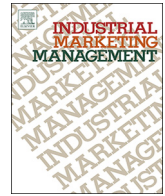




ELSEVIER

Contents lists available at ScienceDirect

Industrial Marketing Management

journal homepage: www.elsevier.com/locate/indmarman

Mindful management of relationships during periods of crises: A model of trust, doubt and relational adjustments



Katayoun Zafari^a, Sergio Biggemann^{b,*}, Tony Garry^b

^a Department of Marketing, Retailing and Tourism, Faculty of Business and Law, Manchester Metropolitan University, All Saints Campus, Oxford Road, Manchester M15 6BH, UK

^b University of Otago, School of Business, New Zealand

ARTICLE INFO

Keywords:

Mindfulness
Relationship management
Trust
Doubt
Crisis
Resilience

ABSTRACT

This paper identifies practices of business-to-business relationship management that lead to building resilience during crisis. Business relationships play a significant role when firms face turbulence and disruption. Crises create resource limitations that businesses need to manage by the rapid formation of new relationships to access resources and build adequate capabilities. Mindfully managing such relationships requires a combination of trust, doubt and control mechanisms to enable exchange while safeguarding against relational vulnerabilities. Drawing on data from 33 firms operating within highly turbulent and uncertain environments, and crisis management literature, we apply the concept of mindfulness and introduce a model of mindful management of relationships as a process that combines the cognitive and behavioural capabilities of trusting, doubting, verifying, and adjusting relational exposure. This process enables a rapid acquisition of resources and building capabilities while enabling businesses dealing with issues before relational failure manifests. The mindful process supports ongoing and highly interactive relationships that adjust to changing circumstances fostering collaboration to deal with crises. Results encourage managers to rapidly develop relationships and trust new partners, whilst practicing suspicious thinking, enacting continuous interaction, empowering experienced boundary personnel, enabling frequent informal communication, and supporting the development of diverse social bonds.

1. Introduction

According to the 2019 report of United Nations Office for Disaster Risk Reduction (UNDRR, 2019), the number of annual high-risk events has steadily increased year-on-year. The disruptions caused by these events require businesses to develop new resources and capabilities. The ‘new normal’ appears to comprise a business environment full of socio-economic and political turbulent and disruptive conditions, terrorist attacks, wars, natural disasters, human errors and cyber-crimes, and lately, the spread of infectious diseases (World Economic UNDRR, 2019; WorldEconomicForum, 2019). Such events pose a high burden on the economy and businesses of many nations. For example, the 2003 SARS outbreak infected 8000 people with 774 fatalities and cost the global economy an estimated US\$ 50 billion (FinancialTimes, 2009).

Historically, the consequences of such high-risk events were localised, nevertheless, in the hyper-connected business world of today, effects can rapidly escalate, resulting in global chaos. The negative effects of the Covid-19 virus on world business are expected to be

significant and long-term. In the UK alone, the economic disruption created by Covid-19 has resulted in an estimated 21,000 businesses failures in March 2020 alone; a 70% increase from the same month in the previous year (FinancialTimes, 2020). Businesses striving to survive are urged to leverage their resources to develop capabilities that help identify threats, reduce vulnerabilities and facilitate risk management while maximising benefits that such events may create.

A growing body of research that aims to understand how businesses can become more resilient in volatile, uncertain, complex, and ambiguous (VUCA) conditions, has emerged due to the significance, increased frequency, and potential negative effects of disruptive incidents. (e.g., Mack, Khare, Krämer, & Burgartz, 2015; Van Der Vegt, Essens, Wahlström, & George, 2015; Williams, Gruber, Sutcliffe, Shepherd, & Zhao, 2017). Whilst recognising that business relationships are essential for a firm's survival and resilience, their management during times of crisis is an under-researched area (McCann & Selsky, 2012). This is surprising given that potential responses to external events may significantly rely on business connectivity and relationships as key

* Corresponding author.

E-mail addresses: k.zafari@mmu.ac.uk (K. Zafari), sergio.biggemann@otago.ac.nz (S. Biggemann), tony.garry@otago.ac.nz (T. Garry).

<https://doi.org/10.1016/j.indmarman.2020.05.026>

Received 1 May 2020; Received in revised form 21 May 2020; Accepted 22 May 2020

0019-8501/ © 2020 Elsevier Inc. All rights reserved.

resources that could foster cooperation and support businesses during crises (Stevenson et al., 2014).

Conducting business during times of crises creates both threats and opportunities for business-to-business relationships. Crises create resource limitation, which may result in the necessity for firms to form relationships quickly and/or abandon long-term relationships. Entering into new relationships with unknown partners increases the risks of doing business. At the same time, exchange during a crisis is of higher risk as situational factors are dynamic. Hence, in order for firms to survive during and after a crisis, relationships need to be managed differently to ensure resources are efficiently exchanged while threats, both from relationships and the environment, are continuously identified and controlled.

This paper draws upon data collected from firms that operate within business environments characterised by high levels of turbulence and uncertainty. These firms are required to continuously manage and adapt to the crises they face. Drawing on the crisis management and relationship management literature, and based on the analyses of this data, we propose a process of mindful management of relationships comprising cognitive and behavioural capabilities that lead to action as well as trust management and control within two specific stages of a relationship. This process helps businesses working in VUCA environments of today to reliably manage relationships by rapidly accessing resources and avoiding relational and exchange failures and their consequences. We suggest a number of factors that can help managers support the process of mindful management of relationships in their organisation.

2. Crisis management

A crisis is a situation in which a major unexpected or unanticipated external threat is posed to an organisation's survival, and which the organisation has limited time and/or resources to respond to it (Hermann, 1963). Based on this definition, a crisis is an influential and unexpected event that can occur while the environment is uncertain, turbulent and complex and when resources are scarce. Other recent definitions of crisis focus on the process that leads to a crisis in order to understand how it can be avoided by developing certain capacities (Williams et al., 2017). Irrespective of the source of the threat, systems that experience a crisis may become paralysed or experience high levels of stress, panic and time pressure, all of which create challenges in making appropriate decisions, responding rapidly and coordinating remedial activities (Weick & Sutcliffe, 2007).

Early studies on crisis management explored firms that succeeded in operating whilst facing such challenges. These firms were called High Reliability Organisations (HROs); organisations that succeeded in working reliably in uncertain and risky conditions, with a minimum number of failures. Examples of such organisations include hospitals, power and nuclear plants and airlines and flight crews that work in high-risk situations, but manage to perform reliably and with minimal failures. Reliable organisations reflect certain cognitive and behavioural attributes that sustain resilience despite working on crisis induced tasks (Weick & Sutcliffe, 2007). From this literature, Weick, Sutcliffe, and Obstfeld (2008) suggest *Mindfulness* as a key characteristic of organisations that remain resilient during times of crisis.

Mindfulness is defined as a form of management that includes action but also cognitive openness and awareness of threats. Sutcliffe, Vogus, and Dane (2016) define mindfulness as a particular state of cognitive consciousness in which a person pays attention to the current event without judgement and with an open mind in order to identify threats. The notion of *Collective Mindfulness* was proposed by the organisational theorist Carl Weick to explain mindfulness in organisations and to inform why some organisations do not fail despite working in high-risk conditions (Weick & Putnam, 2006). It has subsequently been used to describe the characteristics of organisations that resist taking a blasé approach but are proactively scanning the environment for possibilities

of threat (Sutcliffe et al., 2016; Weick et al., 2008).

Mindful organisations pay close attention to their surroundings with an open mind, and attempt to identify even weak signals that may reflect danger, and use these as opportunities to prevent or manage a crisis. They avoid simplifying interpretations while encouraging negative thinking and anticipating the worst. They also shift decision making to locations of expertise, and foster the identification of experts who can interpret the signals of change efficiently (Weick et al., 2008; Weick & Putnam, 2006). They then share their mental models with others enabling appropriate action that leads to a reduction in the threat or threats (Sutcliffe et al., 2016).

There is close link between mindfulness and resilience as identified by research on HROs. A resilient system is a one that survives adverse events by anticipating, preparing, preventing, or mitigating risks before crisis events occur and respond to disruptions in a way that its function is maintained and/or improved rapidly after a disruption (Sutcliffe & Vogus, 2003; Williams et al., 2017). According to research on HROs, an organisation is resilient when it has the capacity to work reliably by proactively sensing and identifying threats, building capacities to deal with them and bouncing back to functionality as quickly as possible after crisis (Weick & Sutcliffe, 2007). The reliability paradigm therefore encourages firms to initially improve their preparedness by reducing their vulnerabilities and proactively looking for any weak signals of threat and rectifying these before they escalate and affect the firm's function. Mindfulness also supports preparedness and risk reduction by keeping firms alert to weak signals of change during day-to-day operations, in order to ensure that such signals are continuously interpreted, negotiated and acted upon. Mindfulness can therefore improve the resilience capacity of firms by supporting the anticipation of signals and preparing for a crisis or attempting to mitigate against them before they escalate. Naturally, in a turbulent and uncertain condition, mindfulness is critical for the resilience capacity of firms as it can help to prevent an incident turning into a crisis.

While the HRO literature has been useful for organisational research, its concept of mindfulness has not been adopted in the management of business relationships. This is because research in this area has focused on collective mindfulness inside an organisation. Recent work within this arena suggests crisis management knowledge may be particularly useful in identifying how firms can improve their resilience through leveraging their resources and capabilities, including their relationships (Williams et al., 2017).

3. Business relationships and crises

The role of relationships and reliance on them for access to resources becomes more critical during times of crisis. However, so do the risks associated with such relationships. Quality relationships improve the overall resilience and performance of firms (Van Der Vegt et al., 2015; Wieland & Wallenburg, 2013). Indeed, during a time of crisis, a relationship itself may be viewed as a critical resource. Stevenson et al. (2014) studied businesses affected by the seismic activities in Christchurch during the period 2010–2011. They concluded that the network of businesses surrounding a firm and the quality of relationships with such businesses could determine how well a firm bounced back from the crisis. However, research that explores business relationships and their role during crises is still limited (Williams et al., 2017).

As well as positive influences, relationships may also pose threats to businesses (Anderson & Jap, 2005). Firms who work in crises face increased vulnerability to failure and can therefore affect other firms within their network. The negative consequences associated with business interdependence was particularly apparent in the 2008 global financial crisis when financial systems were prone to failure in most parts of the world. Research into crises therefore suggests businesses need to develop and improve collaborations while they carefully manage their dependence on such collaborations (McCann & Selsky,

2012; Syrett & Devine, 2012). This then raises the question as to how firms can cooperate to solve crisis-related challenges and facilitate the continual movement of resources whilst reducing risks of dependence on other vulnerable firms. Mindfulness and the work of HROs may provide insights that inform the management of relationships wherein goods and services continue to be exchanged efficiently whilst threats are continuously identified and rectified.

3.1. Mindfulness and relationship atmosphere

Relationships are formed as a result of interactions between two parties through which actors interact, activities are linked and resources are exchanged. Over time, such ongoing interactions result in a relationship atmosphere which encompasses the working environment for business interactions to take place. The nature of the relationship atmosphere is determined by a number of relational variables including dependency/inter-dependency, trust, power, commitment, control, collaboration, distance and communication (Håkansson, Ford, Gadde, Snehota, & Waluszewski, 2009; Hallén & Sandström, 1991). A favourable atmosphere that leads to beneficial relationships is characterised by high levels of interdependency, trust, commitment and collaboration along with efficient communication and low levels of control, use of power and distance. Table 1 explains the relevance of relationship atmosphere to mindfulness.

As highlighted in Table 1, mindfulness can support a positive relational atmosphere, which in turn has the ability to help improve mindfulness. However, among the various relational features, trust and control are particularly pertinent to the mindful management concept which is explored further in the following sections.

3.2. The central role of trust

Trust has long been recognised as playing a critical role in business relationships (Morgan & Hunt, 1994; Young & Wilkinson, 1989). Trust enables high risk actions without fear that the exchange partner will misuse their power (Luhmann, 1988). It therefore has a central role in enabling the exchange and development of cooperation between firms. Moreover, trust facilitates the formation, development and maintenance of effective long-term cooperative and committed relationships. Above all, trust reduces the cost of doing business as it acts as a non-contractual governance mechanism that replaces costly and time-

consuming formal contracts and associated monitoring (Blomqvist, 2002; Huang & Wilkinson, 2013; Morgan & Hunt, 1994; Young & Wilkinson, 1989).

Trust is a cognitive state that reflects the belief that the other party is reliable, capable of delivering and has positive intentions (Blomqvist, 2002; Seppänen, Blomqvist, & Sundqvist, 2007). Firms trust in exchange partners due to various psychological, economic and emotional reasons. Hence, in order to trust, they may examine exchange partner attributes such as capability, goodwill (or benevolence) and honesty (Walter, Müller, Helfert, & Ritter, 2003).

The extant literature suggests a gradual development of trust based on the evaluation of outcomes of a relationship (Dwyer, Schurr, & Oh, 1987; Ford, 1980). Trust in the early stages of interaction is mainly calculative and cognitive and is reliant upon prior beliefs about the exchange partner based on an individual's own knowledge or secondary sources, reputation or third party reference (Huang & Wilkinson, 2013; Wong & Ellis, 2002). Additionally, in terms of evaluating options at an early stage, prior experiences will also inform decision-making. Reputation appears as a tool in the initial sense-making stage and supports calculative trust (de Pablo González, Pardo, & Perlins, 2014; Huang & Wilkinson, 2013). The reputation of parties is spread through the diffusion of information across personal or professional relationships (de Pablo González et al., 2014; Powers & Reagan, 2007; Wong & Ellis, 2002).

Trust is highly reliant on cognition and the interpretation of the exchange partner's action. As such, previous relational cues whose outcomes were successful are stored in the memory and inform and guide the interpretation and decision making regarding the trustworthiness of exchange partners (Luhmann, 1988; Meyerson, Weick, & Kramer, 1996). The role of such evaluations reduces as relationships develop, but parties in the relationship may continue scanning for deviations from these cues, based on their experience, and re-visit relationships where deemed necessary (Huang & Wilkinson, 2013).

3.3. The dark side of trust

Whilst trust is generally deemed a positive feature of a relationship, some evidence suggests that in established relationships, the presence of trust has led to gradual reductions in performance, conflicts and ultimately, the dissolution of relationships. Anderson and Jap (2005) studied long-term relationships and concluded that trusting without

Table 1
Key features of relationship atmosphere and their relevance to mindfulness (adapted from Hallén & Sandström, 1991; Lambe, Wittmann, & Spekman, 2001).

Relationship features	Definition and function	Potential relevance to mindfulness
Trust	Willingness to rely on others which enables action	Mindfulness emphasises action, so trust as an action enabler is key to mindful management
Control	Formal set of monitoring activities that enables action and the exchange of resources mainly in absence of trust	Mindfulness emphasises attention to signals and cues which may lead to further exchange controls in relationships
Commitment	Willingness to stay and invest in relationships. It is reflected in investments and inputs into the relationship	By identifying issues in relationships or exchange, mindfulness can ensure that inputs can either rectify issues or commitment stay at an optimum level so that it is not wasted by committing to a problematic relationship
Cooperation	Willingness to work together to achieve common goals by exchange of necessary resources	Mindful management encourages action which exists during close cooperation in crisis times. Mindfulness also requires cooperation in negotiation of interpretation and decision-making leading to movement of resources.
Bonds	Economic and social attachments between firms	Social bonds between actors may enable better sensing of issues and negotiation of action. Hence, it can improve mindfulness in relationships.
Distance	Cultural, geographical, social, technological and time differences between two firms	Distant relationships are less preferred and more threatening due to differences. Mindful management may reduce this threat by encouraging doubt, control and adjustments in distant relationships.
Conflict	Disagreements and disputes that, if left unaddressed may lead to dissolution of relationships.	Mindful management may be able to support relationships by rectifying issues that may lead to serious conflicts. Changes can be negotiated before they turn into conflicts and potential relationship dissolution.
Power	The ability to influence an exchange partner	Mindfulness may not directly influence power but by paying attention to relational signals, it may lead to the early detection of the misuse of power.
Dependency	Reliance on another firm because of various needs or resources it can offer	By identifying potential negative signals in certain relationships, mindfulness can help to adjust relationships to an optimum level of dependency with minimal risk.
Communication	A tool for transfer of information, meaning and interpretation.	Mindfulness emphasises the awareness of signals, their interpretation and the negotiating of appropriate action all of which is facilitated by communication.

some level of suspicion leads to failure in partnerships. They propose that relationships that have the appearance of working effectively and without issues, are the most vulnerable as problems may be accumulating beneath the surface and which, over time, will lead to serious conflicts and potentially the dissolution. Hence, the authors suggest some level of suspicion and doubt even in long-term relationships. Similarly, Hunter, Gassenheimer, and Siguaw (2011) evaluate the performance outcomes of close relationships and suggest a medium level of suspicion is a mitigating factor that can prevent such relationships terminating.

In contrast to much of the literature which suggests that trust replaces control and doubt, a number of authors have posited that they may co-exist. Hunter et al. (2011) imply that doubt is a dynamic, cognitively effortful state in which the behaviour of the other party is being continuously questioned with regards to their motives and intentions (p. 1184). Reflective of this, Fein (1996) offers support that suspicion does not produce distrust but rather a mind-set which neither trusts nor distrusts. Ferrin and Dirks (2003) empirical research suggests that suspicion and trust can co-exist. Suspicion and doubt, either as a state of mind or a strategy, can be compared with the concept of mindfulness in the crisis management literature, in which, trust and doubt co-exist. While suspicion or distrust may be triggered by events or signals (Kramer, 1999), mindfulness is instead an advanced cognitive state of mind that is sensitive to weak signals that may indicate changes. As such, individuals are continuously interpreting such signals with the result of such interpretations frequently being communicated to others (Sutcliffe et al., 2016). Cognitive states of mind contribute to how sensitive individuals are to such signals and may result in monitoring behaviours, and informal control strategies along side trust.

A number of strategies reflect control behaviours that have proven useful in helping to improve relationship performance. Unlike doubt, which is cognitive and attitudinal, these strategies imply pre-planned behavioural control and monitoring activities. Research by Möllering (2002) and Gundlach and Cannon (2010) identify three of such strategies used in conjunction with trust to ensure relationship performance. Strategies with suppliers, according to the authors, are identified as monitoring, assurance and corroboration. Monitoring involves unilaterally and formally acquiring information from the exchange partner to evaluate their performance. Assurance involves bilateral efforts by both parties in the exchange to share knowledge and information related to the exchange in an effort to ensure control. Finally, corroboration encompasses attempts by one party to collect information about the exchange partner from a third party in the market or the activities and behaviours of the exchange partner within the market (Gundlach & Cannon, 2010).

3.4. Trust and contextual conditions

Among the key factors that influence trust are the situational and contextual factors that surround the exchange such as turbulent environments (Blomqvist, 2002; Huang & Wilkinson, 2013). One such factor is the need for rapid action due to time constraints. In such situations, actors may behave differently than under normal circumstances and rationalise their actions accordingly (Luhmann, 1988). For example, when in a crisis, a party needs to act fast and make swift decisions, however, such behaviour may differ from non-crisis situations. Blomqvist (2002) suggests that as situations increase in uncertainty and complexity and require rapid action, the need for trust increases but at the same time the possibility for incremental development of trust decreases. This may lead to the formation of *Swift Trust*. Swift trust forms quickly and is not based on actual performance but only on trust proxies such as reputation (Blomqvist, 2002; Lambe, Spekman, & Hunt, 2000). In general, systems that are forced to act under time constraints due to specific external conditions or the nature of the task will adopt swift trust (Meyerson et al., 1996). Hence, in times of crisis, the emergence of swift forms of trust becomes a rational

action, because of the need to speed up processes and the increased probability of failure if no relationship exists. Luhmann (1988) therefore suggests that systems in conditions of high risk or uncertainty need trust as an input (and not an output) and an appropriate attitudes to support the required collaborative activities.

Situational factors may also change levels of vulnerability in relationships and ultimately influence trust. Trust inherently involves risk taking and acceptance of vulnerability in anticipation of good will. Hence, the nature of trust involves acceptance of vulnerability with positive expectations that such vulnerability will not be misused by the other party (Mayer, Davis, & Schoorman, 1995). Trust is therefore based on the belief that the other party will not act in a negative manner. However, there is no guarantee or certainty that this will be the case. Thus, trust will coexist with uncertainty and vulnerability along with expectations of good will (Mayer et al., 1995). For Luhmann (1988), trust is about risk and risk is about the choosing to expose oneself to a situation where the potential negative consequences may be greater than the positive consequences. Such assumptions of trust highlight its significant role in turbulent and uncertain conditions where the vulnerabilities of both parties in exchange increase and makes it difficult to trust while at the same time, trust is crucial to enable actions that may address the challenges posed by the uncertain conditions. This dilemma necessitates certain strategies that not only enable trust but also manage any potential threats from the environment that may affect the relationship.

As much as trust is vital to enable action in times of crisis, governance mechanisms such as cognitive suspicion and behavioural control are also necessary. In such challenging conditions, the exchange partner's priorities, strategies, competencies and resources may change as well. Moreover, as the situation that surrounds the relationship changes, new threats may inflict additional challenges and corrective actions may be required by both parties. If such changes in the relationship or conditions of exchange go unnoticed or are ignored, there is an increased likelihood of conflicts and failures emerging which makes a parallel governance mechanism of doubt and control (Gundlach & Cannon, 2010) even more crucial.

Although trust has been much researched and explored within the literature, the concept remains worthy of deeper analysis and further examination particularly with regards to conditions that promote or prevent trust development and maintenance (Gundlach & Cannon, 2010; Huang & Wilkinson, 2013). Whilst trust has been studied intensively in business relationships, we still lack a full understanding of the evolution of trust or the causal mechanisms that drive the processes of building trust. For example, time and the influence of differing situational factors particularly at the start of a relationship is lacking from trust development models (Bairstow & Young, 2012). Moreover, research into the role and forms of dual governance mechanisms that incorporate trust and suspicion or control are rare and require further attention (Gundlach & Cannon, 2010). To fill this gap, this research studies relationship management in turbulent and crisis-prone environments to develop an understanding of how relationships are reliably managed within such contexts.

4. About the research

To understand how trust is formed, developed and managed in turbulent environments and during times of crisis, this research used a case-study approach (Woodside, 2010; Yin, 2013). We studied 33 businesses engaged in B2B relationships within the highly turbulent environment of the Middle East. The region is known for its uncertain and changing socio-economic-political environment and has been ranked 'low' for ease of doing business (Wilson, 2013; Worldbank, 2019). The firms that participated in this study were comprised of predominantly large and medium size manufacturers of industrial products such as paint, chemicals, minerals, inks, construction materials and packaging. Key informants were generally managers who dealt

with external relationships with either suppliers or business customers.

Semi-structured interviews with boundary managers who managed these relationships were designed, conducted, and complimented with documents and observation based on suggestions by Yin (2013). The fully transcribed data were coded with the help of theory and the data management software Atlas.ti. Coded data were then analysed using thematic analysis and a hermeneutic approach. Individual cases were first analysed with respect to the environment and the form and dynamics of trust and other relational variables within various stages of relationships. The findings were subsequently compared and contrasted between cases.

5. The results

5.1. Environmental conditions and crisis

The data suggests that firms faced a business environment that encompassed high levels of turbulence and uncertainty, which frequently culminated in crisis situations. Uncertainty was created by a number of factors including unexpected changes in government regulations, the political situation, the economy, the judicial system and the reliability of infrastructure. Key examples include the sudden change in import/export regulations, political tensions with other countries, regional wars, sudden depreciation of the currency, liquidity issues due to recessions, disruptions of supply and sales due to inadequate infrastructure, and fraud and favouritism. Such issues would lead to situations of crisis for firms wherein they faced issues with receipt and delivery of goods and services, product quality, conflicts with suppliers and customers and in most cases, financial loss.

5.2. Mindful management of relationships

The findings also suggest that firms that work in crisis-prone environments are forced into a relationship quickly, sometimes without prior knowledge of the other partner. Once they enter the relationship and start interacting, a dynamic combination of trust and doubt is utilised to ensure reliable management of the relationship. The following sections explain how this dynamic process of trust and doubt works differently in early and developed stages of a relationship.

5.2.1. Early stages of relationships

Firms embraced adaptive behaviours constantly searching for new partners to form relationships with in order to either mitigate uncertainty or improve access to resources in turbulent business environments. Such behaviours helped to optimise use of short windows of opportunities brought about by changes in circumstances or to rectify threats brought about by the crisis. A consequence of this is that firms developed the capacity to form relationships quickly.

Since firms were required to respond rapidly in times of crisis, they used trust proxies to enable quick formation of relationships thus gaining access to resources. The appearance of a critical incident may necessitate rapid access to resources, and so firms would choose new partners based on a heuristic approach examining the reputation of a potential partner within the industry. Firms checked for any incidents of opportunistic behaviour or incompetence of the new partner in the same or different markets. In situations where their reputation could not be verified, they would choose the new partner based on a third party's endorsement. If that was not possible either, managers relied on other judgemental tools such as the other party's quality of communication. This acted as a proxy that reflected exchange experiences with the new partner in the market. By way of example, their use of technical terms or the language dominant in the market, would be considered a reason for trustworthiness. Another heuristic tool used by more experienced managers was checking behaviours regarding inquiries or offers received from other parties. One manager reported that he would become suspicious if a new customer called and accepted a price higher

than the market norm. He interpreted such an act to be either a precursor for fraud or that the customer might have been rejected by other suppliers in the market due to its low credibility.

Although trust appeared to be swift and based on quick decision-making tools, to reduce the higher risks of working with an unknown partner, firms attempted to control exchange more closely through continuous interaction and frequent communication and occasionally, frequent visits. Such controls were in most cases not planned in advance but were mainly informal and evolved as the exchange continued and the situation required. One of the purchase managers explained how they visited the facilities of a new supplier of machinery several times after placing an order to ensure they were capable and able to meet the exact specifications required. Other firms reported that they visited exchange partners frequently, communicated as much as possible in order to monitor the progress of an order and informally negotiated changes as required by changing circumstances. Such close and frequent interaction enabled ongoing evaluation of the capabilities of the other partner and rapid corrective action when required to prevent opportunistic behaviour or mistakes.

5.2.2. Developed stages of relationships

Results revealed that even when relationships were developed and high levels of trust established, relationship management efforts were accompanied with continuous doubt, followed by certain behaviours that reflected ongoing monitoring and control. The high levels of trust helped parties to continue with exchange activities while the doubt acted as an antidote that identified signals that revealed the possible existence of issues in individual exchanges or the relationship in general. Managers practiced cognitive openness by anticipating and expecting worst-case scenarios. Such expectations and receptiveness to both positive and negative relationship signals helped foster continuous doubt. Signals such as changes in purchasing trends, changes in packaging, slight delays in paying, reductions in the frequency of phone calls or even silence was interpreted as a change in customer or supplier's status. Another indirect factor that triggered doubt was changes in the business environment. For example if a liquidity issue was reported in the market, firms would consider whether it influenced the performance of the exchange partner or the exchange itself. One manager explained that they were alerted to an issue when their customer's customer was in financial trouble, which meant that it would potentially influence their customer's financial stability. Ultimately, doubt would trigger behaviours that included further information gathering to verify the doubt and instigate corrective action to the relationship where appropriate.

As soon as negative cues that eroded trust were perceived, certain behaviours followed. The actions reported in this research included checking facts with various individuals in the exchange partner's company, visiting the company to gather indirect cues, using contacts in the industry at large to gather information, checking with competition or other customers or suppliers, evaluating the action of the partner in the market and rationality testing. A purchase manager in a paint manufacturer described how a change in a supplier's container drums evoked suspicion. He explained that such a change may have meant that the supplier was trying to reduce costs. He found this incident to be critical as a change in packaging may imply changes in the quality of product had occurred. After sensing such a change, he would communicate with contacts at the supplier's company to see if a new R&D or production manager had been appointed who was forcing lower quality standards. He would also verify if this was the case with competitors who purchased the same product. Additionally, he would add an extra level of control for this supplier and instruct his team to carefully test any product batches received together with future batches from the same company.

Once information gathering and interpretation was completed, decisions about changes in the relationship would be taken. Such decisions was either to keep the relationship exposure at a similar level (if

negative cues were rejected), to reduce the firm's exposure to that particular relationship (if negative cues were supported) or to even increase the exposure to the relationship (if positive cues were supported). In the above example, the purchase manager identified that one supplier was using second hand re-painted drums that, if stored for long periods, would get rusty and which could be detrimental to their final product. He initiated discussions with the supplier and the supplier agreed to provide their previous packaging. As a result, he maintained the same level of relationship exposure while increasing control measures such as quality testing for this particular supplier.

Firms reported that early adjustments in relationships made it easier to reduce the risk of conflict or failure. In most cases, no exit from relationships were reported as a result of such early adjustments and it prevented firms from entering a conflict phase.

5.3. Mindfulness; the answer to managing relationships during crisis times

Mindfulness may explain how relationships were managed under crisis conditions. Weick and Putnam (2006) suggest that mindfulness not only involves action but also alertness and sensitivity to a situation as well as openness to signals that reflect change. It is therefore a combination of cognitive alertness and behavioural action, both of which are the essence of success during a crisis or help in managing the avoidance of a crisis in the first place.

Mindfulness in the management of relationships involves two capabilities: cognitive and behavioural. Cognitive capabilities include the ability to keep an open mind, sense negative cues, interpret signals and simultaneously have doubt and trust in the exchange partner. Behavioural capabilities involves the exchange of goods and services while verifying doubts and adjusting relationships by reducing exposure or adding control measures where necessary. These two capabilities work together to enable mindfulness in various phases of the management process. Furthermore, they are both influenced by conditions external to the relationship including uncertainty, complexity, turbulence, crisis, and relationship atmosphere. Fig. 1 reflects the process of mindful management of relationships in the early stage and Fig. 2 in the developed stage of relationships. Both processes are influenced by environmental conditions and relationship atmosphere.

In newly established relationships, as shown in Fig. 1, cognitive capabilities help firms identify signals and accordingly use heuristic tools that reflect the trustworthiness of the other party. The ability to identify reliable signals and interpret them successfully leads to the formation of swift trust, which enables exchange with the other partner. Along with swift trust, certain monitoring behaviours and informal control behaviours such as regular visits start and continue until the

trustworthiness of the other party is established through ongoing interactions.

Once relationships are formed, as shown in Fig. 2, a three-step process informs the mindful management of relationships. While higher levels of trust exist in this phase and enables action and the exchange of goods/services, the cognitive ability of continuous doubting and receptiveness to weak signals also accompany trust. Such signals, if received well and interpreted correctly by the cognitive system, trigger the verification process. The verification process involves behaviours that are targeted towards collecting further evidence through monitoring, corroboration and assurance which then informs decision making and appropriate adjustments in relationship exposure.

The process of mindful management is influenced by the environment in addition to simultaneously interacting with the relationship atmosphere. While doubt exists at all times due to open mindedness, it may escalate after a disruption or change in the environment. Such incidents, may lead to an inability of the exchange partner to fulfil their obligations or a change in their situation. Hence, firms will look for signals that may reflect change in a partner's ability or intentions and that may require verification. Similarly, the relationship atmosphere interacts with this process. It does so by optimising the balance between levels of doubt and trust that are necessitated by the environmental conditions. A more challenging environment requires higher levels of doubt as it poses more risk to partner's resources, operations and abilities to deliver. Ultimately, the process leads to relationship adjustments. Such adjustments also lead to changes in the relational atmosphere in terms of levels of commitments and dependencies in an effort to reduce threats. Moreover, a successful mindful management process reduces conflicts between parties by identifying and rectifying issues before they escalate. Besides its influence on the atmosphere, the mindful process, can also be supported by features of the relationship atmosphere, as highlighted in section 6.

The data reflected that by mindfully managing relationships, firms improve their resilience in three ways. First, they are able to sense possible threats quickly. Irrespective of whether such threats are posed from relationships or the environment, early warnings enables the timely management of a crisis and a reduction in vulnerabilities, hence contributing to firm's resilience. Secondly, mindful management encourages trust, which enables action. In turbulent environments, the movement of resources with the support of relationships are crucial and trust facilitates the start of action and consequential movement of resources. Thirdly, mindful relationship management kept relationships alive while continuously adjusting relational exposure. Keeping relationships alive and avoiding conflicts and dissolutions is necessary for building resilience capacity as any relationship may be potentially

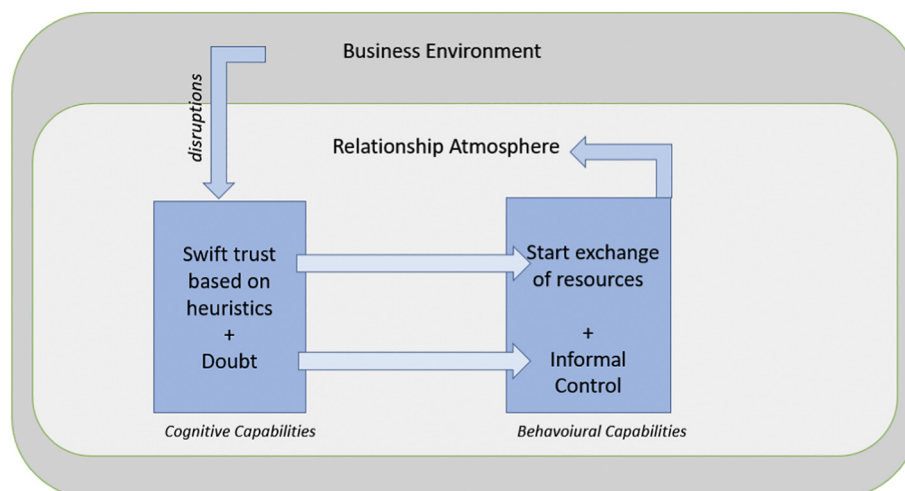


Fig. 1. The process of mindful management of relationships at the early stage of development.

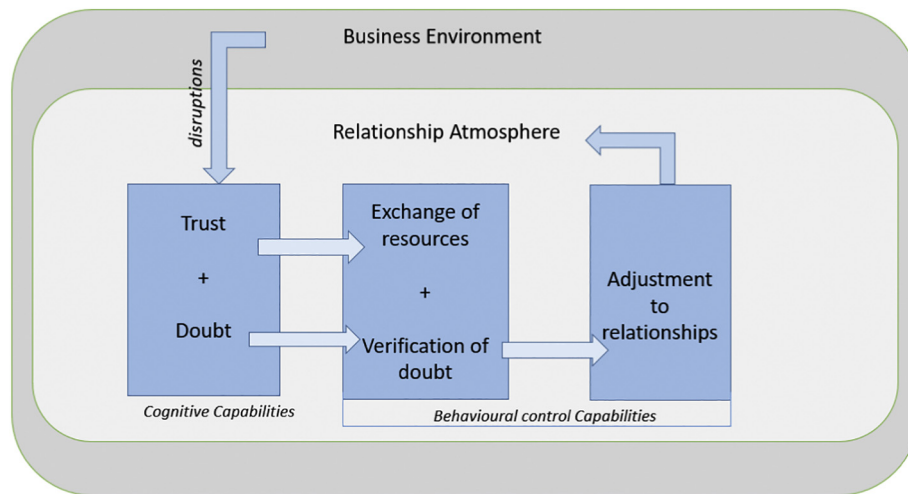


Fig. 2. The process of mindful management of relationships in the developed stage of development.

supportive during unexpected periods of adversity in the future. As a result, firms are able to bounce back from a future crisis.

6. Supporting the mindful management of relationships

This research revealed a number of capabilities and resources that could support the mindful management of relationships explained above. They can either help the firms identify the right partners or ensure action or control throughout the relationship lifecycle. We therefore suggest the following strategies to help managers improve the mindful process of relationship management:

6.1. Empower experienced boundary personnel

Boundary personnel draw upon their previous experience in evaluating cues in relationships that may indicate the incompetence of the other party or any potential issues with orders. Manager's success in identifying such cues and the further monitoring or control of exchanges that these trigger, were highly dependent upon their prior experience in similar situations. It is therefore crucial to use the more experienced managers during times of crisis, and to empower them with the authority to decide on appropriate adjustments in relationship exposure.

Another advantage in the use of experienced managers is the social capital that accompanies them. This is because such managers use their external relationships to make sense of potential customers' or suppliers' reputation, to form quick trust or to make sense of threats. Our data reflected the importance of social episodes involving other managers irrespective of which industry they were in. Such episodes helped managers to share their interpretations of uncertain situations and its implications for their business. Moreover, having a diverse portfolio of social connections within the market enabled managers to draw on other managers' experiences in identifying relationship threats or when choosing partners.

6.2. Continuous interaction and close collaboration

Firms who collaborate closely on exchange processes develop their relationships through assurance techniques, and are better able to identify issues that if ignored, could lead to conflicts and failures. Hence, this research further emphasises the role of close collaboration on projects during times of crisis. Such collaboration not only improves the outcomes of projects but also ensures the identification of issues, which may relate to incompetence in certain areas. This means that unexpected disruptions are identified early and rectified together

before relationships enter the conflict phase. A sales manager with experience in the production of chemicals explained that he regularly visited his supplier's chemical factory and was sometimes present when orders were manufactured. The customer was happy to impart his experience to improve the production processes and its consistency, which also provided him a great opportunity for continuous interaction and noticing change in the customer's operations.

6.3. Informal frequent communication

Frequent communication informed managers of potential issues and facilitated the interpretation of problems. Firms who had experienced crises, and worked in dynamic and uncertain environments identified how frequent communication with various individuals in different departments within the exchange partner's firm helped monitor interactions and therefore the relationship in general. For optimum communication to support the mindful management of relationships, communication was frequent, informal and between a variety of individuals. This enabled managers to make sense of the competence of the other party in various areas when forming relationships. Moreover, during the course of relationship development and maintenance within such environments, frequent and informal communication helped to inform issues, make sense of threats and negotiate terms as needed prior to or during a crisis. Flexible, frequent and informal communications between managers also enabled quick decision making and response. The extent to which this was successful was dependent on levels of empowerment and the extent of decentralised decision-making.

Concerning the form of communication, firms chose the quickest way that helped them identify cues that either would support or question trust. Phone calls were the dominant form of communication because of their high speed. However, to enable control or to verify doubt, face-to-face visits were conducted whenever possible during a crisis or before. An ink manufacturer for example explained how his regular visits to a customer, whose order quantity had reduced, revealed that this customer was purchasing from a competitor. He emphasised the importance of visits to customer sites to make sense of production, capabilities or change in supplies, which may reflect a change in the relationship.

6.4. Various contact points and diverse social bonds

The mindful management of established relationships was supported by constant efforts to develop social bonds between various individuals. The companies we studied emphasised the importance of a

Table 2
Summary of key suggestions.

Key activities to embrace mindful management	Key strategies to support mindful management
<ul style="list-style-type: none"> > Include mindfulness in firm's resilience strategies > Encourage trust in exchange partners along with cognitive doubt > Practice negative thinking across various functions > Question partner's logic of actions > Practice negative scenarios of interaction with partners > Enable quick formation of relationships along with informal control mechanisms 	<ul style="list-style-type: none"> > Delegate the relationship decision making to the more experienced boundary managers and empower them > Support continuous interaction and closer collaboration with partners > Facilitate development of various contact points and diverse social bonds with the partner > Support frequent informal communication between firms

multi-contact strategy, and as one manager stated 'knowing as many people as possible in a firm' as they could all be completing a part of the puzzle when you require information'. Another manager emphasised how it is strategically important to encourage relationship development between various functions such as finance, production, R&D, purchase, sales and logistics. Each of these components can help verify doubt or increase trust.

7. Conclusion

This paper explains how firms working in highly turbulent and uncertain business environments developed a process of mindful management of relationships by using a dual governance mechanism that encompassed trust and doubt. This approach helps firms to quickly form relationships to access resources, as required in crises. This mechanism also helps firms to manage longer-term relationships ensuring that issues and changes are noticed and discussed before they lead to conflict and termination of relationships. While continuous trust helps to speed up action and movement of resources crucial to managing crises, the cognitive ability of doubt and keeping an open mind enabled firms to notice even weak signals of change.

We introduce the mindful process for managing relationship as a process that requires both cognitive and behavioural capabilities. Noting a change in the environment or in a particular situation, or behaviour of the other party, triggers the verification process wherein more information is gathered to verify the doubt evoked by the signals. This follows a search for additional information by direct monitoring, collaboration, or obtaining information from the market, to verify or discredit the doubt and understand the situation. Subsequently, decision is made about adjusting the firm's exposure to the relationship, e.g., keep the exposure the same, increasing, or reducing it. As trust enables action and doubt enables noticing change and adjustment in relationships, combining both helps firms in times of crisis to move quickly but reliably to mitigate threats or optimise opportunities.

8. Managerial implications

We encourage managers to prioritise the mindful management of relationships in their efforts to improve the resilience capacity of their firms as our empirical study demonstrates that such processes helps both the capacity of preparedness and reaction to disruptions. The mindful process includes encouraging a high levels of trust but also cognitive doubt at all stages of relationship development irrespective of the relationship atmosphere. Managers should encourage negative thinking across various functions by questioning the logic of partner's actions and assuming worst-case scenarios. Such efforts are proven to support identifying weak signals and enable early action to rectify threats to the exchange and the relationship. Once, signals are identified, managers should support their boundary personnel to collect more information to verify what signals mean and what needs to be done in terms of adjustment to the relationship. Finally, in order to improve resilience, managers should be ready to form relationships quickly and invest enough resources to verify doubts and make decisions to adjust relationships continuously.

Furthermore, managers are encouraged to use a number of strategies that have been shown to support the mindful management of relationships. First, they need to use and empower more experienced managers to interpret cues and construe partner's actions more accurately whilst leveraging their industry contacts to share interpretations. This is particularly important as mindful management involves continuous sense-making and interpretation of cues and verification of such interpretations. The basis of such interpretations lies in the manager's experience. In addition, managers should support continuous interactions and encourage close collaboration with partners. Close collaboration and more involvement in projects and various phases of exchange progress facilitate the identification of signals and was proven to rectify threats before any crisis unfolds. Another way that managers can support mindful management of relationships is to enable frequent, informal communication. The data from this research revealed that this form of communication supports rapid identification and verification of signals to enable action, all of which helps with the appropriate adjustment in the exchange terms and/or relationships to reduce threats. Finally, managers need to encourage the development of social bonds between various individuals in different roles within the partner organisation. As shown by our data, such diverse social bonds help to increase the chance of receiving signals and improving their interpretation and verification more effectively. They also support the mindful management process by solving identified problems or adjusting relationships in a way that does not lead to dissolution. Table 2 provides a summary of key managerial implications drawn from this research by highlighting a number of ways for the mindful process to improve as well as key strategies that support the process.

As the business environment gets increasingly complex, turbulent and uncertain and various forms of disruptions become prevalent, it is crucial for managers to encourage the development of certain capabilities that help build resilience. This includes improving firm's cognitive and behavioural capabilities to ensure the mindful management of relationships. Once the process of mindfulness is embedded in firm's relationship management efforts, businesses will be able to better leverage their relationships in order to survive in times of crisis.

References

- Worldbank (2019). Ranking and ease of doing business score. Retrieved from <http://www.doingbusiness.org/en/rankings>.
- FinancialTimes (2020). Coronavirus claims thousands of UK businesses. Retrieved from <https://www.ft.com/content/5d198135-b38f-4512-b611-9f017f76929d>.
- Anderson, E., & Jap, S. D. (2005). The dark side of close relationships. *MIT Sloan Manag. Rev.* 46(3), 75–82.
- Bairdow, N., & Young, L. C. (2012). How channels evolve: A historical explanation. *Ind. Mark. Manag.* 41(3), 385–393.
- Blomqvist, K. (2002). *Partnering in the dynamic environment: The role of trust in asymmetric technology partnership formation*. (Doctoral Dissertation, Lappeenranta University of Technology, Lappeenranta, Finland).
- Dwyer, F. R., Schurr, P. H., & Oh, S. (1987). Developing buyer-seller relationships. *J. Mark.* 51(2), 11–27.
- Fein, S. (1996). Effects of suspicion on attributional thinking and its correspondence bias. *J. Pers. Soc. Psychol.* 70, 1164–1184.
- Ferrin, D. L., & Dirks, K. T. (2003). The use of rewards to increase and decrease trust: Mediating processes and differential effects. *Organ. Sci.* 14(1), 18–31.
- FinancialTimes (2009). Plan for pandemic but avoid panic. Editorial. *Financial Times*. Retrieved from <https://www.ft.com/content/d115adfe-335e-11de-8f1b->

- 00144feabdc0 Anonymous.FT.com; London (Apr 27, 2009) .
- Ford, D. (1980). The development of buyer-seller relationships in industrial markets. *Eur. J. Mark.* 14(5), 339–353. <https://doi.org/10.1108/EUM0000000004910>.
- Gundlach, G. T., & Cannon, J. P. (2010). “Trust but verify”? The performance implications of verification strategies in trusting relationships. *J. Acad. Mark. Sci.* 38(4), 399–417.
- Håkansson, H., Ford, D., Gadde, L.-E., Snehota, I., & Waluszewski, A. (2009). *Business in networks*. John Wiley & Sons.
- Hallén, L., & Sandström, M. (1991). *Relationship atmosphere in international business*. Paper presented at the IMP, Manchester.
- Hermann, C. F. (1963). Some consequences of crisis which limit the viability of organizations. *Adm. Sci. Q.* 8(1), 61–82.
- Huang, Y., & Wilkinson, I. F. (2013). The dynamics and evolution of trust in business relationships. *Ind. Mark. Manag.* 42(3), 455–465. <https://doi.org/10.1016/j.indmarman.2013.02.016>.
- Hunter, G. L., Gassenheimer, J. B., & Sigauw, J. A. (2011). Suspicion: Its sources, means of control, and effect on interorganizational relationships. *Ind. Mark. Manag.* 40(7), 1183–1192. <https://doi.org/10.1016/j.indmarman.2010.12.018>.
- Kramer, R. M. (1999). Trust and distrust in organizations: Emerging perspectives, enduring questions. *Annu. Rev. Psychol.* 50(1), 569–598. <https://doi.org/10.1146/annurev.psych.50.1.569>.
- Lambe, C. J., Spekman, R. E., & Hunt, S. D. (2000). Interimistic relational exchange: Conceptualization and propositional development. *J. Acad. Mark. Sci.* 28(2), 212–225.
- Lambe, C. J., Wittmann, C. M., & Spekman, R. E. (2001). Social exchange theory and research on business-to-business relational exchange. *J. Bus. Bus. Mark.* 8(3), 1–36.
- Luhmann, N. (1988). Familiarity, confidence, trust: Problems and perspectives. In D. Gambetta (Ed.), *Trust: Making and breaking cooperative relations* (pp. 94–107). Oxford, England: Basil Blackwell.
- Mack, O., Khare, A., Krämer, A., & Burgartz, T. (2015). *Managing in a VUCA world*. Springer.
- Mayer, R. C., Davis, J. H., & Schoorman, F. D. (1995). An integrative model of organizational trust. *Acad. Manag. Rev.* 20(3), 709–734.
- McCann, J., & Selsky, J. W. (2012). *Mastering turbulence: The essential capabilities of agile and resilient individuals*. Teams and Organizations: John Wiley & Sons.
- Meyerson, D., Weick, K. E., & Kramer, R. M. (1996). Swift trust and temporary groups. *Trust in organizations: Frontiers of theory and research*, 166, 195.
- Möllering, G. (2002). Perceived trustworthiness and inter-firm governance: Empirical evidence from the UK printing industry. *Camb. J. Econ.* 26(2), 139–160.
- Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *J. Mark.* 58(3), 20–38.
- de Pablo González, J. D. S., Pardo, I. P. G., & Perlines, F. H. (2014). Influence factors of trust building in cooperation agreements. *J. Bus. Res.* 67(5), 710–714.
- Powers, T. L., & Reagan, W. R. (2007). Factors influencing successful buyer-seller relationships. *J. Bus. Res.* 60(12), 1234–1242. <https://doi.org/10.1016/j.jbusres.2007.04.008>.
- Seppänen, R., Blomqvist, K., & Sundqvist, S. (2007). Measuring inter-organizational trust—A critical review of the empirical research in 1990–2003. *Ind. Mark. Manag.* 36(2), 249–265.
- Stevenson, J., Chang-Richards, Y., Conradson, D., Wilkinson, S., Vargo, J., Seville, E., & Brunson, D. (2014). Organizational networks and recovery following the Canterbury earthquakes. *Earthquake Spectra*, 30(1), 555–575.
- Sutcliffe, K. M., & Vogus, T. J. (2003). Organizing for resilience. *Positive organizational scholarship*, 94–110.
- Sutcliffe, K. M., Vogus, T. J., & Dane, E. (2016). Mindfulness in organizations: A cross-level review. *Annu. Rev. Organ. Psych. Organ. Behav.* 3, 55–81.
- Syrett, M., & Devine, M. (2012). *Managing uncertainty: Strategies for surviving and thriving in turbulent times*. Hoboken, NJ: John Wiley & Sons.
- UNDRR (2019). Global assessment report on disaster risk reduction. Retrieved from Geneva, Switzerland: Retrieved from https://gar.undrr.org/sites/default/files/reports/2019-05/full_gar_report.pdf.
- Van Der Vegt, G. S., Essens, P., Wahlström, M., & George, G. (2015). Managing risk and resilience. *Acad. Manag. J.* 58(4), 971–980.
- Walter, A., Müller, T. A., Helfert, G., & Ritter, T. (2003). Functions of industrial supplier relationships and their impact on relationship quality. *Ind. Mark. Manag.* 32(2), 159–169.
- Weick, K. E., & Putnam, T. (2006). Organizing for mindfulness eastern wisdom and Western knowledge. *J. Manag. Inq.* 15(3), 275–287.
- Weick, K. E., & Sutcliffe, K. M. (2007). *Managing the unexpected: Resilient performance in an age of uncertainty*. Vol. 8. San Francisco, CA: John Wiley & Sons.
- Weick, K. E., Sutcliffe, K. M., & Obstfeld, D. (2008). Organizing for high reliability: Processes of collective mindfulness. In A. Boin (Vol. Ed.), *Crisis management*. Vol. 3. *Crisis management* (pp. 41–66).
- Wieland, A., & Wallenburg, C. M. (2013). The influence of relational competencies on supply chain resilience: A relational view. *Int. J. Phys. Distrib. Logist. Manag.* 43(4), 300–320.
- Williams, T. A., Gruber, D. A., Sutcliffe, K. M., Shepherd, D. A., & Zhao, E. Y. (2017). Organizational response to adversity: Fusing crisis management and resilience research streams. *Acad. Manag. Ann.* 11(2), 733–769.
- Wilson, R. (2013). *Economic development in the Middle East*. Routledge.
- Wong, P. L.-K., & Ellis, P. (2002). Social ties and partner identification in Sino-Hong Kong international joint ventures. *J. Int. Bus. Stud.* 33(2), 267–289.
- Woodside, A. G. (2010). Case study research: Theory, methods. *Practice*, 241–291.
- WorldEconomicForum (2019). Global risks report 2019. Retrieved from Geneva, Switzerland: Retrieved from http://www3.weforum.org/docs/WEF_Global_Risks_Report2019.pdf.
- Yin, R. K. (2013). *Case study research: Design and methods*. Sage publications.
- Young, L. C., & Wilkinson, I. F. (1989). The role of trust and co-operation in marketing channels: A preliminary study. *Eur. J. Mark.* 23(2), 109–122.