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Psychological contract breach: Unraveling the dark side of business-to-business

relationships

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Abstract

While there is an increasing awareness of the importance of developing successful business-to-business relationships, little research has explored the dark side of these relationships. We drew upon the concept of psychological contract, underpinned by social exchange theory to examine breach and the dark side of business-to-business relationships. We conducted in-depth interviews with 24 consultants in the UK and found that breach could take varying forms, resulting in differing levels of intensity of the dark side. The four theoretical categories of breach were classified as minor infractions, negative disruptions, intensified adverse events, and intolerable transgressions, which correspond to low, moderate, high, and very high levels of the dark side of business-to-business relationships, respectively. The dark side behavioral outcomes were identified as self-adjusting, renegotiating, escalating, and departing. We develop a set of research propositions, integrating and extending the business-to-business and psychological contract literature. We also highlight key implications for theory and practice.

Psychological contract breach: Unraveling the dark side of business-to-business relationships

1. Introduction

Conceptualized as an individual's implicit perceptions of reciprocal promises and obligations between that individual and another party (Rousseau, 1995), psychological contract (PC) is a key concept to understand business-to-business (B2B) relationships (Blessley et al., 2018; Johnsen & Lacoste, 2016; Kingshott et al., 2020; Palmatier et al., 2009). Businesses often spend considerable time developing effective reciprocal exchanges to help resolve business problems and strengthen relationships (Mir et al., 2017). However, when there is a discrepancy in mutual expectations and promises, a breach occurs, which could lead to the deterioration of business relationships, resulting in decreased loyalty, reduced performance and satisfaction, loss of trust, lack of fairness, and increased exit intentions (Blessley et al., 2018; Brown & O'Brien, 2011; Kaufmann et al., 2018; Lusch et al. 2011).

Breach caused by such negative effects could also exhibit the dark side of B2B relationships, which often entails lack of trust, conflict, uncooperative behavior, and perceived injustice in business exchanges (Bakker et al., 2016; Huang et al., 2016; Robinson & Brown, 2004). Mitigating the effects of breaches could prove beneficial for managing the dark side of business relationships and transforming it from an adversarial to a collaborative engagement (Kaufmann et al., 2018). However, despite the significance of mutual exchanges in B2B relationships, there is a lack of research examining the underlying interpersonal psychological elements (Abosag et al., 2016). We examined the dark side of B2B relationships through the lens of PC grounded in social exchange theory (SET), specifically studying PC breach. Underpinned by SET, successful B2B relationships are highly dependent on reciprocal commitments to the ongoing exchange and investment in the relationship (Kingshott et al.,

2020). Failure to do so could result in a breach and subsequently impede the performance and continuity of the relationship.

We contribute to the B2B and PC literature in several ways. First, the majority of B2B literature has examined specific negative relational constructs such as conflict, opportunism, self-interest, uncertainty, unethical practices and tensions, and their outcomes (Abosag et al., 2016). This has resulted in limited attention to the wider gamut of interpersonal exchanges within these relationships in most studies on the dark side of B2B relationships (Chung et al., 2021). To address this gap, the distinctive contribution of this study lies in integrating the dark side of B2B and PC literature through employment of PC breach to provide a holistic examination of participants' expectations and promises in B2B relationships regarding PC breaches, their manifestation of the dark side of B2B relationships, and their resultant dark side behavioral outcomes.

Second, most B2B studies employing PC have investigated the antecedents and consequences of a breach (Kingshott et al., 2020) and conceptualized breach as an overarching term. PC research has recognized that promises and obligations can be breached in several ways, depending on their nature, attribution, meanings, and their impact on relationships. However, there is limited research unpacking the nature of breaches (Conway & Briner, 2005, 2009; Kutaula et al., 2020; Morrison & Robinson, 1997; Parzefall & Coyle-Shapiro, 2011), particularly, the nature of unmet promises and obligations related to the existence of a dark side is under-researched. To our knowledge, this is the first study to examine the nature and meaning ascribed to PC breach and its links with the dark side of B2B relationships, thus extending the dark side of B2B and PC literature.

Third, there is a scarcity of research, which empirically examines the intensity of the dark side of B2B relationships, although it has been argued that the degree of the dark side varies on a continuum from tolerable to intolerable (Abosag et al., 2016). Our study proposes

that depending on the nature of the breach, the intensity of breached expectations and promises to vary, resulting in differing levels of the dark side of B2B relationships. By extending the theoretical conceptualization of the PC breach, this is the first study to develop four theoretical categories of breaches, i.e., minor infractions, negative disruptions, intensified adverse events, and intolerable transgressions, specifically for the context of B2B relationships, which manifest low, moderate, high, and very high levels of the dark side, respectively.

Fourth, there is a lack of research examining how the parties involved in the B2B relationships manage and respond to the dark side of these relationships. This is very important; especially if the relationships are evaluated from a long-term orientation, both parties must attempt to restore and repair the strained relationships to avoid termination (Abosag et al., 2016; Barnes, 2005; Cheng et al., 2021). To address this gap, we have provided insights into participants' responses depending on the intensity of the dark side of B2B exchanges. The behavioral outcomes of the dark side included self-adjusting, renegotiating, escalating, and departing behaviors. This corresponded to the low, moderate, high, and very high levels of the dark side, respectively. We also developed propositions that integrate these types of breaches, their link with the dark side of B2B relationships, and their resultant dark side behavioral outcomes.

Lastly, although quantitative studies have documented the association between PC breach and negative outcomes, they have offered little insight into the dark side of B2B relationships. Most have utilized a composite measure of the breach, assuming that the impact of all promises or obligations will be similar (see Eckerd et al., 2013). However, we employed a qualitative approach to understanding the nuanced nature of breach and the dark side of B2B relationships. It provided us an in-depth understanding of the participants' experiences of breach, as the intensity, meaning, and nature of breach and dark side of B2B relationships

differed. The interviews also revealed behavioral responses to breach and their manifestation as the dark side of B2B relationships.

2. Conceptual background: PC breach and dark side of B2B relationships

B2B relationships have the propensity to produce both positive and negative outcomes, with the latter contributing to conflicts and disagreements between the parties (Anderson & Jap, 2005; Huang et al., 2016), which, if remain unreconciled, could result in the termination of these relationships (Bakker et al., 2016). While most B2B research focuses on the positive side of relationships, there is little research examining their negative aspects i.e., the dark side of B2B exchanges (Abosag et al., 2016; Cheng et al., 2021; Fang et al., 2011). The dark side of B2B relationships has been defined as the "set of generally damaging aspects of inter-organizational relationships; these aspects can be voluntary or involuntary and are generally driven by competence or integrity issues" (Oliveira & Lumineau, 2019, p. 232). Much of the research on the dark side of business relationships has focused on negative aspects of relationships such as conflict, uncertainty, self-interest, and opportunism, unethical practices and tensions that may diminish the effectiveness of B2B relationships (Barnes, 2005; Chung et al., 2016; Fang et al., 2011). One of the shortcomings in the existing research on the dark side of B2B relationships lies in its narrow focus on specific negative relational constructs such as conflict, opportunism, self-interest, uncertainty, unethical practices and tensions, and the limited understanding of the broader view of interpersonal interactions within B2B relationships. We employ the lens of PC, which explicates perception of mutual expectations and promises, defined by Rousseau et al. (2018, p. 1081) as a "cognitive schema, or system of beliefs, representing an individual's perceptions of his or her own and another's obligations, outlined as the duties or responsibilities one feels bound to perform." In B2B relationships, this is pertinent, as the terms of PC are typically understood to lie in the "eyes of the beholder,"

because the involved parties form their cognitive interpretation of the exchange agreement, rendering it to a complex and nuanced engagement.

PC is predicated on the social exchange theory, which proposes that social relationships are based on mutual exchange and reciprocity (Blau, 1964; Gouldner, 1960). Perceived neglect of these aspects jeopardizes the effectiveness of relationships. Hence, there is a continuing need for reaffirmation if the contract is to endure and not deteriorate through a lack of sustenance, which holds the contract together (Rousseau et al., 2018). It is worth noting that one party has the motivation to fulfill obligations only when it is beneficial for them to be associated with the other party; thus, reciprocity is provisional upon mutual benefits (Cassar & Briner, 2011; Coyle-Shapiro et al., 2019).

The SET is appropriate for this study as it highlights the interdependence between parties in B2B relationships and posits that parties develop and nurture relationships to gain value, maximize the benefits, and minimize the costs (Cortez & Johnston, 2020). Conceptually, upon viewing B2B relationships from the SET perspective, it can be argued that the strength of these relationships is established upon the fulfillment of promises and obligations (Blessley et al., 2018; Kingshott et al., 2020). Hence, PC may be perceived as a subjective take on an agreement between two parties where, if there is real congruence between expectations, it can foster true and harmonious relationships. However, incongruence in mutual obligations leads to a PC breach, which is defined as "the extent to which the organization has failed to fulfill its promises or obligations" (Zhao et al., 2007, p. 649), which can be distinguished from a violation that encapsulates the emotional responses that may stem from the breach. When a breach occurs, it can create a toxic situation replete with challenges, disputes, and disagreements, which permeate all levels of a B2B relationship (Eckerd et al., 2013, 2016; Hill et al., 2009).

In accordance with the SET perspective, a breach could cause parties to reappraise their exchanged terms and conditions, often leading to a loss of trust or reduction in contributions towards the other party (Kingshott et al., 2020). Similarly, the existence of the dark side in B2B relationships could be marked by obligations and promises, and there is an unmet opportunity for resentment to enter the situation, as one party may feel exploited by the other; this can serve as a disincentive toward the prolongation of the contract, or the generation of future contracts (Davis & Van der Heijden, 2018; Payne et al., 2015). Given this relevance, it is surprising that most PC breach research has been in the employment relationship context, while scant studies have examined PC breach in B2B relationships (Table 1).

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The initial studies conducted to investigate PC breach in B2B relationships were by Kingshott (2006) and Kingshott and Pecotich (2007) and were in the context of suppliers and distributors. They observed a direct and positive effect of PC on relationship commitment and trust. Hill et al. (2009) found that PC violations mediated the relationship between unethical behavior and trust. Blessley et al. (2018) revealed that a relational PC breach from the supplier side could have an immediate impact on the buyer's perceptions of fairness and, although the cause of the breach was relational, the firm used a transactional breach as the justification to terminate the contract. They recommended that since PC is idiosyncratic, there is a need to understand what it entails through a dialogue between both sides.

Oliveira and Lumineau (2019), citing Dawson et al. (2014), reviewed the literature on the dark side of inter-organizational relationships. They identified breach as one of the individual level drivers of the dark side; any aberrations in the mutual expectations and promises could significantly damage the relationships, given the reciprocity tenet of SET. Lusch et al. (2011) referred to the possible emergence of the dark side of close-channel partner relationships in the case of severe breaches. Even in the organizational behavior literature, Robinson and Brown

(2004) established breach and violation as sources of the dark side of organizational behavior. This gave rise to the fallible assumption that all types of breaches manifest a dark side in a similar way. Very few researchers have recognized that PC breach can assume many forms; therefore, limited emphasis has been placed on the nature of breach (Conway & Briner, 2005, 2009; Kutaula et al., 2020). In particular, the nature of unmet promises and obligations related to the existence of a dark side is under-researched. Moreover, most PC breach studies have focused on breaches and their potential negative outcomes, which could be attributed to the fact that most of the existing PC research is quantitative and cross-sectional—operationalizing it as a composite measure of promises or obligations (Zhao et al., 2007).

An important question is whether all types of breaches go beyond minor breaches and grow into major breaches manifesting the dark side of B2B relationships. In this context, Eckerd et al. (2013) argued that the more severe the event, the greater the saliency and the possibility of the instance being identified as a breach. Abosag et al. (2016) conceptualized the degree of the dark side of B2B relationships on a continuum, ranging from tolerable to intolerable; however, this aspect has not been empirically examined. Further, according to Kaufmann et al. (2018), it is possible to transmogrify the relationship from adversarial to collaborative through trust restoration. They found that the impact of trust repair was greater in the case of relationships that were formerly adversarial rather than collaborative. These findings corroborate the assumptions of the SET, whereby a buyer's response to repairing breaches engenders fruitful possibilities in future interactions and thus motivates the supplier to respond suitably.

To address these gaps, this study examined the participants' subjective experiences, with a focus on understanding the nature and meaning of what constitutes a PC breach in B2B relationships. We explored the links between breach and the dark side of B2B relationships, before finally investigating the latter's behavioral outcomes.

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3. Methodology

Given the dearth of related research, it was deemed important to employ an exploratory research design providing detailed comprehension of the nuanced nature of PC breaches and their manifestations as the dark side of B2B relationships. Therefore, we employed a qualitative research design using elements of grounded theory including theoretical sampling, constant comparison, data saturation, substantive coding, and memo writing (Corbin & Strauss, 1990; Strauss & Corbin, 1998) to extend the theory and to build the theoretical categorization of breaches linked to the dark side of B2B relationships and their behavioral outcomes.

3.1 Sampling framework and sample characteristics

We interviewed twenty-four owners and/or senior members of the consulting firms, focusing on their viewpoint of B2B relationships as we adopted an organizational perspective of the consulting firm. Theoretical sampling was carried out as theoretical categorization emerged, guided by the constant comparison approach (Strauss & Corbin, 1998). Consultants were eligible for interviews if they had at least two years of work experience in B2B relationships and had managed medium- to long-term client relationships. They also had to have experience with various client engagement activities, including breaches. Consultants who were not directly involved in client-directed activities were excluded.

We conducted online search for consultancy firms in the UK using the Consultancy UK databases; then, we approached and recruited the owners/senior consultants within those firms, based on their expertise, by sending individual messages on LinkedIn. We provided a brief about our study and asked about their willingness to participate and share their experiences. Thirty-one consultants volunteered to participate; however, seven consultants could not participate in the interviews. Thus, the final sample comprised twenty-four consultants, seventeen male and seven female (see Table 2), who were contacted by email/phone and were

briefed in detail about the project. Informed consent was obtained from the participants before conducting the interviews. The participants were advised that their responses would be anonymized and used only for this research.

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To achieve possible variability in the sample at the organizational level, as we were mainly interested in examining breach as the dark side of B2B relationships, we interviewed twelve owners of consulting firms, five members of senior management (e.g., the Vice President, Head of Solutions Development, and Director of Client Services), and seven senior consultants/team leaders. We also aimed to have variability regarding the size of the firms based on the number of people employed (Eurostat, 2020). As evident in Table 2, fifteen consulting firms were considered small- or medium-sized (less than 250 employees), nine consulting firms were large-sized (over 250 employees) and most of these firms have a global presence. The consultants were also from diverse industries, with seven consultancy firms from the broad area of management consulting and the remaining firms operating in specialized areas including digital business/marketing, HR and workforce consulting, technology, financial services, and engineering.

3.2 Data collection

Data were collected in tandem with data analysis by conducting twenty-four in-depth interviews lasting between twenty-five minutes to around three hours in duration. The responses were recorded and transcribed verbatim. The interview design was flexible and open ended, based on the following broad themes: *nature of expectations and promises between a consultant and client, incidents considered as breaches, and their interpretations of the dark side of B2B relationships.* The interview guide evolved further based on the emergent theoretical categorization (Charmaz, 2005). To elicit experiences of PC breaches concerning

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unmet expectations, promises, and obligations, we examined incidents considered by the participants as breaches, reasons for breaches, and the impact of those breaches on B2B engagements. For instance, we asked questions such as, "*recall and explain any incident when promises and obligations were not kept? What were the reasons for breaches, how they manifested as the dark side of B2B relationships and what were the outcomes*? Data saturation was achieved after the 21st interview, following which we conducted three additional interviews; the additional data did not add substantial information, and hence, the data collection process was ceased (Glaser & Strauss, 1967; Silverman, 2000).

3.3 Data analysis

The data analysis was carried out in three stages, in tandem with data collection, constantly comparing incidents, codes, and categories within and between each transcript to identify recurring patterns and to strengthen the emergent themes (Strauss & Corbin, 1998).

To achieve inter-rater reliability, the authors shared notes regularly during both data collection and data analyses to discuss the emergent categories and multiple rounds of discussions took place between the authors to agree upon the codes and categories. In the first stage, to understand participants' views on breaches in B2B relationships, we performed substantive open coding, generating initial codes by comparing incidents within the data (Glaser & Strauss, 1967). For example, some of the initial codes identified from the data were mistrusting, withholding information, push backs, and clash of personality, etc. In the second stage of analysis, advanced conceptual memos were written, which served as pointers for further data collection, theoretical sampling, and analyses. Second-order codes were identified, conceptualizing the reasons for breaches and dark side, types of breached expectations/promises, and their impact on the B2B relationship (see Table 3).

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In the final stage of analysis, second-order codes were collapsed into categories considering similarities among them. As a result, four theoretical categories of breach were developed, linked to the intensity of the dark side of B2B relationships and the dark side behavioral outcomes emerged.

4. Findings and development of propositions

The analysis of data revealed that incongruence in mutual expectations and obligations in B2B relationships resulted in breaches, the nature and intensity of which varied, and some breaches had a darker side to them than others. We developed four theoretical categories of breaches including minor infractions, negative disruptions, intensified adverse events, and intolerable transgressions resulting in dark side behavioral outcomes - self-adjusting, renegotiating, escalating, and departing, respectively. These are summarized in Table 4. Based on the analysis of findings, we also developed propositions pertaining to the theoretical categories of breaches, their links with the dark side of B2B relationships, and dark side behavioral outcomes.

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4.1 Minor infractions, low levels of dark side, and self-adjusting

The first theoretical category of breach, as shown by the data is that of minor infractions manifesting the lowest level of the dark side of B2B relationships, resulting in self-adjusting behaviors. According to the participants, minor infractions occurred, for example, when both parties had agreed on the contractual job including the deliverables, the budget, and the timelines, however, the client may have asked for further additional work that had not been agreed upon in the initial contract. These expanded expectations were mostly one-off and not

on an ongoing basis and were also referred to as "one-off scope creep" by the participants. One participant explained a minor infraction as:

> A managing director of a bank, where we had a long physical presence at her location, asked for additional reporting and data management that one of her in-house team members was unable to accomplish, though this was not in the scope of the original agreement. (Participant 21, Male, P21C3)

As the one-off additional task was considered a minor breach, the dark side caused by it was also low and the outcome was in the form of self-adjusting behaviors. For example, some of the participants stated they often attempted to resolve minor infractions by taking actions within their team, and not flagging them with the client. However, the main motivation behind self-adjusting behavior was that the consultants often have an implicit expectation of reciprocity from the clients, regarding paid additional work or new contracts, as stated by a participant, "our client gave us some additional work….I understand it is a short-term pain for a long-term win." One manager said to me, "Why are we doing this additional work and it is not in our scope?" I had to tell him, "You need to realize that this isn't about just doing this one piece of work; it is about showing your value so that we get more work." Moreover, since this happened about six months ago, he has seen the fruits of doing that work and what that has led to. (Participant 7, Female, P7C1)

Since the consultant had a long-standing relationship with the client, although the work was additional, they took it on in the hope that it would help solidify trust and secure more business, thus implying the importance of maintaining a relational psychological contract. Concurrently, they recognized that the cost of performing these one-off additional tasks has massive implications related to effort, money, and time. However, while self-adjusting behavior could help maintain a long-term fruitful relationship, the participants

expressed that sometimes, these minor infractions could create doubts in the consultant's mind regarding the client's intentions leading to low levels of the dark side. For example, one consultant stated:

> A client was not being forthright about the scope; [they were] a bit sneaky because maybe they were trying to get a good price. Therefore, they let you in; once you are in, then you get to know the full extent of the problem. (Participant 11, Male, P11C2)

Another example of a minor infraction given by the participants was when, sometimes, the client has a personality clash with a team member and would want the consultant to, if possible, replace them with another member. In such cases, the consultants often feel that they do not have the freedom to act according to their wishes and consider this as a low level of the dark side in B2B relationships. Consequently, they tend to alter the teams accordingly and move specific team members to other projects, depicting self-adjusting behaviors within the team. One of the participants explained:

> I have had to move managers of a client's account. This is because the "face does not fit." It is a metaphor to say it is not working. I must recognize that the client does not care about the personnel; they care about the deliverables…The phrase I use with my team is that "sometimes you need to chop off your hand to save your body." Rather than jeopardizing everyone else's job and the client relationship, you must sacrifice someone for the greater good. (Participant 15, Male, P15C1)

In all these accounts, minor infractions were perceived by the participants as low levels of the dark side of B2B relationships, as they could self-adjust these infractions within the team. The consultants also ascribed their attempts to resolve these minor infractions by taking actions within their team as a "natural disposition" of their roles to appease the challenges, issues, or concerns of the client, sometimes at the cost of their team's feelings.

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They deemed the actions appropriate and necessary to maintain a long-term relationship with the client, which in turn would benefit the team. Hence, we posit the following:

Proposition 1: Minor infractions, characterized by low levels of PC breach, are associated with low levels of the dark side of B2B relationships.

Proposition 2: Low levels of the dark side of B2B relationships are related to self-adjusting behaviors.

4.2 Negative disruptions, moderate levels of dark side, and renegotiating

The second theoretical category of breach as developed from the analysis of interviews is negative disruptions. It was found that once they started to affect the project deliverables, they were manifested as a moderate level of the dark side of B2B relationships, and to mitigate negative disruptions, the participants demonstrated renegotiating behaviors. One of the key negative disruptions mentioned by the participants was a constant increase in tasks that were not predefined in the contract and referred to as "chronic scope creep". This contrasts with minor infractions where the job creep was mostly a one-off activity. They explained that the constant increase in workload, led them to rethink and recalculate the cost and resource implications on the contract, straining the relationship and hence, intensifying the level of the dark side to moderate levels. Therefore, to lower the levels of the dark side, most of the time, the consultants were very measured in their approach toward scope creep, and treaded carefully, as they identified a delicate balance in these requests. They would still intend to perpetuate a long-term relationship with the client; however, in cases where the scope creep was continuous, they felt the need to renegotiate the terms of the contract with the client and reset the client's expectations. Often, this involved a renegotiation around implications of the extra work on the consultant's time and resources, including requests for monetizing the extra work, as one of the experienced consultants expressed:

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You must watch very carefully because it can creep incrementally, very slowly, and before you realize it, you are delivering an extra project. That is where the relationship can get strained, and sometimes you can go like, "Look, your people are asking for all this extra stuff and we would love to do it, and it will help develop them, but ultimately, we can't do it for free." We have thrown this extra and would love to do more but we do not have the budget for it. (Participant 18, Male, P18C2)

Another negative disruption the participants often experienced was postponement in the provision of promised resources. For example, a breach was felt when the client failed to adhere to the payment schedules for the jobs that had been performed by the consultant:

I have one client; she has not been paying for almost six months now. I will tell the client to tell their finance department to prioritize our invoices. If they do not pay us in time, how will we continue to work for them? (Participant 15, Male, P15C2)

The participants also felt that their expectations were breached when the client delayed the provision of data that was initially promised. This is because the participants perceived that offering resources were one of the main obligations on the client's part. As a result, they felt the need to report it to the client and renegotiate the terms of the contract. The consultant does so with an implicit expectation that the client will take action to repair the situation and attempt to restore the PC:

…You have to say to the client, "Look, every day is a delay due to you not supplying data that you told us you would supply, and it is costing you this, and this is the burn rate for consulting. So, if you don't supply the data, what do you want us to do?" You can easily fall out with your client because they have made a commitment…They told me they would do certain things; if they do not, that's a real tough one. (Participant 18, Male, P18C1)

In all these cases, the consultants mentioned that it was easy to "fall out" with the client if the situation was not handled appropriately by both the parties. Therefore, we propose that:

Proposition 3: Negative disruptions, which are indicative of moderate levels of PC breach, are congruent with moderate levels of the dark side of B2B relationships.

Proposition 4: Moderate levels of the dark side of B2B relationships are related to renegotiating behaviors.

4.3 Intensified adverse events, high levels of dark side, and escalating:

The third theoretical category of breach is intensified adverse events, which if aggravated, could reach a point where they could jeopardize the overall success of the engagement, hence demonstrating high levels of the dark side of B2B relationships. This could lead to escalations, which require interventions by senior management. Such breaches demonstrate a discrepancy between obligations and inducements, which is of sufficient magnitude to impede the achievement of project goals. One intensified adverse event mentioned by the participants was that of non-cooperative behavior by the client's team. For example, a participant explained that a key stakeholder initially breached his trust by avoiding him for days, to sign a document; then, once he contacted him, he blatantly refused to cooperate. This aggravated the breach to the point of escalation to the senior management and they had to intervene:

> The finance director of the organization was absolutely against the project. He had to sign off a document, but he kept avoiding me. It is funny but sometimes you can have a stakeholder who is so much against the project that they would hide in the cupboard. Eventually, he said to me, "I don't care what the benefits are; I will not sign this

document." The CEO had to intervene and sign the document. It was a very difficult

relationship. (Participant 18, Male, P18C1)

In another example, some members of a client's team withheld information

intentionally and failed to keep their promise of providing information when required. A

consultant perceived this as an intensified adverse event, giving rise to high levels of the dark

side of B2B relationships:

> A person in the Business Intelligence (BI) department, responsible for the data, was
>
> enormously resistant to changing the current IT system. The result of that had been
>
> that some of his influence started to wane. There were some incomplete customer
>
> addresses, from a system perspective, that could not go into the campaign. Therefore,
>
> I tried to complete the database, but the only person who could do that for me was in
>
> the BI team, who refused to do so. I had to pull data from different systems.
>
> (Participant 2, Male, P2C1)

Furthermore, the dark side of relationship was enhanced when a client's team member

influenced other people in their team to work in their interests. One participant described how

one of their stakeholders, lobbied against the consultant and started to influence other

members in his team to benefit his career trajectory and enhance his profile to the extent that

eventually they had to use the senior management buy-in:

> We manage all of client X's temporary workers, and they told their team that our
>
> consultancy will manage the contingent workforce. The individual was impacted by
>
> this because he was worried that he would be critiqued and that we would find cost
>
> savings. To protect himself, he told his team, "We do not want these consultants
>
> coming in; we need to be careful with the information we give them because we could
>
> lose our jobs." It is not just the individual but them influencing their network against

the change. The senior management had to intervene and explain to the team that the consultancy has been given the mandate to carry on with their tasks. (Participant 14, Male, P14C1)

Where there is a malicious intent, there is evidence that the client is intentionally withholding information or being difficult. The participants perceived this as a breach of a salient promise, considering it as a high level of the dark side, which if not managed, could create a hostile environment. Thus, there was a need to involve the senior management to seek possible repair of the strained relationship. We, therefore, propose the following:

Proposition 5: Intensified adverse events, which are defined by high levels of PC breach, are related to high levels of the dark side of B2B relationships.

Proposition 6: High levels of the dark side of B2B relationships are related to escalating behaviors.

4.4 Intolerable transgressions, very high dark side of B2B relationships and departing

As shown by the data, intolerable transgressions represent the fourth theoretical category of breach, taking B2B relationships into the very high intensity of the dark side. At this stage, despite a long-term business relationship, the weight of breaches can push the consultants to a breaking point, leading them to depart from the relationship.

Intolerable transgressions as very high intensity of breach is characterized by participants' perceptions of unrealistic expectations and antagonistic and unethical behaviors by the client. One of the intolerable transgressions, experienced by the participants was the setting of unrealistic expectations by the client, also noted as the highest level of the dark side that led to departure from the relationship. For example, a participant, who is a consultant of a car rental company that migrated their operations to Portugal from the UK, felt that their

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client kept changing and raising expectation for the task, leading to feelings of frustration and anger, resulting in termination of the relationship:

> It was getting exhausting conducting interviews every day. I presented 150 candidates who could have been validated but were not. I felt I was set to fail, and this demotivated me to the point that my company and I had to decide to back off. We told the client, "You are not validating the candidates who are being validated by other organizations." Therefore, clearly, the problem here was not us; so, the partnership was over. (Participant 7, Female, P7C2)

Further, some participants characterized intolerable transgressions as antagonistic behaviors demonstrated by the client, creating a hostile environment, to a point of no return and hence withdrawal, resulting in the darkest side of relationships. One participant expressed that one of the clients had ego issues and was being hostile toward his team in providing negative feedback without any explanation, leaving him with a feeling of disappointment:

> We built a website for a business. The key stakeholder…was being disrespectful to my team in the feedback. To say you do not like something is fine; but if you are unable to elaborate as to why, then that is a breach of that relationship. It was a subjective opinion. They did not want to pay us, but we followed the legal means…We terminated in agreement for part payment for the work that had been done. Unfortunately, in some cases, there are some unreasonable egos; so, it can become hostile. (Participant 11, Male, P11C3)

If the environment is toxic, not only is it challenging for the client but also for a consultant firm depending on how it engages with that business. Participants had felt extreme levels of stress owing to the hostile environment:

…You can increase the stress levels of people within the consultancy…People want to leave that client or, likewise, that consultancy…It can be really bad for the mental health and wellbeing of people. (Participant 24, Male, P24C2)

Further, intolerable transgressions included unethical behaviors such as manipulation of data sources by the client in projects, leading to termination of the relationship, as such behaviors were deemed unacceptable by consultants. One participant, an IT consultant, felt betrayed and considered this beyond breach, leading to violation:

…A client came and said, "Hey, don't use that data source; it has not accurately captured what has happened in this area…Instead, use this other data source…" Then, I thought, "I have used the other sources of data; why should I not use it in this particular case? Are they trying to gain the system?" They were trying to do something wrong, and I respectfully walked away from this situation. (Participant 16, Male, P16C1)

In another example of intolerable transgression, a consultant, trying to find the right candidate for their client, was devastated by a client's mistreatment of the candidate. The participant perceived this as an immoral behavior from the client's side, and the highest level of the dark side of B2B relationships, resulting in parting ways with the client:

A fancy clothing store manager started a recruitment process with us. She wanted us to select candidates, who were blonde girls with blue eyes, basically a Barbie…When we presented candidates, she was rude, and one girl came out crying from the interview. This is unethical…It was a bad relationship; so, then, we cut relationships with that client. (Participant 4, Female, P4C1)

Consultants should be cognizant of these breaches, know how to mitigate them, and be aware of the risks that they may face in the future, including the risk of failure. Based on these findings, we posit the following:

Proposition 7: Intolerable transgressions, which are marked by very high levels of PC breach and could often lead to violation, are linked with very high levels of the dark side of B2B relationships.

Proposition 8: Very high levels of the dark side of B2B relationships are related to departing behaviors.

5. Discussion and Conclusion

This study employs the concept of PC to explore the varying forms of breaches and how they manifest themselves as the dark side in B2B relationships. Our findings are grounded in the SET perspective, focusing on the mutual exchange and reciprocity elements of B2B relationships. Given that this is the first study that sets out to examine the dark side of B2B relationships, it has several theoretical implications for the B2B and PC literature. The principal finding of this study is that breaches manifest themselves in different types; hence, the term "breach" being generally employed as a catchall for multiple forms of breakdown in relationships is flawed, which coincides with the studies of Conway and Briner (2005, 2009).

We found that breach is much more complex and nuanced, and the binary operationalization of the severity of breach into minor and major categorization may pose challenges (Eckerd et al., 2016). Despite calls in the literature, limited research has explored when and how negative discrepancies increase in intensity (Conway et al., 2011) and potentially head toward termination of the relationship (Beijer et al., 2021; Eckerd et al., 2013; Parzefall & Coyle-Shapiro, 2011; Woodrow & Guest, 2020). A particularly novel finding is that the intensity and meaning of breaches, manifesting the dark side of B2B relationships,

differ, which we demonstrated by outlining the four theoretical categories of breaches. We extend the existing PC and SET literature by highlighting the key differences in the characteristics of the four theoretical categories of breaches, their links with the varying levels of the dark side, and the subsequent dark side outcomes. Further, we integrate and extend B2B and PC literature by developing clear propositions, outlining these four theoretical categories of breach, their relationship with the dark side of B2B relationships, and the resultant dark side behavioral outcomes, which were derived from the interview data.

The first theoretical category of breach, minor infractions identified as low levels of breach, were related to low levels of the dark side of the B2B relationships. For example, a one-off scope creep concerning additional work that was not initially allocated was linked to a low level of the dark side. As a result, the participants demonstrated self-adjusting behaviors where they were willing to work on the additional tasks for long-term gains. This is in line with the SET perspective, which is based on the involved parties maintaining a strong focus on long-term orientation, which can result in "repaying favors" (Kingshott et al., 2020).

Next, the participants described negative disruptions as moderate breaches; for example, delays in the supply of promised resources and untimely payments, which, if not managed, could precipitate the dark side of B2B engagements. The resulting dark side behavioral outcome included reporting to the client, often resulting in renegotiated contracts. This finding implies that the consultants' cognitive experiences of the differentials between what they were promised and what they received could greatly influence their behaviors in response to moderate levels of the dark side. This concurs with the view of Rousseau et al. (2018), who argued that the need for repair serves the purpose of reducing the negative impact of breaches and attempting to restore PC to how it was pre-breach. In harmony with the SET, the consultants attempt to achieve a balance in terms of contributions towards the other party

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by attempting to repair the contract and working towards a favorable relationship (Tekleab & Chiaburu, 2011).

Intensified adverse events, referred to as high levels of breaches, included, for example, non-cooperative behavior by the client or withholding of information. These breaches were aggravated to the point of jeopardizing the success of a project owing to self-interest and considered high levels of the dark side of B2B relationships. Such breaches, given that one party appears to engage in intentional reneging, for instance, advertent disregard towards fulfilling expectations and promises, can amplify the feelings of breach and consequently lead to higher levels of the dark side (Dulac et al., 2008). Consequently, the participants deemed it important to escalate the matter and request the intervention of senior management to resolve the issue. These findings align with the arguments of existing research (Abosag et al., 2016; Das & Rahman, 2010; Liu et al., 2014; Zeitoum & Pamini, 2021), which stated that taking advantage of the other party for self-interest and keeping back information gives rise to opportunistic behaviors, which could harm a B2B relationship.

Finally, intolerable transgressions were described as extreme breaches including, for example, unethical behaviors by the client or ill-treatment of the consultant team. This was the darkest side of a B2B relationship, including breaches leading to violations, resulting in the termination of relationships. This finding coincides with the SET perspective, that B2B relationships, based on unhealthy behaviors such as hostility, distrust, and unfairness can lead to termination (Abosag et al., 2016; Rousseau et al., 2018; Samaha et al., 2011). However, this is contrary to the findings of Anderson and Jap (2005), who argued that parties in B2B relationships that may appear healthy but have a dark side, still chose to stay on. It is noteworthy that, though previous PC research argued that the accumulation of negative events may lead to the tipping point (Parzefall & Coyle-Shapiro, 2011; Rousseau et al., 2018), we also found that, at times, one severe act of unethical or hostile behavior as the dark side could lead

to contract termination. This aligns with the findings reported by Eckerd et al. (2013) and Woodrow and Guest (2020), who argued that perceived breaches of important salient promises can have a larger impact on adjustment.

5.1 Practical implications

Our study has noteworthy implications for practitioners. First, from the very outset, through active engagement by both parties in a B2B relationship, realistic expectations should be agreed upon. The managers should be aware of the real needs of the client and their end objective of the project, which will help them to direct their teams internally to deliver the work, and externally, it will lead to clearer communication with the client. Setting realistic expectations and milestones with requisite mechanisms to track progress regularly is essential to avoid the possibility of negative incidents, leading to breaches, and if not managed well, the dark side of B2B relationships. It is also important to try to engage all the relevant stakeholders from the beginning, thus ensuring collective achievements. This can help avoid conflict and the development of a toxic environment within B2B relationships.

Second, clear and open communication between the parties with continuous feedback mechanisms is crucial (e.g., Hickland et al, 2020). Regular interaction and simple things such as keeping meeting minutes and agreed-upon action points are critical to maintaining a trail of evidence. This can be used as a mutual agreement of the plans and activities, minimizing the accounts of possible breaches, which could translate into the dark side of B2B relationships. Further, each party can employ a direct point of contact, who organizes and communicates with regular touch points to manage the client relationship effectively.

The final recommendation is that a B2B relationship should be regarded with a long-term investment perspective. A good business leader will realize that investment is long-term. This can be achieved by humanizing both parties, which could mean managing negative discrepancies, keeping in mind mutual interests, and demonstrating genuine commitment to

maintain the relationship. Most effective relationships are built outside of professional settings; thus, it is vital to break down the barriers and foster a collective engagement. This will not just benefit both parties in the immediate duration of the engagement but also ensure that they develop a strong network that they can leverage in the future. This is because it is often easier to acquire additional work from the same organization or to sell on to other organizations when the outputs of a previous successful engagement are evident.

5.2 Limitations and future research directions

The findings should be regarded considering the limitations of this study, which suggest several avenues for future research. First, most studies have explored the dark side of B2B relationships in the context of buyers and suppliers; none of them have employed the lens of PC breach. While our study is the first to examine the dark side of breach in B2B relationships, researchers could explore the nature of social exchange relationships in other contexts and industries such as retailer–channel partnerships or buyer-supplier exchanges (Blut et al., 2016; Ojansivu et al., 2020). Second, we developed a set of propositions that provide valuable initial insights, future studies may want to operationalize the types of breaches, their relationships with the dark side, and resultant behaviors.

Third, we studied the consultant firms based in the UK; thus, caution is needed in generalizing these findings to other settings. It would be an over-simplification to consider that all cultures profess the same approach to breaches. For example, Eckerd et al. (2016) demonstrated cultural differences between Chinese and American managers in the context of a breach whereby the Chinese showed a greater willingness to continue purchase behaviors, following breaches, compared with their American counterparts, though for a short time. We acknowledge that culture can have a substantial impact on B2B relationships; thus, this factor could be examined in future research (Kingshott et al., 2020).

Fourth, we identified a toxic environment as one of the potential breaches leading to the dark side of B2B relationships; although, we did not study the individual-level factors responsible for creating such an environment. Future studies could build on this finding by exploring the interpersonal "dark" personality traits that contribute to this toxic environment within the B2B relationships, as these traits have been identified as antecedents of ineffective leadership and counterproductive workplace behaviors (Harms & Spain, 2015; Hogan & Hogan, 2001).

Fifth, our study was exploratory, and we employed an evaluation-based perspective of PC (i.e., PC breach). Future studies could examine the content of PC in B2B relationships and distinguish between its transactional, relational, balanced, and transitional elements (Conway & Briner, 2009; Kutaula et al., 2020; Rousseau, 2001). This could help to delineate the expectations and promises in a B2B relationship based on content; for example, scope (implicit versus explicit) or period (short-term versus long-term).

Lastly, our study was cross-sectional. Future studies could examine how breach translates into the dark side over time using a longitudinal approach. This will help to unpack whether a breach and/or a series of breaches are time-dependent (Rousseau et al., 2018; Woodrow & Guest, 2020), thus revealing how breaches evolve into the dark side over a prolonged period, as most B2B relationships tend to be long-term engagements despite the project duration. Notwithstanding these limitations, we believe the findings of this research make the above highlighted useful contributions and underline considerable opportunities for future research in this area.

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Table 1: Indicative key empirical studies on the psychological contract in B2B relationships

Reference	Country	Empirical approach	Sample	B2B context	Study findings
Kingshott, 2006	Australia	Quantitative, Survey	343 distributor firms, Automobile industry	Buyer-supplier	Relational orientation between suppliers and distributors led to a more effective psychological contract, which has a positive relationship with trust and commitment.
Kingshott and Pecotich, 2007	Australia	Quantitative, Survey	343 distributor firms, Automobile industry	Supplier-distributor	Psychological contract was found to have a positive relationship with trust and commitment. Perceived violations were found to decrease the level of trust towards the distributor.
Hill et al. (2009)	U.S.	Quantitative, Survey	110 suppliers, 58 manufacturing and 52 service firms	Buyer-supplier	There was evidence of both full and partial mediation of violation between the link between unethical behavior of the buyer and the trust supplier displayed in that buyer.
Lovblad and Bantekas (2010)	Sweden	Mixed method Quantitative (Survey) and Qualitative (Interviews)	600 buyers, 32 interviews from both buyer and seller firms	Buyer-supplier	Affective commitment had a negative effect on violation, which had a subsequent impact on supplier purchasing intentions.
Lusch et al. (2011)	U.S	Quantitative, Survey	994 respondents-Firm 1 and 378 respondents- Firm 2	Retailer-Channel partner	Breach perceived by a retailer, had a negative impact on their performance and satisfaction, increased exit intentions.
Lovblad et al. (2012)	-	Conceptual	-	Buyer-supplier	A conceptual model and propositions concerning the effect of psychological contract on affective relationship commitment was developed.
Eckerd et al. (2013)	U.S	Quantitative, Experiment	302 students	Buyer-supplier	Breach factors had a significant negative effect on task behavior, though these relationships are not explained by violation.
Eckerd et al. (2016)	China U.S.	Quantitative, Experiment	China- 158 respondents U.S- 125 respondents	Firm-supply chain partner	Post breach, U.S. respondents demonstrated less trust in their partner and decreased intentions to work with that partner again as opposed to the Chinese respondents.
Mir et al. (2017)	U.S.	Mixed method Quantitative (Experiment) and Qualitative (Interviews)	265 students and 8 interview participants	Buyer-supplier	Violation perceived by the buyer mediated the link between breach and supplier switching behavior.
Blessley et al. (2018)	U.S.	Mixed method Quantitative (Experiment) and Qualitative (Interviews)	102 purchasing managers and interviews with 5 strategic sourcing specialists	Buyer-supplier	Breach of a relational psychological contract had a negative impact on fairness perceptions and was partially mediated by an emotional response.
Kaufmann et al. (2018)	Recruited from survey research firm	Quantitative, Experiment	605 sales and supply managers from multiple industries including Chemicals/ Pharmaceuticals, Consumer Goods, Electronics, Industrial Machinery and Financial Services	Buyer-supplier	Trust repair can aid the nature of the buyer–supplier relationship from adversarial to collaborative.
Kingshott et al. (2020)	Australia China	Quantitative, Survey	327 managers from multiple industries such as telecommunications, retail and construction	Buyer-supplier	Breaches perceived by buyers resulted in negative effects on neglect, voice and loyalty in the relationship towards their suppliers.

Table 2: Sample characteristics of the research participants

Participant	Gender	Job title	Number of employees	Nature of Consulting	Client (PXCN)*	Duration
1	Male	Owner	1-50 employees	Management Consulting	P1C1: Car Manufacturer P1C2: Car Dealership	3 years 1.5 years
2	Male	Owner	51-249 employees	Marketing Analytics	P2C1: DIY superstore P2C2: Energy Supplier P2C3: University P2C4: Publicly funded healthcare organization	3 years 2 years Not disclosed 2 years
3	Male	Managing Director and Owner	1-50 employees	Digital Reporting Digital Governance Digital Marketing	P3C1: Global Food and Beverages company P3C2: Internet networking company P3C3: Digital learning	5 years 6 years 2 years
4	Female	Owner	1-50 employees	Digital business/ software implementation	P4C1: Fashion Retailer P4C2: 3-star Hotel	9 months 2 years
5	Male	Head of Solutions Development	51-249 employees	Workforce Consulting	P5C1: Financial Services P5C2: Chemicals Manufacturer P5C3: Global Consumer Company P5C4: Global IT company	3 years 3.5 years 5.5 years 7 years
6	Male	Owner and Chief Executive Officer	1-50 employees	Management Consulting, Transformation	P6C1: Not disclosed P6C2: Family run lifestyle store	1.75 years 2 years
7	Female	Senior Consultant	> 1,00,000 employees	Professional Services	P7C1: Fortune 1000, Retailer P7C2: Car rental company P7C3: Global IT company	6.5 years Not disclosed 3.75 years
8	Male	Vice President	1001-5000 employees	Management Consulting	P8C1: 4-star hotel P8C2: Global Telecom company P8C3: Global Financial services company	2 years 3.5 years 7 years
9	Male	Principal Consultant	5001-10,000 employees	Healthcare professional services	P9C1: Fortune 1000 Healthcare company P9C2: Global Biotechnology company	Not disclosed 5 years
10	Male	Owner and Director	1-50 employees	Customer Relationship Marketing	P10C1: Mid-sized financial services company P10C2: Small outsourcing company P10C3: Not disclosed	6.5 years 8 years Not disclosed
11	Male	Owner and Director	1-50 employees	Digital Marketing	P11C1: Small IT company P11C2: Mid-sized retailer P11C3: Mid-sized IT company	3 years 2.25 years Not disclosed
12	Female	Global Head	1,001-5,000 employees	Digital Business	P12C1: Mid-sized Financial services company P12C2: Mid-sized retailer	5 years 3.75 years
13	Male	Owner and Director	51-249 employees	HR Consulting	P13C1: Small Retail company P13C2: Large Engineering firm P13C3: Small	1 year 5.5 years
14	Male	Director of Client Services	1,001-5,000 employees	Informational Technology & Services	P14C1: Fortune 1000, Banking P14C2: Large wholesale retailer P14C3: Large export-import bank P14C4: Global IT recruitment agency	Not disclosed 3 years 4.25 years 3 years
15	Male	Director of Client Engagement	1-50 employees	Management Consulting	P15C1: Mid-sized Technology company P15C2: Global export company	3 years 6 years
16	Male	Consultant	1,001-5,000 employees	Management Consulting	P16C1: Large IT services company P16C2: Large healthcare company	Not disclosed 11 years

Participant	Gender	Job title	Number of employees	Nature of Consulting	Client (PXCN)*	Duration
17	Female	Senior Account Executive	> 1,00,000 employees	Financial Services	P17C1: Fortune 500, Financial Services	3 years
					P17C2: Large Investment bank	7 years
18	Male	Group Vice President	> 1,00,000 employees	Financial Services	P18C1: Fortune 1000, Financial Services	3 years
					P18C2: Government Client	Not disclosed
19	Male	Principal Consultant	5,001-10,000 employees	Management Consulting	P19C1: Fortune 1000, Electronics	6 years
					P19C2: Mid-sized Fashion retailer	4 years
					P19C3: Mid-sized software services company	3 years
20	Female	Owner	1-50 employees	HR Consulting	P20C1: Small contract manufacturer	4.75 years
					P20C2: Mid-sized IT company	10 years
21	Male	Owner	5,001-10,000 employees	Management Consulting	P21C1: Fortune 1000, Financial services	Not disclosed
					P21C2: Fortune 1000, IT company	8 years
					P21C3: Global bank	5.5 years
22	Female	Senior HR Consultant	51-249 employees	HR Consulting	P22C1: Mid-sized financial services	Not disclosed
					P22C2: Local retailer	2 years
					P22C3: Small software services company	4.5 years
23	Female	Owner and Organizational Transformation Consultant	1-50 employees	Organizational Change	P23C1: Small IT company	1.5 years
					P23C2: Mid-sized Financial services company	3 years
					P23C3: Mid-sized e-retailer	4.75 years
24	Male	Owner	51-249 employees	Engineering Consulting	P24C1: Automotive manufacturer	4 years
					P24C2: Global Engineering firm	2.75 years

*PXCN = Client N of Participant X. For example, P19C3, stands for Client 3 of Participant 19.

Table 3: Types of breached expectations/promises

Types of breached expectations/promises	What does breached expectations and promises entail?
Honoring payments schedule	Providing payments on time for the work done Failing to meet the payment schedule
Time scales	Delivering the assigned tasks on time (promises) Failing to fulfil tasks on time
Providing resources and access	Setting and providing the required number of people from the client and consultant on the project, and providing access to the relevant data and information Client not providing the promised resources (not fulfilling promises)
Fair treatment and respect	Treating the consultant team fairly and give respect
Cooperative environment	Providing support in terms of inputs and feedback, and setting and managing expectations through open and honest communication
Setting realistic expectations and promises	Setting clear and achievable objectives and promises
Right point of contact	Making it clear who holds power and their interests, as some people are incentivized to do the project and others feel threatened

Table 4: Data scheme

Theoretical categories of breach	Examples of breach	Intensity of dark side	Behavioral outcomes
Minor infractions	• Minor scope creep • A personality clash with a team member	Low	*Self-adjusting:* • Breach may not be flagged to the client • Adjusting internally for long-term gains • Shifting a team member
Negative disruptions	• Constant increase in tasks • Delays in provision of promised resources • Not adhering to payment schedules and provision of data	Moderate	*Renegotiating* • Requires reporting discrepancies to client • Push back on the client's request and reset contracts
Intensified adverse events	• Non-cooperative behavior • Withholding information • Self-interest • Lobbying against the consultant	High	*Escalating:* • Senior management intervention • Possible repair of the relationship
Intolerable transgressions	• Unrealistic timelines for deliverables • Creating a hostile work environment • Unethical behavior • Mistreatment of consultant/team	Very High	*Departing:* • Terminating relationships • Little or no intention of future engagement