, 1983). While this could be considered as a constructive approach, it is nevertheless a passive approach to repair and can leave relationships vulnerable to dissolution at a later stage, because the issues facing partners are not addressed properly (Blois, 2008; Ping, 1999).

*It would have been our position at the time that they were more important to us, so we had to deal with it. We had to deal with it and get on with it and sometimes grit our teeth, you know, grit our teeth through it (Sales Manager, Consumer Electronics SME).*

Destructive immediate responses featured when the event was so severe that repair appeared impossible or unwanted (Vidal, 2006). In these cases, OMs' pursued the exit option and immediately dissolved their relationship (Ping, 1997; Hirschman, 1970).

*From the moment there were problems ... it just deteriorated, and ... he never responded to phone calls and emails. We would contact him on Skype and there would be long pauses in between messages that you would send back and forth and everything, and in that situation, we just cut it out and let him go (European Sales Manager, Consumer Electronics SME).*

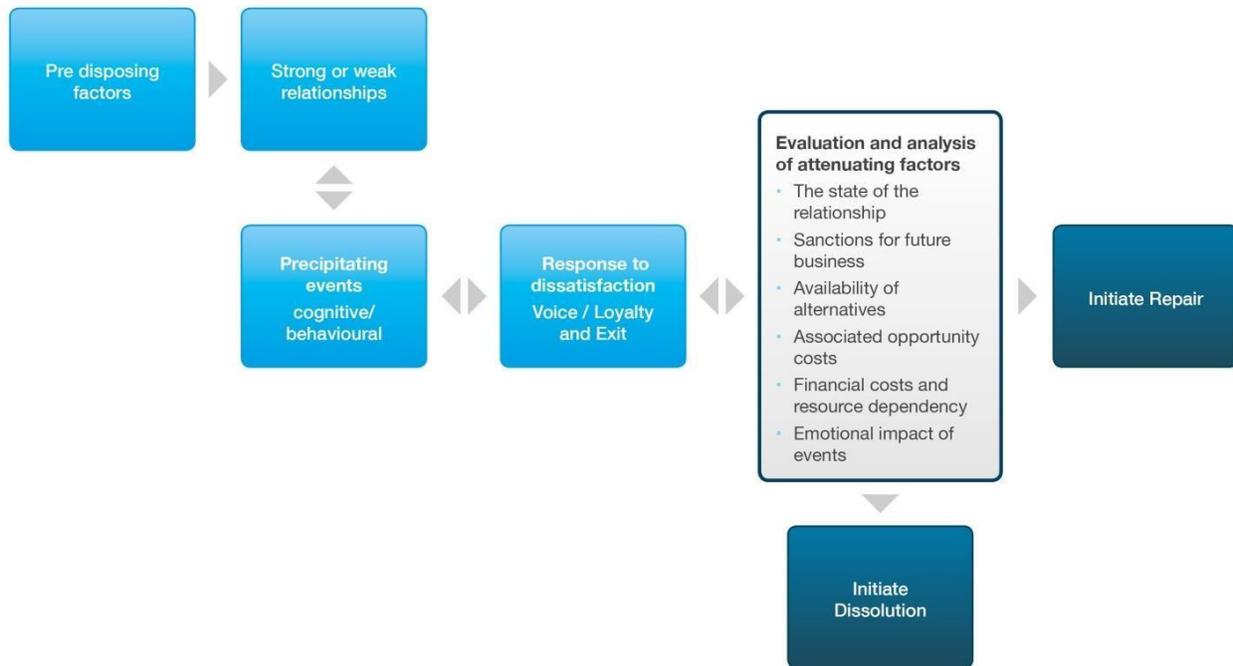


**Figure 4 Immediate Responses to Dissatisfaction**

The response to dissatisfaction was undertaken in the context of the state of the relationship pre transgression (Ren & Gray, 2009). In the next sub process, OMs undertook an evaluation of the troubled state of their B2B relationships once they realised how much trouble the partnership was in (Fleming et al, 2016; Tahtinen & Vaaland, 2006; Ulaga, 2003). At this stage, various elements of the relationship such as trust and satisfaction were weakening. Therefore, the timing of the evaluation was vital because events that appeared to be cognitive could turn behavioural depending on OM reactions. Similarly, behavioural events required quick reactions by OMs in order to halt the dissolution process (Duck, 1984).

*At that point ... to assess whether it's worth repairing or not ... and then it's a question of, you are investing your time and your effort and you are making sure that the key people you need to convince that you are a good partner become convinced of that, and that's it and it's very much, I think, if everybody is honest in a situation (OM, Software SME E).*

For the repair process to proceed, various forces influenced OM's decisions including the costs and benefits associated with the relationship (Thibaut & Kelley, 1959). If the costs outweighed the benefits, OMs considered dissolution or indeed made plans towards future dissolution (Tahtinen & Vaaland, 2006), whereas if rewards associated with the relationship were greater, the evaluation was more in favour of repair (see figure 5). At this point, interpersonal relationships played a key role in the evaluation as partners who were perceived as open and trustworthy are considered valuable in comparison to the costs associated with partners who were perceived as aggressive and disinterested in maintaining relations (Gedeon et al, 2009; Ring & Van de Ven, 1994).



**Figure 5 Evaluation of the Relationship and Analysis of Attenuating Factors**

Consistent with Tahtinen & Vaaland (2006), the research findings suggest that the loss of future business, the availability of alternatives, associated opportunity costs, dissolution process costs and resource dependency have a huge influence on the decision to repair relationships (Tahtinen & Vaaland, 2006; Vaaland, 2003).

*But then if you do that [terminate the relationship], six months down the line when you are trying to find a new partner and you haven't been successful, the issue then is ... "How come our business isn't working in that particular country?" So you've got to try and divest yourself of the short-term perspective in terms of ... "OK, if they're gone, where will we be in twelve months' time? Will we actually be in a better place?" ... It's not where we are today but it's ultimately, is it the best decision in the long-run? (Sales Director, Consumer Electronics SME).*

For SMEs, the loss of future revenue coupled with the potential damage to reputation can threaten their survival in the long term, so this had to be considered in the decision to repair the relationship (Tahtinen & Vaaland, 2006). An analysis of the attenuating factors support earlier investigations which showed that time, effort and uncertainty impacts the decision to move to alternative partners (Panther & Farquhar, 2004; Gronhaug & Gilly, 1991). Even if alternatives exist, partners can still remain in the relationship because the effort involved in transferring production and knowledge is too great. The OM were also conscious of gaining a reputation for switching partners too easily (Rhee & Valdez, 2009). A key concern for OMs was the uncertainty in establishing new interpersonal relationships following dissolution (Helm et al, 2006; Seabright et al, 1992). Underlying this uncertainty was the notion of meeting individuals in future exchanges so it was important not to lose sight of potential future relationships with individuals in other firms.

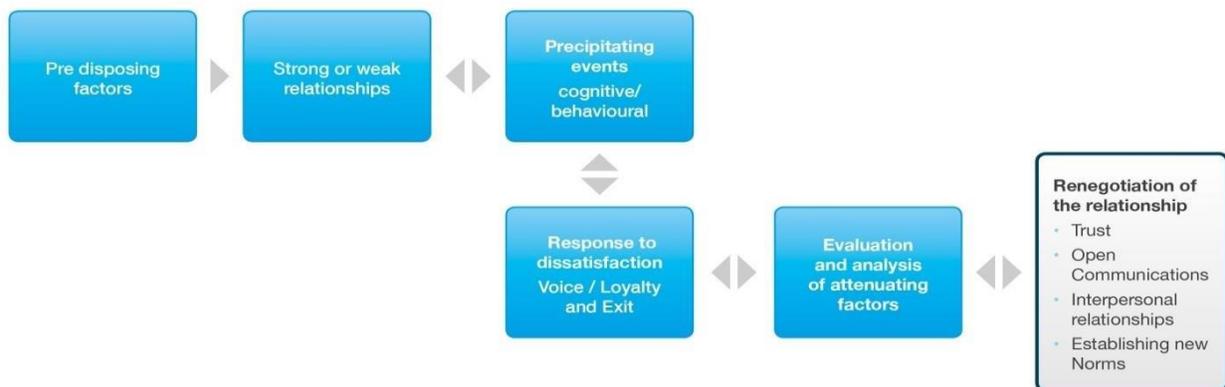
*If we have a reputation for pulling the plug, if things begin to get tough, then that becomes more difficult over time to try and find new people to work with (Sales Director, Consumer Electronics SME).*

Finally, if partners are facing substantial legal, financial and reputational costs of dissolving the relationships, they are more inclined to find a way through their problems rather than endure the consequences of these losses (Ping, 1999; Nielson, 1996).

*It takes us a lot to change, so if we're having an issue with someone, we would rather have it long-term because we will get more, more continuity, you would get better communications, you would get a better flow of products, and you would get more loyalty. It takes a lot, it takes a lot to get us to shift, but when we shift, when we're making a big decision and we're shifting, lots of products and lots of measurements and lots of sizes, let's get the fabrics somewhere else (OM, Clothing SME).*

As Ren & Gray (2009) contend “effective restoration involves the efforts of both parties and success involves assessing both individual and dyadic behaviour” (Ren & Gray, 2009, p.116). The next sub-process was contingent upon the willingness of both partners to repair the relationship (Salo et al, 2009; Geyskens et al, 1999; Anderson & Weitz, 1989) and the need to restore the social balance (Ren & Gray, 2009). The model presented in figure 6 operates at both individual and dyadic level and highlights the importance of interaction in repair (Ren & Gray, 2009; Ring & Van de Ven, 1994). OMs were uncertain regarding future interactions because they had established the elements of the relationship that had broken down i.e. trust, affect and exchange (Dirks et al, 2009). Therefore, a renegotiation of the social order was necessary to re-establish new boundaries for future exchanges and interactions (Ren & Gray, 2009; Daft & Weick, 1984). An important finding from this study suggests that both partners had to meet face-to-face in these negotiations because they had to take into account the issues most prominent in their partner’s minds with regard to their desire to continue or dissolve the relationship (Dindia & Baxter, 1987; Duck, 1984). Moreover, during these negotiations, partners could adapt and adjust their initial expectations for the meetings as they interacted with each other and more information became available during the process (Weick, 1995; Ring & van de Ven, 1994).

*We ultimately went in at several face-to-face meetings with them, offside, away from their company, away from their own staff, one-on-one with the principals there. We evolved with them to the point that they were able to explain to us that these were the problems we have in terms of our business and when you get past the point where someone is willing to be more open about the specifics of their organisation, the issues that they have ... you have a better handle on exactly where you stand (OM, Consumer Electronics SME).*



**Figure 6 Renegotiation of the Social Order.**

A key finding from this research was that when B2B relationships had established trust and commitment, the approach to renegotiation was more constructive where OMs engaged in problem solving because they were confident that having reached agreement, exchanges will be restored (Puranam & Vanneste, 2009; Lee, 1984).

*We were upfront ... about it, you know, and when you're dealing with the people in the conflict, you just have to be so careful, you know, that one, if you say anything that really gets their back up ... these things can get fairly heated at times, you know, but you have to be fairly clear and concise about what your position is and where you are coming from (OM, Software and Hardware Services SME).*

However, the renegotiations in weak relationships were different because trust and commitment was lacking due to unfavourable predisposing conditions. These renegotiations were behaviourally dominated at interpersonal and B2B levels (Ensley et al, 2002) and ended up requiring third party involvement to settle disputes as tensions were extremely high and partners are unable to reach a settlement themselves through negotiations (Duck, 1984).

*Well, my councillor would have liaised with them because rather than inflaming the situation by me contacting the Owner Manager of the company because I knew he was the type of person that would just scream and shout ... I would have dealt with our accounts department and they would have dealt with his accounts department, and they liaised and came back and forth and it eventually came to a stage where we sent a letter saying, "Look it, as far as we're concerned, this is the situation. This is what we owe you. Here's a cheque for it, and as far as we are concerned, the matter is closed" and that was the end of the matter to be honest with you, but it's not where I like to see relationships go (OM, Services SME).*

Important criteria identified in the study included, the timing of negotiations and the degree of open communication as a foundation for this process to succeed (Salo et al, 2009; Zhang et al, 2006). The use of open communication was considered vital to repair as it allowed OMs to get a clear understanding of the breakdown and how each individual and company felt about the issues facing the relationship (Salo et al, 2009). As a result, better decisions regarding the appropriate repair strategies could be achieved (Ring & Van de Ven, 1994).

*Look, there have been two or three incidents now in ... the last 18 months – invite them up. Let them come over here and get a feel for who we are, what we're about and then they won't read into it from the few mistakes that we have had that we are an uncaring and inefficient company – which people will think if you're making a few mistakes. And they don't get a feel for... how genuine you are about the problem and resolving it, hearing what their needs are, and being prepared for doing better the following year (OM, Clothing SME).*

Notably, the presence of OMs at these meetings was also considered important as partners were reassured of the commitment to the relationship, that the relationship was important and that there was long term orientation in partner actions (Ping, 1999; Ganesan, 1994).

*It would be mainly the salesperson and I would also deal with the managing director there I suppose. I wouldn't deal personally with the accounts ladies and gents and all there ... because our accounts department would liaise with them but I would personally deal with all suppliers ... because it's important that they have a link to whoever at the end of the day is going to carry the can for everything, you know what I mean, and make the decisions (OM, Security Services SME).*

It is also important to note here that the existence of interpersonal relationships between the OMs acted as a mediator and reduced conflict because psychological contracts and relational norms prohibit certain activities (Ring & Van de Ven, 1989).

*This again tells you the highest level sorted it out, I then rang the OM of that integrator and I said, "Do you know what your service manager is threatening to charge us?" and he said, "No." I explained it to him and he said, "Well, that's not fair, is it?" and I said, "No, I didn't think it was either" and he said, "Well, I'll sort that out" (OM, Software and Hardware Services SME).*

In order to change the troubled state of the relationship, the empirical findings in this research found that different strategies were needed depending on the severity of the precipitating events and the state of the relationship pre transgression (Dirks et al, 2009; Duck, 1984). Indeed the timing of renegotiations was a key factor in establishing the appropriate strategies to repair the issues facing these relationships (Vidal, 2006). Early stages were related to the disruption of the cognitive elements and therefore repair strategies involved apologies and denials in order to shape the partner's perceptions of each other (Ren & Gray, 2009). This showed that partners were willing to take responsibility for their actions and restore faith in any future interactions. In early stages and consistent with Duck (1984) and Salo et al (2009), adaptations and adjustment were made including changes to B2B processes in order to rebuild trust and demonstrate continued commitment (Salo et al, 2009). These actions signal commitment to the relationship and give partners a chance to forgive the events that cause the breakdown (Salo et al, 2009).

*We looked at the different, the same kind of technology but different channels for it, and so we would come up with a couple of other things that make it a bit more flexible, so it's not just by definition, "This and this alone" – we have come up with different uses for it, that sort of broaden its potential market really (CEO, Software SME).*

Consistent to that proposed by Dirks et al (2009), this study found that while apologies and changes to processes are important to repair cognitive events, they are not enough to repair the social and interpersonal aspects of relationship breakdown (Ren & Gray, 2009). In this instance, repair actions were directed towards the reestablishment of the social order and the future of the relationship (Ren & Gray, 2009; Reb et al, 2006; Duck, 1984). In order to repair the social elements such as trust and commitment, efforts were directed towards reaffirming the norms that govern the relationship. This study showed that strategies such as compensation and penance in the form of costs to the partner were used to restore balance (Ren & Gray, 2009; Reb et al, 2006). These repair actions were used by OMs to show their future intentions towards the relationship and according to Ren & Gray (2009) are useful for restoring positive exchange.

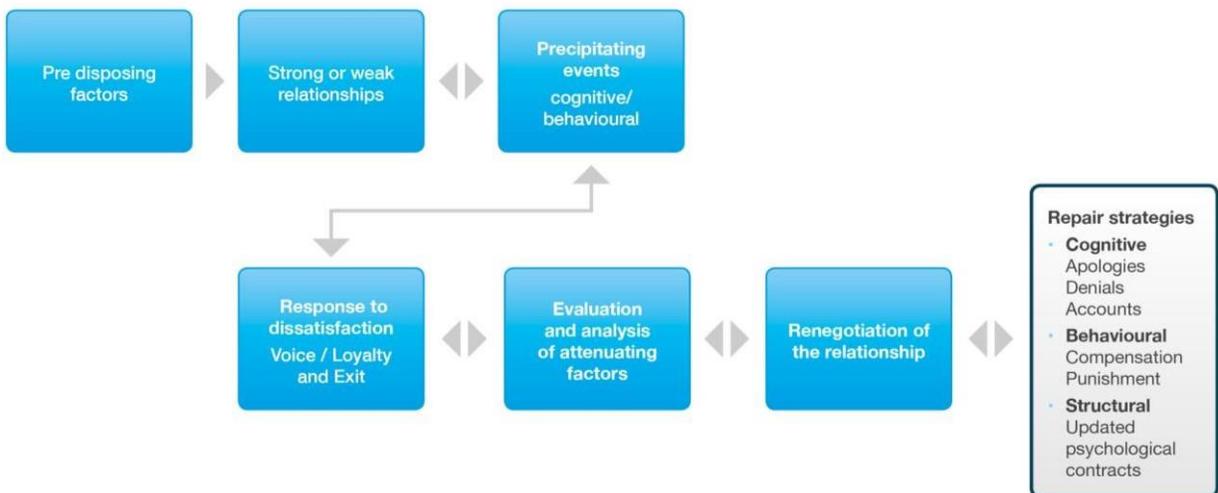
*... and it was only, it was literally, it took us, it took us two full years. It was only until last year that we got back properly at the same level with them, where several tenders had come in and we were coming in as the cheapest, we had the better solution, because of the way they had tightened their own, everybody had put a similar solution in, and again it's very much personal relationships, where somebody trusts you to do a good job on it (OM, Software SME).*

*We incorrectly sized a piece of equipment and went to the customer's site, it was a fairly arduous application and it didn't work, and we footed the bill for the whole lot, to take it out and replace it, and so, that guy has actually come back and he is got another piece of equipment delivered (OM, Industrial Machinery SME).*

A key finding regarding repair strategies involves the implementation of revised psychological contracts between firms as OMs learned from their experience (Ren & Gray, 2009). Any future relationships they have may have unwritten rules of behaviour to avoid the same issues occurring again.

*Everybody had to agree this is how it's resolved, and I suppose in terms of future recrimination, you both have to, you all have to agree from a theory point of view that OK, that is in the past, that is left there, so in terms of, if another problem arises further down the line, you can't trawl back up (OM, Consumer Electronics SME).*

Despite the agreement and implementation of these repair strategies, the success of such repair strategies is contingent upon the continuous communication, time and effort put in by the OMs. If this is not undertaken, then trust and affect cannot be repaired effectively (Salo et al, 2009; Hirschman, 1970).



**Figure 7 Repair Strategies**

Previous repair studies have neglected to capture in detail, different outcomes of the repair process on the state of the relationship (Dirks et al, 2009). Despite the agreement of strategies and the implementation of repair actions, they may not be enough to return the relationship to pre state levels of cooperation. Relationships change as a result of the dissolution and repair process where both partners have updated evaluations regarding future B2B exchanges (Ren & Gray, 2009). The empirical findings in this study found different outcomes following the B2B repair process (Dirks et al, 2009; Ren & Gray, 2009). While some relationships actually become stronger following the implementation of committed actions and visible management efforts,

*... so the result is that we have been made strategic partners for their digital strategy, you know. and we are both working very closely on a day-to-day basis almost, and there is a major roll-out over the next two years, and we are the provider for it, full stop, so it's worked very, very well to be rebuilding and repairing that, you know. So it's, that's difficult and it takes time and investment and that's why the personal time is the biggest thing you can invest in one of these things (CEO, Software SME).*

Other relationships were left vulnerable to dissolution at a later date as trust levels were low (Dirks et al, 2009; Tomlinson & Meyer, 2009). In these instances, the study found that OMs were planning to exit in the future but were continuing relations until the time was right to leave their partner.

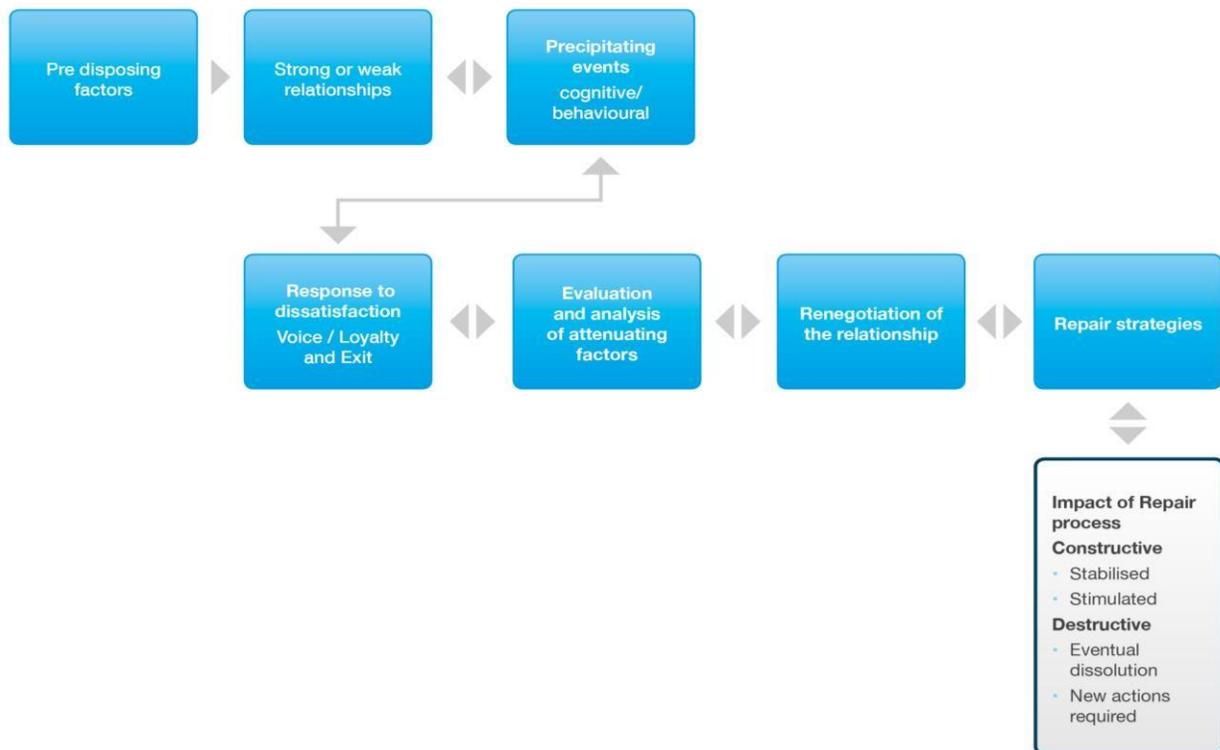
*... but the interesting thing was that, there is a psychological thing in the middle of the whole lot where people feel their trust is broken and I'm, and in this case, on both sides, would have felt that trust was broken very, very clearly, and immediately as soon as I, that hit my business, I was planning on making more work to make sure that we wouldn't have to work for them (OM, Software SME).*

SME F).

Some B2B relationships were forced to compromise where neither party was content with the outcome. In these scenarios, the relationships remained strained until they rebuild levels of trust and commitment.

*Anyway, in the end we worked out a resolution that we could both live with, how to overcome that on both sides, and we, also, they had no capability of delivering without us at that stage, so we had to repair things to a certain extent, and although we came to an arrangement about what had happened, we put together a new process for working together that would make sure we would avoid those kind of problems, and then we continued working together for a period (OM, Software SME F).*

Based on the foregoing, there are different outcomes following repair efforts.

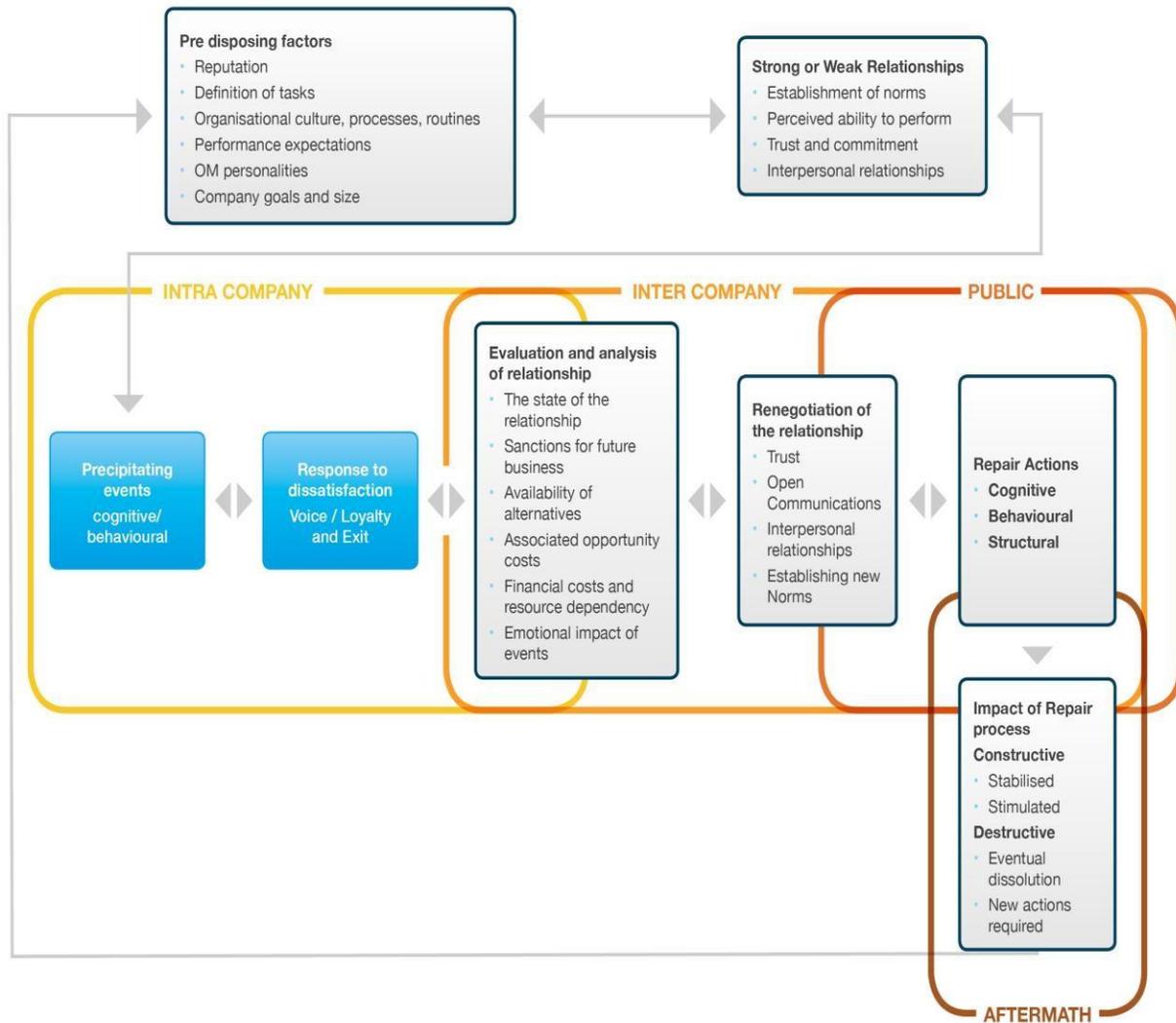


**Figure 8 Impact of Repair process**

Effective repair includes relationships that are stabilised or even strengthened (Dirks et al, 2009; Vidal, 2006) whereas ineffective repair leads to a continued lack of trust and lingering psychological scars which ultimately lead to dissolution (Dirks et al, 2009; Vidal, 2006). Other actions slow down the dissolution process without achieving repair and therefore require more negotiations and repair actions (Vidal, 2006) to achieve a favourable result.

## THEORETICAL CONTRIBUTION

A model for repair is presented (Fig 9) that exemplifies the dynamic nature of the sub-processes identified in this study and inherent in interactions during repair. The pattern that emerged from the research can be best described in terms of a temporal process of activities and actions undertaken at owner manager and business to business levels. These activities and actions are taken in the context of the state of the relationship pre transgression. Extant literature leaves unanswered questions regarding the repair process. Compared to the current repair models in Salo et al (2009) and Tahtinen et al (2007), this research took a more detailed view of the impact of the state of the relationship and the events causing breakdown on the repair process.



**Figure 9. A model for repairing SMEs B2B Relationships in Dissolution**

As illustrated in Figure 9, the model consists of a series of states, activities and actions of repair during the process of dissolution. It starts with the state of the relationship pre transgression, then includes; the precipitating events, the responses to dissatisfaction, the assessment and evaluation of the relationship, the renegotiation of the social order leading to the agreement of repair strategies

and the final part consists of the outcome of the repair process leading to updated evaluations of the B2B relationships.

From the study, a number of important theoretical implications arise including the development of a model of B2B relationship repair. Underpinned by the research aims, the analysis of repairing dissolving B2B relationships brings new knowledge to the general understanding of relational dynamics. Relationship breakdown is not an isolated event but plays a bigger role in preserving, disrupting and changing the social order (Ren & Gray, 2009). Using the process model, researchers can analyse several points in the process that can halt successful relationship repair.

Even though research on relationship dissolution dates back almost two decades, the literature still remains heterogeneous when it comes to understanding the phenomenon. Havila & Tahtinen (2011) encourage researchers to probe more deeply into the functional and dysfunctional effects of relationship dissolution. This study attempts to provide one empirical reply to this call. The empirical grounding is based on a variety of business settings from manufacturing industries to service industries (Tahtinen & Vaaland, 2006). Rather than examine different aspects of dissolution and repair, as has been done in past studies on B2B relationships, this study focusses on the process of repair in B2B dissolution in order to probe more deeply into the wider phenomenon (Dirks et al, 2009).

The researcher identified only two studies that attempted to map the repair process. This study maps the process from beginning to the outcome and in doing so, extends previous typologies used in exchange relationships (Salo et al, 2009; Tahtinen et al, 2007; Halinen & Tahtinen, 2002; Tahtinen & Vaaland, 2006; Rusbult et al, 1988; Ping, 1993). Following the call from Salo et al (2009), this research contributes to the antecedents of the repair process with the inclusion of the state of the relationship pre transgression and the different precipitating events that influence the outcome of the recovery process.

The research confirms Dirks et al's, (2009) view that the state of the relationship before any transgression has a huge impact on the process of repair. However, missing from their conceptualisation is the evaluation of the relationship in the context of this pre-state. In addition, the study contributes to the work of Ren & Gray (2009) by gaining a deeper understanding of the different types of repair strategies that are used, depending on what has been affected by the transgression.

Finally the study confirms Dirks et al, (2009) view that there are different outcomes of the repair process whereby different scenarios were presented including 1) the repair actions proving ineffective and thus the relationship was still open to dissolution in the future, 2) the repair actions were entirely effective and the relationships moved on to a new positive phase with new opportunities and 3) the relationships were stabilised to their pre state before the transgressions.

While this research attempts to close the gap in the extant literature by examining the entire process of relationship repair (Salo et al, 2009; Tahtinen et al, 2007; Tahtinen & Vaaland, 2006; Tahtinen, 2003), the examination of the actions and reactions of the OMs provides insights regarding the dynamic nature of the processes involved (Halinen & Tahtinen, 2002). These OMs are not only responsible for the state of the relationship pre transgression but are also responsible for the renegotiation of the social order (Ren & Gray, 2009; Ring & Van de Ven, 1994) and the continued efforts to restore the relationship post repair.

## PRACTICAL CONTRIBUTION

From this research there are a number of managerial contributions. The empirical findings suggest that a challenge for SMEs in building long term relationships is the development of policies at all levels to foster trust and cooperation through open communications. Management involvement and monitoring of the progress of relationships is essential to the on-going success of their B2B relationships. Indeed, this needs to be communicated within the SME so that all employees understand the importance of maintaining strong relationships with their partners. This research provided insights that help OMs create and develop relationships at all levels within their partner companies. It is argued in this project that there is still a gap in the literature concerning the dissolution of relationships and that companies need to know how relationships become dysfunctional. Furthermore, there is even less understanding of the repair of such relationships in difficulty. In closing this gap, the critical incidents in the studied SMEs provides practitioners with insights into the dynamic processes that will enable OMs to save important relationships should they go wrong.

*On-going management of B2B relationships:* OMs have to be realistic in their management of B2B exchanges that at times there will be tension. As highlighted in this research, post repair, the OMs engaged in open communications and maintenance tactics in order to secure cooperation on the continuance of their relationships. The important point to note is that OMs need to be flexible to deal with the changes that occur, as this flexibility encourages development and continuance.

*Learning will support directors in their endeavours to pursue new relationships:* Insight into the ending process and any repair strategies will aid in the establishment of new relationships as SMEs are expected to learn from their experiences. OMs must also communicate this within their organisation as a way of monitoring behaviour in future exchanges.

*Social and financial cost impact:* Recovering an existing partnership will save SMEs the social and financial costs of dissolution and in establishing new relationships. More information about the ending process can decrease the possibilities of it happening again. Providing partners with opportunities to be open and honest regarding B2B exchanges will encourage greater levels of cooperation and indeed reduce possible tensions that arise in interactions.

*The role of the Owner Manager:* Responding constructively to B2B relationship issues is a prerequisite to the repair process. OMs noted that the avoidance of conflict should be considered by all and indeed embedded in the culture of the organisation. A desire and willingness to invest in long term relationships that are valuable to the company is needed as this shows the partner that the SME is committed to the relationship at all levels, which further enhances trust.

*Understanding the network:* OMs must be aware that even though they have direct relationships, there are also influences from other individuals and companies within the network, which have an impact on their relationships. In addition, OMs need to protect their reputation as this is considered very important to securing future relations.

*Conduct in early interactions:* Conduct in early exchanges is something that SMEs can exercise a great deal of control over. If they understand that their behaviour will have an impact on both current and future exchanges, then OMs can show the meaning of their behaviour to their partners, so that they have appropriate perceptions of the SMEs ability to perform.

*Interpersonal relationships are vital:* An important managerial implication is that OMs must recognise the importance of developing strong interpersonal relationships across all levels of their partner companies (Ring & Van de Ven, 1994). This research demonstrates that there is a significant association between strong interpersonal relationships and B2B trust and commitment. Thus all employees involved in the B2B relationship must be encouraged to develop relationships with their counterparts in the partner organisation. Consequently when relationships break down, these interpersonal relations help to resolve issues.

Finally, SMEs must examine continually the way in which they interact with their relationship partners to assess whether interactions and exchanges meet company expectations and goals. Thus a regular evaluation of the SME's relationships should include the analysis of the strengths and weaknesses within their business relations (Turnbull, Ford & Cunningham, 1996).

### **LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH**

This study has several limitations, most notably whether the findings apply beyond this research project. Further research could be utilised to refine, modify or confirm findings by replicating the study in larger case populations. By studying larger populations, reassurance is given that the findings developed in one research investigation are not wholly idiosyncratic.

Only one side of the dyad was researched, despite attempts to gain access to the other partner. Due to the sensitive nature of dissolution and repair this proved quite difficult. Should future studies gain access to both perspectives, this would be of benefit to researchers in this arena.

Future research could consider using larger companies as the comparative between large firms and SMEs may be interesting. The theoretical concepts provided should be explored in other contexts and internationally where cross comparisons can be made. In addition, a future network analysis regarding network breakdown and repair should be considered.

A quantitative approach to these research findings could also be performed. Future quantitative research and scale development could address the impact of different criteria identified in this work on the repair process.

Finally, in the post repair environment, the passage of time could be explored in greater detail to understand if time heals all wounds or do the types of transgression fester with time? In addition, studies are needed regarding the reactivation and repair of relationships after they have dissolved.

Despite these limitations, the study does make an important contribution to our understanding of the phenomenon. In examining the broader view of relationship repair, it could be argued that simplicity is compromised. However, by taking a holistic view of repair, this research has provided a more in-depth view of the phenomenon. The empirical findings showed that in practice repair has to address a number of factors including both cognitive and behavioural issues. The model presented here is a further step in building a theory of B2B relationship repair.

## References

- Alajoutsijarvi, K., Moller, K. and Tahtinen, J. (2000). Beautiful exit: How to leave your business partner. *European Journal of Marketing*, Vol. 34 (11/12), pp. 1270-1290.
- Amason, A. C. (1996). Distinguishing the effects of functional and dysfunctional conflict on strategic decision making: Resolving a paradox for top management teams. *Academy of Management Journal*, Vol. 39(1), pp. 123-148.
- Anderson, E. and Weitz, B. (1989). Determinants of continuity in conventional industrial channel dyads. *Marketing Science*, Vol. 8(4), pp. 310-323.
- Anderson, J.C. and Narus, J. A. (1990). A model of distributor firm and manufacturer firm working partnerships. *Journal of Marketing*, Vol. 54, Jan, pp. 42-58.
- Anderson, J.C. and Narus, J. A. (1984). A model for the distributor's perspective of distributor-manufacturer working relationships. *Journal of Marketing*, Vol. 48, Fall, pp. 62-74.
- Anderson, E. and Weitz, B. (1992). The use of pledges to build and sustain commitment in distribution channels. *Journal of Marketing Research*, pp. 18-34.
- Baxter, L.A. (1983). Relationship disengagement: An examination of the reversal hypotheses. *Western Journal of Speech Communication*, Vol. 47(2), pp. 85-98.
- Beloucif, A., Donaldson, B. and Waddell, M. (2006). A systems view of relationship dissolution. *Journal of Financial Services Management*, Vol.11 (1), pp. 30-48.
- Blois, K. (2008). Exit, voice and loyalty in business to business markets. *The IMP Journal*, Vol. 2 (1), pp. 2-12.
- Buchel, B. (2003). Managing partner relations in joint ventures. *MIT Sloan Management Review*, Vol. 44 (4), pp. 91-95.
- Daft, R. L. and Weick, K. E. (1984). Toward a model of organizations as interpretation systems. *Academy of Management Review*, Vol. 9 (2), pp. 284-295.
- Dahlstrom, R. and Nygaard, A. (1995). An exploratory investigation of interpersonal trust in new and mature market economies. *Journal of Retailing*, Vol. 71 (4), pp. 339-361.
- Department of Finance, 2012 [Online] Available at: <http://www.finance.gov.ie/what-we-do/economic-policy>
- Dindia, K. and Baxter, L.A. (1987). Strategies for maintaining and repairing marital relationships. *Journal of Social and Personal Relationships*, Vol. 4, pp. 143-158.
- Dirks, K. T., Lewicki, R. J. and Zaheer, A. (2009). Repairing relationships within and between organizations: Building a conceptual foundation. *Academy of Management Review*, Vol. 34 (1), pp. 68-84.
- Duck, S. (1984). *Repairing Relationships 5. Repairing Personal Relationships*, Academic press, London, (1982). *Topography of Relationship Disengagement and Dissolution*, in Duck, S. (Ed.),

*Personal Relationships 4: Dissolving Personal Relationships*, Academic Press, London, (1982),  
Toward a research map for the study of relationship breakdown, in Duck, S. (ed.) *Personal Relationships 3: Personal relationships in Disorder*, Academic Press, London.

Dwyer, R., Schurr, P. and Oh, S. (1987). Developing buyer-seller relationships. *Journal of Marketing*, Vol. 51 (2), pp. 11-27.

Edvardsson, B. and Strandvik, T. (2000). Is a critical incident critical for a customer relationship? *Managing Service Quality*, Vol 10 (2), pp. 82-91.

Ensley, M.D., Pearson, A.W. and Amason, A.C. (2002). Understanding the dynamics of new venture top management teams: cohesion, conflict, and new venture performance. *Journal of Business Venturing*, Vol. 17 (4), pp. 365-386.

Ferguson, J. L., & Johnston, W. J. (2011). Customer response to dissatisfaction: A synthesis of literature and conceptual framework. *Industrial Marketing Management*, Vol. 40 (1), pp. 118-127.

Flanagan, J.C. (1954). The critical incident technique. *Psychological Bulletin*, Vol. 51 (4), pp. 327-358.

Fleming, D., Lynch, P. and Kelliher, F., 2016. The process of evaluating business to business relationships facing dissolution: An SME owner manager perspective. *Industrial Marketing Management*, 58, pp.83-93.

Friman, M., Garling, T., Millett, B., Mattsson J. and Johnston, R. (2002). An analysis of international business to business relationships based on the commitment-trust theory. *Industrial Marketing Management*, Vol. 31, pp. 403-409.

Ganesan, S. (1994). Determinants of long-term orientation in buyer-seller relationships. *Journal of Marketing*, Vol. 58, pp. 1-19.

Gedeon, I.M., Ferne, A. and Poole, N. (2009). The role of inter-personal relationships in the dissolution of business relationships. *Journal of Business and Industrial Marketing*, Vol. 24 (2/4), pp. 218-226.

Geyskens, I., Steenkamp, J.B. and Kumar, N. (1999). A meta-analysis of satisfaction in marketing channel relationships. *Journal of Marketing Research*, Vol.36 (2), pp. 223-38.

Giller, C. and Matear, S. (2001). The termination of interfirm relationships. *The Journal of Business and Industrial Marketing*, Vol. 16 (2), pp. 94-112.

Gnyawali, D. R. and Stewart, A. C. (2003). A contingency perspective on organizational learning: Integrating environmental context, organizational learning processes, and types of learning. *Management Learning*, Vol. 34 (1), pp. 63-89.

Gronhaug, K. and Gilly, M.C. (1991). A transaction cost approach to customer dissatisfaction and complaint actions. *Journal of Economic Psychology*, Vol. 12, pp. 165-183.

Gronroos, C. (1998). Service Quality: The six criteria of good perceived service quality. *Review of Business*, Vol. 9, pp. 10-13.

Halinen, A. and Tahtinen, J. (2002). A process theory of relationship ending. *International Journal of Service Industry Management*, Vol. 13 (2), pp. 163-180.

Halinen, A. (1997). *Relationship marketing in professional services: A study of agency-client dynamics in the advertising sector*. London, Routledge.

Halinen, A. and Salmi, A. (2001): Managing the informal side of business interaction: personal contacts in the critical phases of business relationships. *11<sup>th</sup> Annual international conference of the industrial marketing and purchasing (IMP) group Proceedings*, Oslo, Norway, Sept.

Halinen, A., Salmi, A. and Havila, V. (1999). From dyadic change to changing business networks: An analytical framework. *Journal of Management Studies*, Vol. 36 (6), pp. 779-794.

Hallen, L. and Johanson, M. (2004). Sudden death: dissolution of relationships in the Russian transition economy. *Journal of Marketing Management*, Vol. 20, pp. 941-957.

Harris, L.C., O' Malley, L. and Patterson, M. (2003). Professional interaction: Exploring the concept of attraction. *Marketing Theory*, Vol. 3 (1), pp. 9-36.

Havila, V. and Tahtinen, J. (2011). The state of empirical business relationship ending. *Proceedings of the 27<sup>th</sup> International Marketing and Purchasing group conference*, Glasgow, Scotland, Sept, pp 1-21.

Helm, S., Ludger, R. and Gunter, B. (2006). Suppliers willingness to end unprofitable customer relationships, an exploratory investigation in the German mechanical engineering sector. *European Journal of Marketing*, Vol. 40 (3/4), pp. 366-383.

Hibbard, J.D., Kumar, N. and Stern, L.W. (2001). Examining the impact of destructive acts in marketing channel relationships. *Journal of Marketing Research*, Vol.38, pp.45-61.

Hirschman, A.O. (1970). *Exit, Voice and Loyalty; Responses to decline in firms, organisations and states*. Cambridge, MA, Harvard University Press.

Hocutt, M.A. (1998). Relationship dissolution model: Antecedents of relationship commitment and the likelihood of dissolving a relationship. *International Journal of Service Industry Management*, Vol. 9 (2), pp. 189-200.

Hollmann, T., Jarvis, C.B. and Bitner, M.J., 2015. Reaching the breaking point: a dynamic process theory of business-to-business customer defection. *Journal of the Academy of Marketing Science*, 43(2), pp.257-278.

Holmlund, M. and Hobbs, P., 2009. Seller initiated relationship ending, an empirical study of professional business to business services. *Managing Service Quality*, Vol.19 (3), pp.266-285.

Hughes, J. and Weiss, J., 2007. Simple rules for making alliances work. *Harvard Business Review*, Vol. 85 (11), pp 122-131.

Jap, S.D. and Anderson, E., 2007. Testing a life-cycle theory of cooperative inter-organisational relationships: Movement across stages and performance. *Management Science*, Vol. 53 (2), pp. 260-275.

- Johnston, W.F. and Hausman, A. (2006). Expanding the marriage metaphor in understanding long-term business relationships. *Journal of Business and Industrial Marketing*, Vol. 21 (7), pp. 446-452.
- Keaveney, S. (1995). Customer switching behaviour in service industries. An exploratory study. *Journal of Marketing*, Vol. 59, pp. 71-82.
- Kelley, H.H. (1983). The situational origins of human tendencies: A further reason for the formal analysis of structures. *Personality and Social Psychology Bulletin*, Vol. 9, pp. 8-30.
- Kelliher, F. and Henderson, J.B., (2005). *Implementing IT in a micro-firm*. Proceedings of the Irish Academy of Management Annual Conference, NUIG, Sept 7-9, Galway, Ireland.
- Larson, A. (1992). Network dyads in entrepreneurial settings: A study of the governance of exchange relationships. *Administrative Science Quarterly*, Vol. 37, pp. 76-104.
- Lee, L. (1984). Sequences in separation: A framework for investigating endings of personal romantic relationships. *Journal of Social and Personal Relationships*, Vol. 1, pp. 49-73.
- MacNeil, I.R. (1980). *The new social contract, an inquiry into modern contractual relations*, New Haven, CT, Yale University Press.
- McAdam, R., Reid, R. S., and Gibson, D. A. (2004). Innovation and organisational size in Irish SMEs: an empirical study. *International Journal of Innovation Management*, Vol. 8 (2), pp. 147-165.
- McGrath, H. and O'Toole, T. (2011). Challenges in implementing the markets-as-networks approach to marketing for SMEs. *Irish Marketing Review*, Vol. 21, pp. 58-65.
- Miles, M.B. and Huberman, M.A. (1994). *An expanded sourcebook of qualitative data analysis*. London, Sage.
- Mohr, J. and Spekman, R. (1994). Characteristics of partnership success: Partnership attributes, communication behaviour, and conflict resolution techniques. *Strategic Management Journal*, Vol. 15, pp. 135-152.
- Morgan, R.M. and Hunt, S.D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing*, Vol. 58, pp. 20-38.
- Nielson, C.C. (1996). An empirical examination of switching cost investments in business to business marketing relationships. *Journal of Business and Industrial Marketing*, Vol.11 (6), pp. 38-60
- Panther, T. and Farquhar, J.D. (2004). Consumer responses to dissatisfaction with financial service providers: An exploration of why some stay while others switch. *Journal of Financial Services Marketing*, Vol. 8 (4), pp. 343-353.
- Parkhe, A. (1998). Building trust in international alliances. *Journal of World Business*, Vol. 33 (4), pp. 417-437.

Peterson, D. (1974). Conflict. In Kelley, H. H., Berscheid, E., Christensen, A., Harvey, J. H., Huston, T. L., Levinger, G. & Peterson, D. R. (1983). *Close relationships*, 20, 67.

Pettigrew, A. M. (1997). What is a processual analysis? *Scandinavian Journal of Management*, Vol. 13 (4), pp. 337-348.

Ping, R.A., Jr. (1993). The effects of satisfaction and structural constraints on retailer exiting, voice, loyalty, opportunism and neglect. *Journal of Retailing*, Vol. 69 (3), pp. 320-352.

Ping, R.A., Jr. (1997). Voice in business to business relationships: cost of exit and demographic antecedents. *Journal of Retailing*, Vol.73 (2), pp. 261-281.

Ping, R.A. Jr. (1999). Unexplored antecedents of exiting in a marketing channel. *Journal of Retailing*, Vol.73 (2), pp. 218-241.

Puranam, P. and Vanneste, B.S. (2009). Trust and governance: Untangling a tangled web. *Academy of Management Review*, Vol. 34 (1), pp. 11-31.

Reb, J., Goldman, B. M., Kray, L. J. and Cropanzano, R. (2006). Different wrongs, different remedies? Reactions to organizational remedies after procedural and interactional injustice. *Personnel Psychology*, Vol. 59 (1), pp. 31-64.

Ren, H. and Gray, B. (2009). Repairing relationship conflict: How violation types and culture influence the effectiveness of restoration rituals. *Academy of Management Review*, Vol. 86, pp. 105-126.

Reijonen, H. and Komppula, R. (2007). Perception of success and its effect on small firm performance. *Journal of Small Business and Enterprise Development*, Vol. 14 (4), pp. 689-701.

Rhee, M., and Valdez, M.E. (2009). Contextual factors surrounding reputation damage with potential implications for reputation repair. *Academy of Management Review*, Vol. 34 (1), pp.146-168.

Ring, P. and Van De Ven, A. (1994). Developmental processes of cooperative interorganisational relationships. *Academy of Management Review*, Vol.19 (1), pp. 90-118.

Ring, P. and Van De Ven, A. (1992). Structuring cooperative relationships between organisations. *Strategic Management Journal*, Vol. 13 (7), pp. 483...

Rusbult, C.E., Zembrodt, I.M, and Gunn, L.K. (1988). Exit, voice, loyalty, and neglect: Responses to dissatisfaction in romantic involvements. *Journal of Personality and Social Psychology*, Vol. 43, pp. 1230-1242.

Rusbult, C.E. and Farrell, D. (1983). A longitudinal test of the investment model: The impact on job satisfaction and commitment, and turnover of variations in rewards, costs, alternatives, and investments. *Journal of Applied Psychology*, Vol. 63, pp. 429-438.

Ryan, A. and Blois, K. (2010). The emotional dimension of organisational work when cultural sponsorship relationships are dissolved. *Journal of Marketing Management*, Vol.26 (7/8), pp. 612-634.

- Salo, A., Tahtinen, J. and Ulkuniemi, P. (2009). Twists and turns of triadic business relationship recovery. *Industrial Marketing Management*; Vol. 38, pp. 618-632.
- Seabright, M.A., Levinthal, D.A. and Fichman, M. (1992). Role of individual attachments in the dissolution of inter-organisational relationships. *Academy of Management Journal*, Vol. 35 (1), pp. 122-160.
- Schurr, P.H. (2007). Buyer-seller relationship development episodes: Theories and methods, *Journal of Business and Industrial Marketing*, Vol. 23 (2), pp. 161-170.
- Tahtinen, J. and Vaaland, T. (2006). Business relationships facing the end: Why restore them? *The Journal of Business and Industrial Marketing*, Vol. 21 (1), pp. 14-23.
- Tahtinen, J. (2003). A business relationship ending process: Stages and actors, *Proceedings of the 18<sup>th</sup> Annual international conference of the Industrial marketing and purchasing (IMP) group*, Dijon, France.
- Tahtinen, J. and Halinen-Kaila, A. (1997). The death of business triads: the dissolution process of a net of companies. *Proceedings of the 13<sup>th</sup> Annual international conference of the industrial Marketing and Purchasing (IMP) group*, Lyon.
- Tahtinen, J., Paparoidamis, N.G. and Chumpitaz, R. (2007). Business relationship recovery – A process model. *Proceedings of the 23<sup>rd</sup> Annual international conference of the Industrial marketing and purchasing (IMP) group*, Manchester, UK.
- Thibaut, J.W. and Kelley, H.H. (1959). *The social psychology of groups*. Reprint, New Brunswick, Transaction Books.
- Tomlinson, E.C. and Mayer, R.C. (2009). The role of causal attribution dimensions in trust repair. *Academy of Management Review*, Vol. 34 (1), pp. 85-104.
- Turnbull, P., Ford, D. and Cummingham, M. (1996). Interaction, relationships and networks in business markets: an evolving perspective. *Journal of Business and Industrial Marketing*, Vol. 11 (3/4), pp. 44-62.
- Ulaga, W. (2003). Capturing value creation in business relationships: A customer perspective. *Industrial Marketing Management*, Vol. 32, pp. 677-693.
- Vaaland, T.I. and Tahtinen, J. (2003). From attenuating awareness to attenuating action: saving business relationships under pressure. In *international marketing and purchasing (IMP) group*, Lugano, Switzerland, Sept.
- Vaaland, T.I. (2006). When conflict communication threatens the business relationship: Lessons from the balder story. *Journal of Business to Business Marketing*, Vol. 13 (2), pp. 3-27.
- Vaaland, T.I. (2004). Avoiding business divorce. *Journal of General Management*, Vol. 29 (3), pp. 37-56.

Vidal, D. (2006). Breakdown and restoration of business relationships. How to avoid the dissolution of long-term relationships. *Proceedings from the 22nd International marketing and Purchasing (IMP) group conference*, Milan.

Weick, K.E. (1995). *Sensemaking in organisations*. CA, Sage Publications.

Weick, K. E. (1988). Enacted sensemaking in crisis situations. *Journal of Management Studies*, Vol. 25 (4), pp. 305-317.

Zhang, C., Griffith, D.A. and Cavusgil, S.T. (2006). The litigated dissolution of international distribution relationships: A process framework and propositions; *Journal of International Marketing*, Vol.14 (2), pp. 85-115.