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**The Influence of Desire for Control on Monitoring Decisions and Performance  
Outcomes in Strategic Alliances**

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## **The Influence of Desire for Control on Monitoring Decisions and Performance Outcomes in Strategic Alliances**

### **Abstract**

Strategic alliances are fraught with risks, such as the uncontrolled disclosure of core knowledge via opportunistic learning. The usefulness of monitoring in policing opportunism notwithstanding, a contrasting view is that monitoring mechanisms can themselves manifest the dark side of strategic alliances. The present study argues that a novel dark personality trait—the focal firm’s desire for control—may influence key decisions pertaining to how to monitor strategic alliances, which in turn can negatively impact performance outcomes. Our conceptual model was developed and tested, based on a survey of 404 strategic alliances. The results demonstrate that a focal firm’s desire for control is positively associated with process monitoring as well as output monitoring. The firm’s use of process monitoring to oversee the counterpart drives its performance outcomes only if there is a low level of information exchange between the alliance partners; as such, information exchange norms substitute for process monitoring. By contrast, the focal firm’s use of outcome monitoring is negatively linked to performance unless complemented by a high level of information exchange. Key implications for alliance management and future research are derived from the findings.

**Keywords:** Dark Side; Desire for Control; Monitoring; Performance; Substitutes and Complements; Governance Mechanisms; Strategic Alliances

## **1. Introduction**

A growing number of firms are establishing strategic alliances with partners to combine complementary knowledge as a means of value co-creation and sustainable growth (Kale & Singh, 2009). Strategic alliances concern a “formal agreement between two or more business organizations to pursue a set of private and common interests through the sharing of resources in contexts involving uncertainty over outcomes” (Ariño, De la Torre, & Ring, 2001, p. 110). Despite their benefits, approximately 50 percent of strategic alliances underperform (Kale & Singh, 2009). A common explanation for failing alliances is the disclosure of core knowledge and loss of competitive advantages to a partner firm stemming from their opportunism (Jap & Anderson, 2003). The scope for opportunism is a natural limitation of the juxtaposition of competition and cooperation in strategic alliances.

The dominant strand of alliance performance research in marketing and management suggests success can be achieved on the basis of trust and commitment within a social exchange (i.e., embedded) type of relationship (Gomes, Barnes, & Mahmood, 2014; Robson, Skarmeas, & Spyropoulou, 2006). Within a trusting type of alliance the risk of opportunistic behavior normally reduces, and inefficiencies linked to mechanisms for monitoring and enforcing contracts may be avoided (Jiang, Jiang, Cai, & Liu, 2015). Notwithstanding the insights of previous research on social exchange relations, such work neglects the dark side of close relationships; which refers to the downside of the same soft ties (e.g., trust and commitment) used to strengthen alliance relationships (Anderson & Jap, 2005).

Emerging work on the dark side of alliances has taken important steps toward understanding negative effects of soft ties in close relationships, such as increased vulnerability to opportunism and knowledge redundancy (Noordhoff, Kyriakopoulos, Moorman, Pauwells, & Dellaert, 2011). Still, although alliances by definition imply cooperation between partners, not all alliances develop soft ties due to the rise of competitive tensions. The literature has yet

to emphasize whether these alliances are subject to dark side effects that preclude embedded relationships, by asserting instead the need for control over the partner's work (Cho, 2006).

Our study sheds light on the matter by addressing the question: does the dark personality trait, desire for control, manifest itself through control mechanisms in a manner detrimental to alliance performance? Specifically, we investigate whether desire for control in firms drives self-serving monitoring decisions that attenuate the performance outcomes of strategic alliances. We define desire for control as the ambition of a focal firm to exercise control and dominance over the alliance's strategic decisions and operating procedures (Dahling, Whitaker, & Levy, 2009). This trait does not emerge from embedded relationships, but rather resides within the firm and shapes its view of and approach to alliances. The pragmatic relevance of desire for control emerged in a prestudy interview:

*“At a recent away day our senior management arranged for some psychologists to profile our managers. They used a test based on three canine profiles: Labradors, Greyhounds, and Alsatians. We ended up with 35 Alsatians and one Greyhound. The implication is that we like to bark orders in our alliances. If a partner rolls over, we will never respect them. They cannot be relied upon to look after their own goals, let alone ours...”*

The study makes three main contributions to knowledge. First, we introduce the dark personality trait, desire for control, to a literature stream that has featured the onset of the dark side of close relationships, but has yet to theorize the dark side of personality traits that discourages a partner firm from even embarking down the path to embeddedness. With few notable exceptions (e.g., Bierly & Gallagher, 2007), studies have yet to examine how alliance decisions emerge from traits of partner firms. Based on upper echelons theory (e.g., Hambrick, 2007), we argue that the individual traits of a firm's senior alliance managers combine to shape a firm-level trait (i.e., desire for control) with decision relevance.

Second, as strategic alliances make partners vulnerable to opportunism, and opportunistic actions arrest partners' co-creation of value (Barnes, Leonidou, Siu, & Leonidou, 2010), theorists claim alliance activities must be monitored to ensure that partners perform tasks in a manner conducive to the achievement of common goals (Luo, 2007). Still, the literature is unclear regarding what drives monitoring decisions in alliances (Wuyts & Geyskens, 2005). Drawing upon personality trait theory (e.g., Funder, 2001), we posit that desire for control determines how the alliance monitoring task is organized. Specifically, we show for the first time that a firm's desire for control encourages the use of process and output monitoring mechanisms. The logic is that desire for control drives the firm to enact self-serving monitoring routines that are not necessarily oriented toward shared goals in the alliance (Greenbaum, Hill, Mawritz, & Quade, 2014; O'Boyle, Forsyth, Banks, & McDaniel, 2012).

Third, despite concerted research attention among scholars, agreement on the relationship between monitoring and alliance performance is lacking in the literature (Heide, Wathne, & Rokkan, 2007). One set of scholars claims control mechanisms deter performance outcomes (Jiang, Li, & Gao, 2008; Zhang & Zhou, 2013), while others assert that they have a positive impact on performance (Chen, Chen, & Zhou, 2014; Grewal, Chakravarty, & Saini, 2010). We argue that this inconsistency is linked to the roles of different, unilateral (process monitoring and output monitoring) and bilateral (information exchange norms) approaches to the monitoring task. Adding to recent debate on interactions between governance approaches (Abdi & Aulakh, 2014; Gundlach & Cannon, 2010; Stouthuysen, Slabbinck, & Roodhooft, 2012), we find that monitoring mechanisms substitute or complement each other in enhancing performance. Specifically, information exchange norms substitute for process monitoring, but complement output monitoring.

## **2. Literature review and theoretical background**

### **2.1. Dark side of alliance relationships**

For the past two decades, substantial research has focused on the bright side of industrial relationships, suggesting that partner firms may achieve greater benefits from building soft ties than doing otherwise (e.g., Beck, Chapman, & Palmatier, 2015; Fang, Chang, & Peng, 2011; Noordhoff et al., 2011). Yet the continued underperformance of numerous alliances suggests practitioners require insights into how to successfully manage these partnerships through times of behavioral turbulence (Bello, Katsikeas, & Robson, 2010). In response, growing work has established that close business relationships sometimes become over-embedded, wherein rigidity and complacency effects weaken performance (Grayson & Ambler, 1999; Hibbard, Brunel, Dant, & Iacobucci, 2001; Scheer, Hibbs, & Trulaske, 2012). This supposed dark side of close relationships, “undermines relationships in which the parties are confident and optimistic about their collaboration” (Anderson & Jap, 2005, p. 76) (see Appendix for a summary of studies on the dark side of interfirm alliances and partnerships).

Our review of the literature suggests studies have mainly used relational and economics perspectives to explain that the dark side of business relationships emerges from the same mechanisms that are used to build close relationships (e.g., trust). Notwithstanding the pragmatic insights such work has produced, the focus on side-effects of close relationships neglects the broader picture of the dark side of relationships generally (Jap & Anderson, 2003); the dark side is not a unanimous phenomenon. To this point, we propose that scholars should apply different mechanisms in order to generate perspectives on other driving forces of the dark side of strategic alliances; how these manifest operationally (e.g., in governance terms); and their consequences for performance outcomes.

Indeed, there is a need to examine the dark side phenomenon from a dark psychological perspective rather than applying the assumption that a relationship develops over time, only to be exploited for economic gain. A large number of alliance relationships dissolve (Kale & Singh, 2009) without ever becoming close. Instead of studying negative outcomes of raised

vulnerability from soft ties (e.g., unforeseen partner opportunism and reduced performance), we theorize the downside of dark personality traits (e.g., use of self-serving control and negative outcomes thereof). Specifically, our study aims to enhance understanding of the dark side of business alliances by looking at the extent to which the desire to control (pooled and newly created) core knowledge in the alliance drives self-serving monitoring mechanisms that, under certain circumstances, diminish performance.

## 2.2. Governance approaches and monitoring

Research has shown that firms often employ a governance approach that includes formal and relational mechanisms to provide safeguarding and facilitate a successful collaboration (Dahlquist & Griffith, 2015). Firms entering alliances view *ex ante* contracts and *ex post* monitoring as the primary formal governance approaches to structuring partners' behaviour (Zhang & Zhou 2013). Relational mechanisms, by contrast, govern implicitly what is deemed acceptable behavior of the partners. The governance literature has suggested social relations may be controlled by a range of shared norms, including flexibility, mutuality, solidarity, and information exchange (Abdi & Aulakh, 2014).

The spectre of opportunism eroding the development of long-term alliance relationships (Barnes et al., 2010), encourages partners to use monitoring mechanisms to align alliance activities and partners' behaviors toward the achievement of common goals (Kale & Singh, 2009). While monitoring serves as a control mechanism that reliably suppresses partner opportunism (Heide et al., 2007), the use of and reliance on contracts varies across alliance settings. For instance, the completeness of contracts and the importance of meeting contractually specified objectives varies across cultural and legal systems (Li, Xie, Teo, & Peng, 2010; Zhou & Xu, 2012). Hence, the focus of our study is on monitoring as an efficacious means of taking control.



Monitoring, in the purest sense, represents a unilateral control mechanism; which is defined as “an effort made by one party to measure or meter the performance of another”, and ensures that “the value created through a firm’s marketing decisions can be claimed by the focal firm” (Heide et al., 2007, pp. 425-426). Industrial relationships are monitored formally in two main ways (Lange, 2008). First, process monitoring may be used by the focal firm to influence the behavior of the counterpart by ensuring that they follow specific alliance processes (i.e., sequenced activities) to achieve desired goals. We define process monitoring as the effort made by the focal firm to monitor partner processes that are expected to produce desired goals (Heide et al., 2007). The second form of monitoring, output monitoring, can assist the focal firm in influencing the behavior of its partner by predetermining specific performance levels that need to be achieved as a result of alliance task completion (Bello & Gilliland, 1997). Output monitoring is defined as the effort made by the focal firm to monitor the visible consequences of a partner’s actions (Heide et al., 2007).

Further, a firm may verify its partner’s behavior via relational governance. We posit that information exchange norms constitute a bilateral approach to the monitoring task of assessing the counterpart’s behavior. Information exchange norms are defined as the expectation that the parties will freely and actively provide useful information to each other (Jap & Ganesan, 2000).

The vast thrust of governance research has focused on examining individual effects of unilateral and bilateral controls on performance outcomes (Li et al., 2010). Against this backdrop, a growing number of alliance scholars have sought to debate whether formal and relational governance approaches substitute or complement each other in curtailing opportunism (Zhou & Xu, 2012) and enhancing performance outcomes (Gundlach & Cannon, 2010). One view is that shared norms substitute for formal governance approaches, and vice-versa (Adler, 2001; Malhotra & Murnighan, 2002; Stump & Heide, 1996). The second, polar

view is that formal and relational governance approaches complement each other and can be deployed concurrently (Liu, Luo, & Liu, 2009; Luo, 2007; Wuyts & Geyskens, 2005).

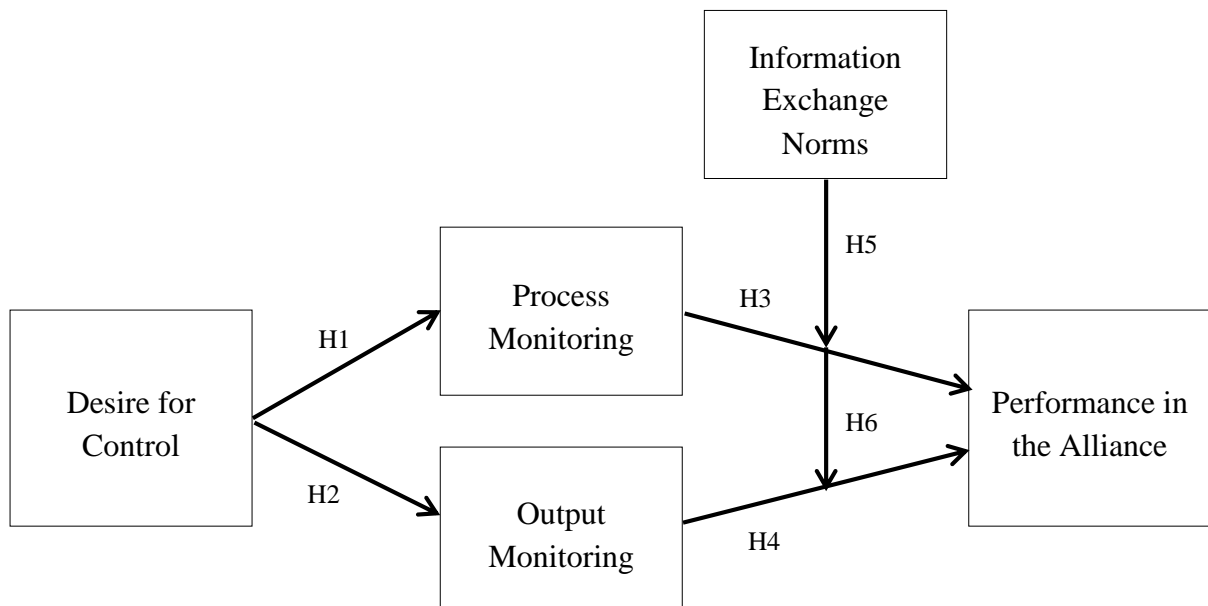
A third set of scholars have sought recently to reconcile the polar views by arguing that unilateral and bilateral controls can substitute and/or complement each other, depending on the mechanisms involved and contextual factors in their deployment (Abdi & Aulakh, 2014; Zhou & Xu, 2012). The present study contributes to this unifying view by investigating the interplay of different forms of unilateral and bilateral monitoring in the context of strategic alliances. Unlike prior studies that focused on the interactions of relational governance, generally, with contractual governance approaches (Abdi & Aulakh, 2014; Zhou & Xu, 2012) or unilateral monitoring mechanisms (Heide et al., 2007; Stouthuysen et al., 2012), we focus exclusively on the monitoring task.

### 2.3. Theoretical background

The current dark side perspective adopts the position that “interfirm relationships can be treated largely as analogous to the interpersonal mindset” (Dant & Gleiberman, 2011, p. 1428). In theorizing the effect of the personality trait, desire for control (Burger, 1985), on strategic decisions and performance outcomes in alliances, we draw on two affiliated theories. Upper echelons theory suggests that it is possible to predict an organization’s strategic decisions and performance based on the characteristics of top managers (Hambrick, 2007; Hambrick & Mason, 1984). The logic is that firm-level strategic decisions are a reflection of the personality of top managers. That alliance management teams are a reflection of the personalities of the executives involved has long been supported in work theorizing spillovers of (inter)personal, psychological processes (e.g., propensity to trust, relational stress, autonomy needs, and attraction) to the (inter)firm level (Bierly & Gallagher, 2007; Dant & Gleiberman, 2011; Robson, Katsikeas, & Bello, 2008; Zhang, Henke, & Griffith, 2009).

Moreover, personality trait theory asserts that an individual’s personality drives his/her behaviors, which, in turn, cause certain outcomes (Costa & McCrae, 1992; Funder, 2001; Pervin, 1994). Accordingly, the personalities of senior managers representing each firm in the alliance can play a pivotal role in shaping key strategic decisions pertaining to how to govern and develop the alliance business. The conceptual framework depicted in Figure 1 summarizes our arguments that the focal firm’s desire for control drives (process and output) monitoring decisions, which in turn impact the focal firm’s performance in the alliance; and that unilateral (information exchange norms) and bilateral (process and output monitoring) control mechanisms function as substitutes and/or complements in the alliance. Not only is our focus on the dark side of the personality trait, desire for control, and its effects on monitoring decisions, but also we seek to uncover circumstances where there are negative effects of monitoring mechanisms on performance outcomes.

**Figure 1:** Conceptual Model



### **3. Study hypotheses**

#### **3.1. Desire for control**

Personality trait theory is a personality dispositional perspective that suggests an individual's personality is characterized by traits that drive decisions and behaviors toward the achievement of desired goals. The majority of studies on personality traits focus on the role of bright traits (e.g., agreeableness and conscientiousness) (Spain, Harms, & LeBreton, 2014), suggesting that these influence, describe, and explain individuals' decisions and behaviors (Costa & McCrae, 1992; Fang et al., 2011). While bright traits have been applied previously to the marketing management area (Dant & Gleiberman, 2011), scholars have yet to scrutinize the influence of dark traits (e.g., desire for control and propensity to distrust) on organizational decisions and behaviors (Raja, Johns, & Ntalianis, 2004).

In alliance management, a main strategic decision relates to how to monitor a strategic alliance in order to achieve desired goals. Despite an abundance of research on the topic, there remains a lack of clarity with respect to what drives monitoring decisions in alliances (Wuyts & Geyskens, 2005). Indeed, a review of the literature reveals that scholars have paid no attention to desire for control playing a key role in determining how firms monitor the alliance business. Prestudy interviews revealed the existence of firms wherein the pattern of characteristic thoughts is driven by the importance of being in control in their interfirm exchanges. The interviews suggested desire for control is linked to Machiavellian personality types that do not emphasize the need to forge cohesive and cooperative partnerships.

Establishing a strategic alliance not only involves pooling proprietary knowledge resources with the partner, but also delegating responsibilities and relinquishing control over such resources to them (Dimitratos, Lioukas, Ibeh, & Wheeler, 2009). Some partner firms are reluctant to relinquish control over their most valuable knowledge in an alliance, given a

perceived need to protect this against the counterpart's potential competitive and opportunistic behaviors. The more valuable the knowledge initially shared and potentially created in an alliance, the greater the desire to have control over the partner (Gebhardt & Brosschot, 2002; Inkpen & Currall, 2004; Zhang & Zhou, 2013).

We assert that desire for control is a dark trait that resides in firms—within the alliance decision-making unit if not more broadly—and shapes their alliance management strategies. Because individual personality consists of biological traits that drive specific responses according to different situational stimuli (Ryckman, 1982), and owing to the fact that the personality of a firm is the reflection of the personality of its senior managers (i.e., upper echelons perspective), desire for control can prevent strategic alliances from developing embedded ties. Moreover, this dark personality trait drives alliance partners to manipulate and influence monitoring decisions in pursuit of their own performance outcomes, even if this undermines alliance development. The logic lies in that a dark personality trait may make a firm sensitive to short-term costs and benefits and drive exploitative strategies (Greenbaum et al., 2014; O'Boyle et al., 2012) that manifest in how alliance partners' behaviors and performance will be monitored. Desire for control increases the likelihood of a partner's dissatisfaction with the way the alliance's work is proceeding and alliance outcomes are distributed. As such, unilateral (process and output) monitoring decisions are driven by the desire to exercise control over the alliance partner and core knowledge stored in the alliance, rather than by what is an appropriate balance of formal controls in light of the circumstances of the alliance (cf. Cardinal, Sitkin, & Long, 2004). Therefore:

**H1.** There is a positive relationship between desire for control and process monitoring

**H2.** There is a positive relationship between desire for control and output monitoring

### 3.2. Monitoring and performance in the alliance

Scholars have not yet reached agreement on how to measure the performance of strategic alliances. Against this backdrop, our study focuses on the efficiency form of focal firm performance in the alliance, which is defined as the ratio of the firm's alliance performance outcomes to its inputs required to achieve these (Robson et al., 2008). Efficiency performance takes into account the degree of task completion and goal attainment (i.e., effectiveness performance), but in relation to how cost effectively these are achieved. Strategic alliance management, which involves integrating the resources and capabilities of two or more firms that may or may not have opportunistic tendencies, can involve significant transaction costs.

Notwithstanding that monitoring strategies have received enduring attention in industrial relationships research, there remains a lack of understanding about their effects on partnership performance (Heide et al., 2007). Theories justifying the use of monitoring as a control mechanism are based on the rationale that monitoring increases institutional pressures to behave according to rules and/or norms (Murry & Heide, 1998; Wathne & Heide, 2000). Against this backdrop, monitoring should have a positive impact on performance (Grewal et al., 2010). Nonetheless, following Håkansson and Ford (2002), we take the view that control mechanisms are important but also dangerous to the task of managing the performance of interfirm relationships. Several alliance theorists have cautioned that a partner's monitoring decisions can dampen its performance outcomes (Jiang et al., 2008; Zhang & Zhou, 2013).

More specifically, scholars assert that monitoring can crowd out value-creating behaviors and undermine the development of alliances (Ishida & Brown, 2011; Murry & Heide, 1998). A firm's strict monitoring of the behavior of the alliance partner in line with agreed upon processes, may demotivate them (Heide et al., 2007); that is, to the extent that they perceive their self-determination and self-evaluation are undermined by intrusions into their task responsibilities (Frey, 1993). Process monitoring reduces the willingness of an alliance

partner to increase its work effort, and comply with behavioral standards, when this monitoring strategy is perceived as obstructive, intrusive, and distrustful (Ishida & Brown, 2011). Such negative perceptions can dampen goal-directed value creation and increase opportunism-related costs in the partnership.

Monitoring the partner's achievement of desired goals is also expected to deter the efficient achievement of performance outcomes. Output control would generally be seen by the partner as more discreet, and less strict, than process control (Luo, Shenkar, & Nyaw, 2001). Nevertheless, it has a demotivating effect that creates ambiguity and dissatisfaction among alliance partners, because it is based on objective measures of performance (e.g., sales growth, market share, and profit) that are known to be difficult to obtain in the context of strategic alliances (Jiang et al., 2008; Thompson, 1967). The lack of overall direction given to an alliance partner would not be conducive to value co-creation. What is more, output control increases the scope for opportunism as an alliance partner is left alone to select the means by which to reach relevant outcomes (Anderson & Oliver, 1987). Vulnerability to opportunism is not as high as in the case of the dark side of close ties; still, output monitoring could increase opportunism costs somewhat. Partner firms that feel autonomous and independent as they advance toward predetermined alliance goals may, due to the presence of discreet monitoring (Atuahene-Gima & Li, 2002), contribute to a culture of unawareness of each other's behaviors in the alliance. Taken together, the above logic suggests:

**H3.** There is a negative relationship between process monitoring and performance in the alliance

**H4.** There is a negative relationship between output monitoring and performance in the alliance

While several partnership governance studies have focused on examining effects of individual monitoring mechanisms on performance outcomes (e.g., Gundlach & Cannon, 2010; Li et al., 2010), relatively few studies (e.g., Heide et al., 2007; Stouthuysen et al., 2012)

conceptualized separate output and process mechanism effects. These studies focused on interaction effects of formal control mechanisms with relational governance, which mirrors the wider governance literature's emphasis on contingency relationships involving relationship-based structures (Abdi & Aulakh, 2014; Zhou & Xu, 2012). For instance, Heide et al. (2007) asserted that opportunism effects of output and process monitoring are moderated by micro-level social contracts. These authors found that micro-level social contracts strengthen the effect of output monitoring on mitigating opportunism, but weaken the effect of process monitoring on guarding against self-seeking behaviors. In similar manner, we posit that information exchange norms substitute for the firm's use of process monitoring to oversee the counterpart and drive performance, but complement their use of outcome monitoring to this end.

In alliance businesses, information exchange norms: (a) create expectations that alliance partners will share valuable knowledge (Heide & John, 1992; Ju, Zhao, & Wang, 2014); (b) make alliance partners aware of each other's needs and requirements (Zhou & Xu, 2012); and (c) align alliance partners' efforts toward the achievement of common goals (Jap & Ganesan, 2000; Lado, Dant, & Tekleab, 2008). While it could be expected that information exchange norms enhance performance outcomes in alliances, they can increase partners' vulnerability to core knowledge leakage—especially when the level of information exchange between alliance partners is high. The logic lies in that this bilateral monitoring strategy encourages the social sharing of complementary, proprietary knowledge as a means of overseeing alliance work (Bello & Gilliland, 1997).

We posit that the interplay between process monitoring and information exchange norms is inefficient and negatively shapes performance outcomes. The logic is twofold. First, information exchange norms accelerate the crowding out effects of process monitoring. At a fundamental level, information exchange norms are incompatible with strict process



monitoring and, thus, high levels of both causes confusion in alliances (Zhou & Xu, 2012). The former implies that the partners work together in determining the process of creating value in the alliance and moving toward shared objectives, whereas the latter imposes an asymmetric structure that undermines partners' sense of self-determination. Second, process monitoring creates a partner reactance effect that is likely to utilize the increased risk of core knowledge leakage under conditions of high information exchange norms.

We expect that information exchange between the alliance partners will strengthen the performance relevance of output monitoring through a productive mode of higher safeguarding (Dahlquist & Griffith, 2015). In the absence of open information exchange, output monitoring lacks the ability to optimize a partner's task completion toward achievable goals. Information exchange brings a level of transparency to the partners' work, which reduces worries about opportunism and surfaces issues pertaining to inefficiencies in the direction of the work. In sum, bilateral monitoring augments output monitoring's focus on goal attainment by providing cohesion to the complex work of the alliance and guarding against opportunism and inefficiency (Heide et al., 2007). Hence:

**H5.** Information exchange norms will negatively moderate the impact of process monitoring on performance in the alliance

**H6.** Information exchange norms will positively moderate the impact of output monitoring on performance in the alliance

## **4. Methodology**

### **4.1. Research setting**

Strategic alliances existing in practice differ in terms of legal and institutional arrangements (e.g., involving equity, spanning borders, or otherwise) (Kale & Singh, 2009; Yoshino & Rangan, 1995). The present study includes equity, nonequity, domestic, and international alliances; but only focuses on those between two partner firms. The rationale is that strategic

alliances including more than two partners potentially involve more complicated decisions. The unit of analysis is the individual strategic alliance at the post-formation stage of development; eligible alliances had to have at least one year of life to allow performance to stabilize. In line with prior alliance research (Bello et al., 2010), our study adopts the perspective of a focal partner firm that revealed information on its own personality, monitoring decisions, and performance in the alliance. We asked informants to provide answers based on their firm's perspective—rather than their own personal perspective—about a specific strategic alliance with which they were very familiar. As such, the level of analysis adopted was the firm level rather than that of individual managers.

#### 4.2. Informant identification and survey response

The research hypotheses were tested using a cross-sectional survey of ongoing strategic alliances. We built a sampling frame of 1,341 eligible informants randomly selected from a business social network (i.e., LinkedIn) that contained up-to-date information of informants' characteristics and contact details, and based on our screening of their ability and willingness to report information on the phenomenon under examination. Key informants were those directly involved in the management of an ongoing alliance, who were also responsible for, and knowledgeable about, monitoring decisions taken on behalf of the firm they were representing in the alliance. Strategic alliances tend to be managed by a separate organizational unit and individuals at the highest level of management (e.g., they may report directly to the CEO) (Hitt, Dacin, Levitas, Arregle, & Borza, 2000; Lavie, Haunschild, & Khanna, 2012). Thus, one senior executive can respond on behalf of the focal partner firm.

Following recent research practice (Zeriti, Robson, Spyropoulou, & Leonidou, 2014), we contacted potential informants by email and/or telephone to verify if they were responsible for the management of an ongoing strategic alliance; create interest and request their participation in the project; and check their knowledgeability of the different aspects covered

in the study. A link to the online survey and cover letter explaining the study's purpose, followed by two reminders and a "Thank You" message, were then sent to the informants. We received back 447 questionnaires, of which we eliminated 29 incomplete questionnaires, 11 that had low informant competency (i.e., based on a respondent competency test—see subsection 4.5), and 3 that related to alliances with less than one year of operations. The response rate of 30.1 percent (404 out of 1341 potential informants) is comparable to other alliance studies targeting top executive informants (Hitt et al., 2000).

#### 4.3. Sample characteristics

A multi-industry sample of alliances among U.S., E.U. and Asian firms was used to ensure a large enough sample to enable rigorous analysis of the data and generalizability of the findings (Bello et al., 2010). The alliances spanned high-technology development (35.5%), services (27.8%), pharmaceutical (7.2%), information technology (21.7%), telecommunications (3.2%), manufacturing (2.9%), and retailing (1.7%) industries. Our sample comprised 52.0% domestic strategic alliances and 48.0% international strategic alliances. The sample included informants who were currently managing an ongoing alliance for an average period of 2.5 years. A total of 69.8% of informants were CEOs, (Vice) Presidents, Managing Directors, and Alliance Directors, while 30.2% were Alliance Managers and Alliance Executives.

#### 4.4. Questionnaire development and pre-test

Each of the study constructs was conceptualized as a first-order construct and measured using multi-item, Likert-type (i.e., 1 = strongly disagree, 7 = strongly agree) scales taken from the literature, and modified to the alliance context via prestudy interviews. Indeed, interviews with seven senior academics familiar with alliance research were conducted to assess if the measurement scales were representative of each construct. The proposed conceptual model

was also scrutinized by the academic experts. Moreover, in-depth interviews, lasting between 40 and 60 minutes, were conducted with four CEOs, three Managing Directors, and three Alliance Directors to assess the validity of the proposed model, refine the questionnaire, and gain insights with respect to how to conduct the survey (e.g., Griffith & Dimitrova, 2014; Li, Qian, & Qian, 2014). Our pre-study fieldwork established that interviewees did not have many issues relating to the interpretation of items used to capture the study constructs. Still, we dropped some scale items and rephrased others on the basis of their feedback.

Finally, we pre-tested the revised questionnaire by sending it to 77 eligible informants. We received 22 completed questionnaires (excluded from the main study). The pilot study did not show any concerns with questionnaire length, item ambiguity, or clarity of instructions.

#### 4.5. Measures

A recent review (Christoffersen, Plenborg, & Robson, 2014) revealed that alliance performance is most often captured using subjective performance measures, while objective stability and accounting measures are less commonly used. Alliance scholars have mainly used subjective measures of performance outcomes rather than objective ones as: (a) it has been empirically demonstrated that subjective performance measures correlate well with objective performance measures, and this justifies their validity and reliability in measuring strategic alliance performance outcomes; and (b) it is extremely difficult to obtain reliable objective data of alliance performance outcomes separately from corporate-level performance data (Kaiser & Shaw, 2004). We therefore employed a subjective measure of alliance performance. Given that monitoring routines police opportunism-related costs, we conceptualized focal firm performance in the alliance as efficiency. We tapped efficiency using four items adapted from Robson et al. (2008) and Sarkar, Echambadi, Cavusgil, and Aulakh (2001). A fifth item, “My firm efficiently carries out alliance tasks”, was deleted in measure validation due to its low loading.

Desire for control was measured based on five items adapted mainly from Dahling et al. (2009), but also from Burger (1992). Process monitoring was tapped on the basis of five items modified from the work of Atuahene-Gima and Li (2002) and Fang, Palmatier, Scheer, and Li (2008). Output monitoring was measured on a three-item scale adapted from Atuahene-Gima and Li (2002) and Challagalla and Shervani (1996). Information exchange norms were measured using three items taken from Jap and Ganesan (2000).

We included five control variables in the study to account for additional determinants of performance in the alliance. Nonequity alliances were represented in the performance model as a dummy variable (0 = equity, 1 = nonequity). Likewise, we deployed a dummy to control for the different dynamics of finite, project-based alliances versus those with no-end-point (0 = fixed-end-point, 1 = no-end-point). Large alliances may enjoy advantages over small- and medium-sized alliances in securing partner firms' contributions of resources necessary to achieve efficiencies (Bello et al., 2010). We thus included a size dummy to distinguish alliances with over 500 employees from smaller ones (0 = small and medium size, 1 = large size). The high-technology sector involves intensive alliance activities associated with efficiencies (Stuart, 2000). We control for these differences via a high-technology dummy (0 = other industries, 1 = high-technology industry). Finally, we control for alliance duration, as alliances may become more successful with increasing years of operation (Bello et al., 2010).

#### 4.6. Informant quality

It was deemed that a senior executive or alliance manager, responsible for the management of the alliance entity, would be able to reveal valid information on behalf of their firm in the alliance (Lavie et al., 2012). However, following Katsikeas, Skarmeas, & Bello (2009), the final part of the questionnaire contained four questions used to assess respondents' (1) knowledge of all the areas covered in the survey, (2) familiarity with the strategic decisions taken in this alliance, (3) responsibility for taking decisions in this alliance, and (4)

confidence in answering the alliance questions in this survey. Individual responses to the competency questions were checked and those that exhibited a score lower than four, on a seven-point rating scale, for any question were dropped from the analysis. Ultimately, the mean score across these items was 6.19.

## 5. Analysis and results

### 5.1. Measure validation

Construct validity and reliability were assessed by following instructions suggested by Anderson and Gerbing (1988). Initially, we ran a series of exploratory factor analyses. Results demonstrated that factor solutions were consistent with theory. Cronbach’s alpha reliability scores for the main study constructs were satisfactory, as these ranged from .82 to .88. Average variance extracted (AVE) for each construct was equal or higher to the cut-off of .50 (Fornell & Larcker, 1981). Alpha scores and AVEs are reported in Table 1, along with correlations among the study constructs and control variables.

**Table 1:** Correlations, Descriptive Statistics, and Reliability Measures

Variables	Mean	S.D.	$\alpha$	AVE	1	2	3	4	5	6	7	8	9	10
1 Desire for control	4.42	1.18	.83	.50	1									
2 Process Monitoring	4.82	1.20	.87	.58	.16**	1								
3 Output Monitoring	5.06	1.39	.88	.58	.12*	.65**	1							
4 Information Exchange Norms	6.17	.73	.85	.66	-.08	.29**	.23**	1						
5 Performance in the Alliance	4.92	1.01	.82	.55	-.19**	.22**	.16**	.31**	1					
6 Learning Intent (Marker)	4.07	1.26	.76	.55	.04	.12*	.09	.05	.12*	1				
7 Nonequity Dummy	.81	.40			.01	.04	.07	.10*	.10*	-.11*	1			
8 No-End-Point Dummy	.75	.43			.06	.05	.02	-.04	-.03	.20	.17**	1		
9 Size Dummy	.41	.49			-.01	.07	.06	-.02	.06	.04	.01	.19**	1	
10 High-Technology Dummy	.36	.48			-.06	.06	.04	.01	-.01	-.04	.12*	-.05	-.02	1
11 Duration	4.81	3.95			-.01	.05	.03	-.01	-.04	-.03	-.06	.07	.15**	.01

\*\* Correlation significant at the .01 level (two-tailed); \*Correlation significant at the .05 level (two-tailed)

Marker = Marker variable used for method bias procedures

We next ran a confirmatory factor analysis in EQS—using the elliptical reweighted least-squares (ERLS) estimation procedure—for the main study constructs. ERLS allows unbiased estimates for both multivariate normal and non-normal data (Sharma, Durvasula, & Dillon,

1989). The results are reported in Table 2. The goodness-of-fit indices show a satisfactory fit to the data: Chi-Square statistic = 399.70 (df = 160),  $p = .00$ ; Comparative Fit Index (CFI) = .96; Incremental Fit Index (IFI) = .96; Non-Normed Fit Index (NNFI) = .95; Standardized Root Mean Square Residual (SRMR) = .06; and Root Mean Squared Error of Approximation (RMSEA) = .05. All the factor loadings exceed .61 and are significant at  $p < .01$ . Thus, it is reasonable to claim that the measurement scales possess satisfactory convergent validity.

**Table 2:** Measurement Model Results

Factor and Items	Standardized Loading	t-Value
<b>Desire for Control</b>		
My firm would like to give the orders in its dealings with the partner firm	.67	12.42
My firm would appreciate having control over the partner firm	.73	13.70
My firm would enjoy being able to influence the behavior of the partner firm	.64	11.72
My firm would prefer to decide what the partner firm should be doing rather than vice versa	.86	16.97
My firm would appreciate making strategic decisions on behalf of the alliance	.62	11.23
<b>Process Monitoring</b>		
My firm regularly monitors the quality control maintained by the partner firm	.80	16.14
My firm monitors the extent to which the partner firm follows established procedures	.87	18.19
My firm evaluates the procedures the partner firm uses to accomplish alliance tasks	.78	15.49
My firm closely monitors the partner firm after asking it to do something	.64	11.97
My firm requires the partner firm to report regularly its handling of alliance operations	.72	13.92
<b>Output Monitoring</b>		
My firm establishes specific performance goals for the partner firm	.85	17.69
My firm monitors the extent to which the partner firm achieves its performance goals	.94	20.48
My firm believes that if the partner firm did not meet its performance goals, it'd be required to explain	.80	16.35
<b>Information Exchange Norms</b>		
Both partners are expected to provide any information that may help achieve alliance goals	.71	13.55
Partners are expected to keep one another informed about events/changes that may affect the alliance	.85	16.87
Both partners are expected to frequently exchange information with each other	.87	17.41
<b>Performance in the Alliance</b>		
In this alliance, my firm's resources are deployed efficiently	.79	15.96
In this alliance, procedures and mechanisms for alliance resource utilisation are cost-effective	.88	18.39
In this alliance, my firm effectively converts resource inputs into alliance outputs	.87	18.09
My firm perceives that alliance tasks are efficiently carried out by the partner firm	.68	12.98
<b>Fit Index:</b> Chi-Sq. = 399.70 (df = 160), $p = .00$ ; CFI = .96; IFI = .96; NNFI = .95; SRMR = .06; RMSEA = .05		

We assessed the discriminant validity of the measures by determining whether the AVE for each construct was greater than its highest shared variance with other constructs (Fornell & Larcker, 1981). The results of this test revealed no problems (see Table 1). Taken together, these tests show that the multi-item scales used to capture the variances of the study constructs are both valid and reliable.

## 5.2. Measurement bias

We sought to reduce common method bias (CMB) in the data through procedures recommended by MacKenzie & Podsakoff (2012): namely, ensuring informants had adequate experience with the topic, assuring informant anonymity, reverse coding some items, and avoiding double-barrelled, complex, and abstract questions. Nevertheless, we deployed the correlation-based marker variable technique to detect the presence of CMB (Podsakoff, MacKenzie, & Podsakoff, 2012). Specifically, we used a marker-variable (i.e., learning intent; four-item scale adopted from Simonin, 2004) that is assumed to have no relationship with at least one of the study variables (i.e., desire for control). CMB can be detected by observing the correlation value(s) between the marker variable and the theoretically unrelated variable(s) in the model. The correlation matrix (Table 1) indicates low shared variance of the marker variable with the theoretically unrelated variable ( $r = .04$ ). We used this correlation as the basis for calculating a CMB-corrected matrix (see Malhotra, Kim, & Patil, 2006). Next, we estimated a marker measurement model using the corrected matrix; a Chi-Square difference test between this model and our original measurement model did not show any deterioration in fit ( $\Delta\text{Chi-Sq.} = .27$ ). This test suggests CMB is unlikely to explain the study results.

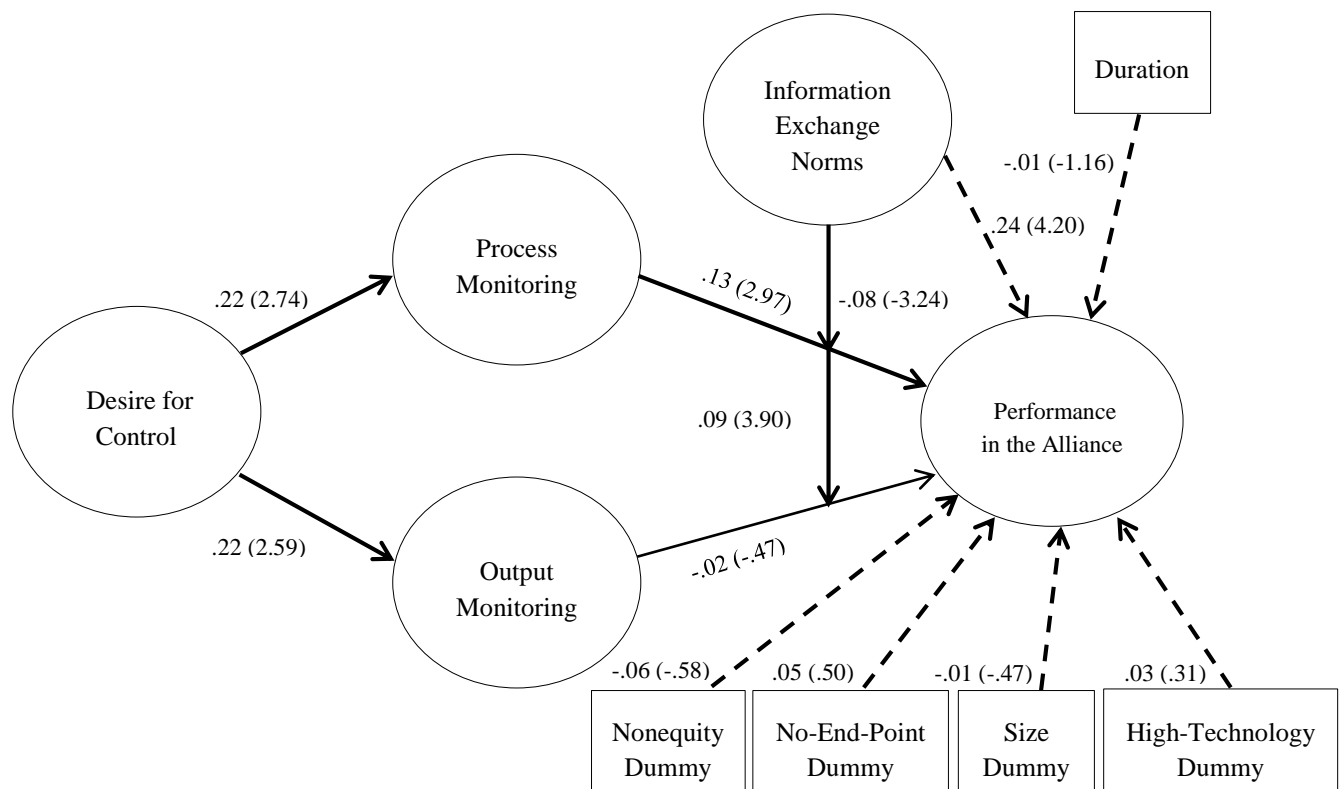
In order to reduce nonresponse problems, we gave informants the opportunity to complete the online survey in multiple web sessions. What is more, we compared late and early responses with respect to the study constructs using a t-test procedure. No significant differences ( $p < .05$ ) were detected and, thus, nonresponse bias does not appear to be an issue in our study.



### 5.3. Hypothesis testing

Structural Equation Modeling (SEM) was used to test the hypothesized relationships, again using ERLS estimation. The interaction effect was incorporated using Ping's (1995) approach and formulae for estimating moderation effects. The structural model results are reported in Figure 2. The model fits the data satisfactorily (Chi-Sq. = 803.17 (df = 336)  $p = .00$ ; CFI = .91; IFI = .91; NNFI = .91; SRMR = .11; RMSEA = .06).

**Figure 2:** Structural Model Results



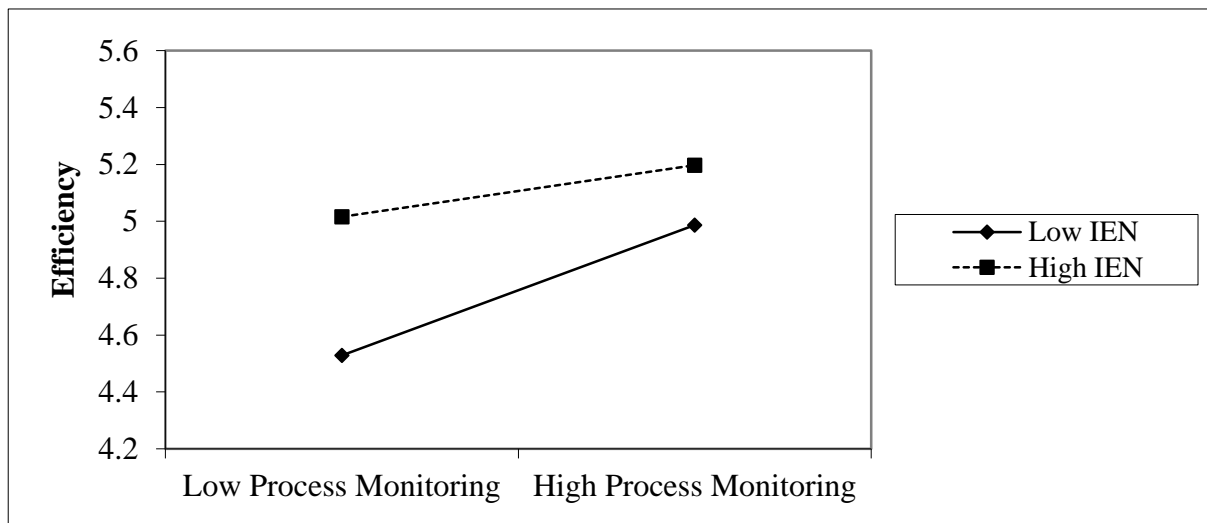
The structural model results show that the focal firm's desire for control positively affects both process monitoring ( $b = .22$ ,  $t = 2.74$ ,  $p < .01$ ) and output monitoring ( $b = .22$ ,  $t = 2.59$ ,  $p < .01$ ). These results support H1 and H2, respectively, in line with the assertion that firms apply their desire to exercise control to actual monitoring procedures in alliances. As per our dark side thesis, we predicted negative links between process monitoring and performance in

the alliance (H3), and between output monitoring and performance (H4). Surprisingly, the results did not provide support for these relationships. They reveal instead that process monitoring is positively linked to performance ( $b = .13$ ,  $t = 2.97$ ,  $p < .01$ ) and output monitoring is unrelated to performance ( $b = -.02$ ,  $t = -.47$ ,  $p > .05$ ).

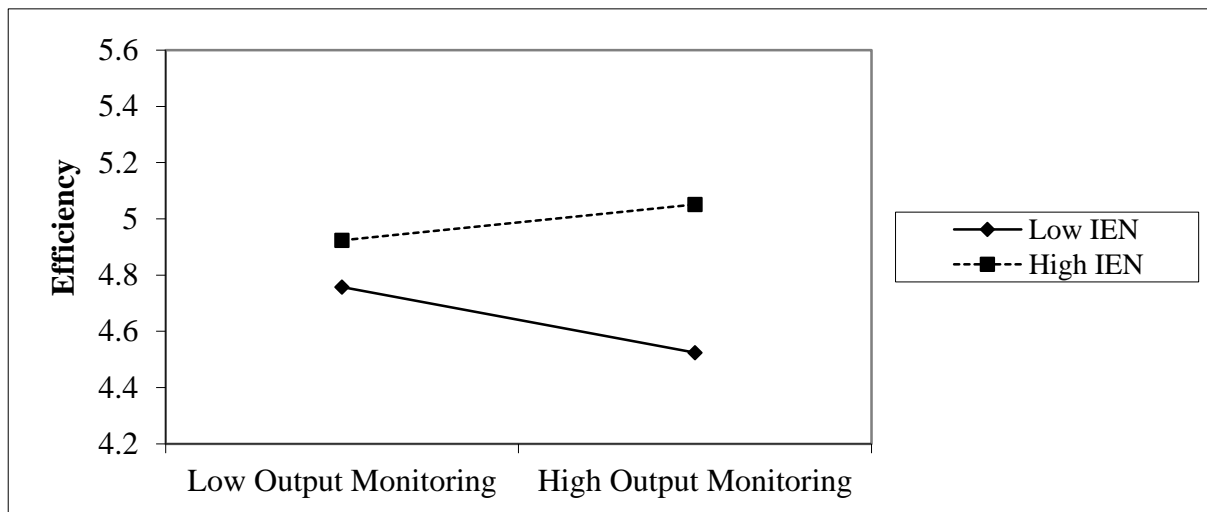
The results also show that performance effects of process and output monitoring change under different conditions of the moderator, information exchange norms. Specifically, the interaction term of process monitoring and information exchange norms is negatively linked to performance ( $b = -.08$ ,  $t = -3.24$ ,  $p < .01$ ), while the interaction term between output monitoring and information exchange norms is positively associated with performance ( $b = .09$ ,  $t = 3.90$ ,  $p < .01$ ). These results are as per our H5 and H6 predictions. We plot these moderation effects in Figure 3. The plots confirm that the firm's use of process monitoring to oversee the counterpart drives its performance outcomes only if there is a low level of information exchange between the alliance partners; as such, information exchange norms substitute for process monitoring. By contrast, the focal firm's use of output monitoring is negatively linked to its performance outcomes in the presence of a low level of information exchange. The two mechanisms complement one another in that high information exchange norms reduce the negative performance influence of output monitoring.

**Figure 3: Interaction Effects**

A. Information Exchange Norms and Process Monitoring



B. Information Exchange Norms and Output Monitoring



The results also suggest a direct effect of information exchange norms on focal firm performance in the alliance ( $b = .24$ ,  $t = 4.20$ ,  $p < .01$ ). As such, alliance partners may efficiently deploy information exchange norms to oversee implementation of alliance tasks. None of the five control variables included in the model have significant links to performance. We ran an additional model in which a direct path was added from desire to control to performance in the alliance. That the path coefficient was not significant ( $b = -.15$ ,  $t = -1.68$ ,  $p < .05$ ) is to be expected given our theory-based assertion that personality traits lead to

behaviors with performance relevance. The study findings prove robust to the systematic inclusion or exclusion of these control variables and links.

The literature implies that the monitoring of an overseas partner may pose additional challenges in alliances (Robson et al., 2008). As the sample includes sizeable groups of domestic ( $n = 210$ ) and international ( $n = 194$ ) alliances, we were able to rerun the structural model for two subsamples. The results are consistent across domestic and international alliances and reinforce our hypothesis testing in the full sample, with two exceptions. The desire for control to process monitoring path is positive for domestic alliances ( $b = .28$ ,  $t = 2.16$ ,  $p < .01$ ), but not for international alliances ( $b = .17$ ,  $t = 1.59$ ,  $p > .05$ ). By contrast, desire for control is positively related to output monitoring among international alliances ( $b = .27$ ,  $t = 2.39$ ,  $p < .01$ ) and not domestic alliances ( $b = .17$ ,  $t = 1.33$ ,  $p > .05$ ). Firms appear to satisfy their need for control using whichever form of monitoring best suits the circumstances. Desire for control would seem not to motivate process monitoring in international alliances since firms recognize that they lack understanding of the complexities of the foreign partner's work sufficient to oversee these processes (Bello & Gilliland, 1997). Process control is an efficacious mechanism for exerting control over the partner's alliance work in less institutionally complex, domestic alliance settings (Dahlquist & Griffith, 2015).

## **6. Conclusions and implications**

Because strategic alliances juxtapose cooperation and competition, they make firms uncertain about whether or not the counterpart will behave opportunistically. In response, marketing and management scholars have asserted that within a trusting type of alliance the risk of opportunism normally reduces, and inefficiencies linked to mechanisms for monitoring and enforcing contracts may be avoided (Jiang et al., 2015). Scholarly emphasis on relational exchange behaviors has led to insightful scrutiny of negative outcomes of raised vulnerability from soft ties, following the dark side of close relationships perspective (Anderson & Jap,

2005; Noordhoff et al., 2011). Yet, in reality many alliance relationships unravel without ever becoming close. We theorize that these alliances are not immune to dark side mechanisms and could face the downside of the dark personality trait, desire for control. The literature suggests control mechanisms are necessary to reduce vulnerability and guard against opportunism and poor performance (Chang, Bai, & Li, 2015; Lange, 2008; Luo, Zhang, & Huang, 2011). We departed from this assumption, arguing instead that desire for control drives firms to manipulate monitoring mechanisms in alliances, and that these self-serving decisions can have a negative impact on alliance performance.

### 6.1. Theoretical implications

The study extends existing knowledge in three main ways. First, drawing from upper echelons theory (Hambrick, 2007), we introduce the dark personality trait, desire for control, to a literature stream that has featured the onset of the dark side of close relationships (Scheer et al., 2012), but has yet to theorize the dark side of personality traits that discourages a firm from developing relational embeddedness in its alliances.

Second, previous research is unclear regarding antecedents of monitoring decisions in alliances (Wuyts & Geyskens, 2005). Drawing upon personality trait theory (e.g., Funder, 2001), we demonstrate for the first time that a firm's desire for control links to decisions on the use of process and output monitoring mechanisms. Desire for control appears to drive the firm to enact self-serving monitoring mechanisms that are not oriented toward shared goals in the alliance (Greenbaum et al., 2014). Still, our robustness check involving international and domestic subsamples revealed an efficacy argument—that output rather than process monitoring is better suited to international alliances, and vice versa for domestic alliances. The observation that desire for control drives output and/or process monitoring in alliances challenges the embeddedness position that partners will choose to interact to develop soft ties that then reduce their motivation to monitor one another.

Third, we add to recent debate on substitutes and complements effects between formal and relational governance approaches (Abdi & Aulakh, 2014; Gundlach & Cannon, 2010; Stouthuysen et al., 2012), by focusing on the interplay among unilateral and bilateral monitoring mechanisms in alliances. Specifically, we demonstrate that information exchange norms substitute for process monitoring, but complement output monitoring.

The results show that output monitoring has a nonsignificant impact on focal firm performance in the alliance. However, under conditions of low information exchange norms, output monitoring reduces a firm's performance in the alliance, providing some evidence of self-serving monitoring and reduced performance, as per the downside of dark personality traits. In the presence of output monitoring and absence of information exchange, the partner would be left alone to select the means by which to reach set outcomes, which is likely to demotivate them; in effect, increasing the risk of opportunism and reducing task efficiency.

We found that process monitoring enhances performance in the alliance, in contrast with our logic that dark personality traits drive self-serving control decisions that reduce performance (O'Boyle et al., 2012) and, also, previous findings showing no effect of behavior control on performance in partnerships (Stouthuysen et al., 2012). Even a dark personality trait may produce forms of monitoring that are constructive in that they benefit alliance performance.

Nevertheless, performance outcomes of process monitoring decline under the condition of high information exchange norms. Under conditions of high process monitoring and high information exchange, the alliance partners would be confused about whether they should follow unilaterally prescribed work procedures or work together in a bilateral mode to determine the process of creating value. Further, strict process monitoring creates a partner reactance effect that could raise their intention to internalize and deploy core knowledge shared in the alliance (Gundlach & Cannon, 2010). Process monitoring may be utilized in a strategic sense, not only to monitor the counterpart, but also to exploit their confidence in the

collaboration and open disclosure of information intended to help achieve alliance goals. It would seem these mechanisms dampen, but do not overwhelm, process monitoring's capacity to regulate and coordinate the alliance partner (Heide et al., 2007).

## 6.2. Managerial implications

This study provides multiple insights for managers. While firms should ideally make a decision on how to monitor an alliance that best achieves common goals and work efficiencies, the results imply that monitoring mechanisms can be a manifestation of the dark side of alliances. Specifically, desire for control may drive firms to enact self-serving monitoring decisions that might, under certain circumstances, reduce their performance outcomes. It is important that alliance decision-makers are cognisant of motivations their firms have stemming from dark personality traits, such as desire for control. A preoccupation with unilateral monitoring mechanisms can detract from a focus on information exchange norms as a solution to control—our results suggest this form of bilateral monitoring is the strongest predictor of alliance performance. However, the results also support that firms should not deploy unilateral and bilateral controls in isolation, but rather adopt a holistic approach due to the complex interplay of process and output monitoring with information exchange norms in alliances.

The study shows that firms set on utilizing strict process monitoring should limit the amount of valuable information exchanged in order to contain core knowledge leakage and not create ambiguity as to how task procedures are developed and followed. However, given the results reveal this substitutes effect, and also that information exchange norms themselves are effective in boosting alliance performance, it is advisable for practitioners to contemplate whether process controls are necessary in alliances that are cultivating normative behaviors to undergird the exchange. A related consideration is that process monitoring would appear to be more challenging to implement and lack efficacy in complex, international alliances.

By contrast, firms can derive advantage from increasing the amount of valuable information shared with the partner when output monitoring is in place; given the complements effect observed in the study. Under conditions of low information exchange norms, output monitoring actually reduces a firm's performance in the alliance, providing evidence of self-serving monitoring. Information sharing addresses the partner demotivation downside of output monitoring, by ensuring that key tasks are being completed and outcomes achieved.

## **7. Limitations and future research directions**

The study results should be viewed in light of certain limitations. Attempts to generalize from our evidence should be made with caution as the findings focus on strategic alliances among U.S., E.U., and Asian firms. Replicating the study in other empirical contexts would help assess the external validity of the current findings. Moreover, the study lacks dyadic data that could capture interplay and tensions between the two partners' personality traits. Despite offering the benefit of a holistic picture of dark side effects, collecting paired data in a sample such as ours (i.e., including cross-border alliances) would be acutely difficult. We also employed a cross-sectional design that provides a snapshot of construct relationships, limiting the ability of the study to claim causal inferences. Although costly and time-consuming, the use of longitudinal designs in future research would add to our understanding of dynamics of the trait–control–performance mechanism in strategic alliances (Ju et al., 2014).

Beyond understanding the individual effects of desire for control, future research should examine whether additional dark personality traits in firms (e.g., propensity to distrust) influence strategic alliance decisions and performance outcomes. On the other hand, scholars might derive advantage from studying bright personality traits (e.g., propensity for trust, as per Bierly & Gallagher, 2007) and whether these lead to over-embedded relationships and the onset of the dark side of close relationships. Moreover, since we found a strong, positive impact of information exchange norms on performance, it is important that alliance scholars



consider whether bright personality traits indirectly affect performance via bilateral controls. While such links fall outside the scope of this study on the dark side of personality traits, they would be compatible with our general theorization of the role of personality traits in alliances. Finally, it would be fruitful for future studies to investigate whether desire for control functions as an orientation of the firm (cf. Chen et al., 2014). If so, it might influence a wider range of strategic decisions (e.g., (re)negotiation strategies), relationship quality (e.g., Barnes, Leonidou, Siu, & Leonidou, 2015), and governance approaches (e.g., Leonidou, Samiee, Aykol, & Talias, 2014) in alliance settings.

## Appendix: Indicative Empirical Studies on the Dark Side of Alliances and Partnerships

Reference	Study Purpose	Theoretical Rationale	Empirical Approach	Study Findings
Moorman et al., 1992	To examine how trust between knowledge users and providers affects the perceived quality of interactions, level of involvement, and users' commitments to relationships.	Relational perspective.	Cross-sectional survey of 779 marketing managers and marketing researchers in the U.S.	Long-term relationships develop relational forces that weaken the positive effects of trust and commitment on service use.
Ping, 1993	To examine the response intentions of retailers of hardware to relationship problems with suppliers, and their antecedents.	Economics perspective.	Cross-sectional survey involving 222 hardware retailers in 50 U.S. states.	Un-remedied problems cause retailers dissatisfaction, which may be considered as a signal of the dark side of channel relationships.
Grayson & Ambler, 1999	To examine if the dark side of business relationships negatively affects the relationship between relational factors and service use.	Relational perspective.	Cross-sectional survey involving 200 marketing and advertising managers in the U.K.	Long-term relationships negatively impact service use, and this weakens the positive effect of trust.
Hibbard et al., 2001	To explain if the benefits of strong business relationships diminish over time.	Relational perspective.	Cross-sectional survey of 628 auto manufacturers and dealers in the U.S.	The benefits of investing in building a closer relationships start to weaken over time.
Jap & Anderson, 2003	To examine the ability of relationship safeguard mechanisms to mitigate opportunism behaviors, and offer a solution on how to manage and mitigate the dark side of business relationships.	Transaction cost economics; agency theory; relational perspective.	Cross-sectional survey involving 300 buyers–supplier relationships in the U.S.	Ex-post opportunism is evidence of the dark side of ongoing business relationships; goal congruence may mitigate negative consequences of the dark side, e.g., destabilization/termination of the relationship.
Pressey & Tzokas, 2004	To examine if export relationships can be sustainable over time.	Trust–commitment perspective.	Cross-sectional survey involving 212 U.K. export firms.	Long-term relationships are affected by the dark side due to declining degrees of affective and calculative commitment between partners.
Anderson & Jap, 2005	To examine how the dark of close business relationships emerge.	Relational perspective.	Cross-sectional survey involving 1,540 business relationships in the U.S.	Mechanisms designed to build closer relationships and expand the size of the pie to be shared can concurrently poison their development.
Wuyts & Geyskens, 2005	To examine how a firm's organizational culture influences governance decisions and the effectiveness of these decisions on curtailing the partner's opportunism.	Organizational culture perspective; transaction cost economics.	Cross-sectional survey of 177 purchasing managers of manufacturer firms in the Netherlands.	Close relationships are less effective in curtailing a partner's opportunism, because they may trigger rather than reduce the partner's opportunism.
Luo et al., 2007	To examine the impact of alliances between rivals on financial performance.	Rivalry perspective.	Cross-sectional survey with 228 executives and archival data from the U.S. computer industry.	Competition and cooperation are characterised by a dark side, which negatively affects firms' profitability.
Gu et al., 2008	To examine how and when Guanxi works as a governance mechanism that influences performance outcomes.	Social capital theory.	Cross-sectional survey involving 282 firms in China.	Ongoing relationships may develop destabilizing forces that cause the termination of the relationship.
Poppo et al., 2008	To explain how trust develops in interorganizational relationships between manufacturers and their major suppliers.	Interdependence perspective.	Cross-sectional survey of 137 purchasing managers in the U.S.	Priority history between partner firms does not have a positive impact on trust, unless there is expectation of continuity.
Fang et al., 2011	To identify how the dark side of relationships emerges and moderates links between relationship quality and outcomes.	Tension-based view.	Cross-sectional survey involving 500 manufacturer firms in Taiwan.	The dark side of business relationships emerges from imbalanced tensions between partner firms.
Noordhoff et al., 2011	To examine if embedded ties hurt or help supplier innovation, depending on other conditions in the relationship.	Relational perspective; knowledge theory.	Cross-sectional survey involving 157 B2B innovation relationships in the Netherlands.	The dark side of embedded ties weakens suppliers' benefits from customer innovation knowledge, though this varies depending on the dark side mechanism and governance context.
Villena et al., 2011	To examine the impact of cognitive, structural, and relational social capital on value created via collaborative relationships.	Social capital theory.	Cross-sectional survey involving 132 Spanish export firms.	Social capital can improve strategic and operational performance outcomes, but it can also weaken performance outcomes.
Day et al., 2013	To examine the benefits and risk of trust in buyer–supplier long-term relationships.	Relational perspective.	In-depth interviews of managers in two anonymous firms and their suppliers.	High trust in buyer–supplier, long-term relationships may cause inertia, resource misallocation, and negative dependency.
Ekici, 2013	To examine the impact of changes in the level of trust on ongoing buyer–supplier relationships.	Relational perspective.	In-depth interviews with middle-scale U.S. businesses from different industries.	A change of the level of trust may cause the emergence of relational dark side behaviors that can damage ongoing relationships.

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