

When an Interfirm Relationship is Ending: The Dark Side of Managerial Ties and Relationship Intimacy

Abstract: Close interfirm relationships have attracted much research attention because of their importance to firms' performance. However, existing literature focuses on relationship at the formation and maintenance stages; studies on relationship dissolution are relatively scarce. Drawing on social exchange theory, social capital and relational governance theories and transaction cost economics, this study investigates how destructive acts affect a firm's intention to exit an exchange relationship and how this intention affects the firm's opportunistic behavior. Moreover, it explores the roles of managerial ties (i.e., business ties and political ties) and relationship intimacy in moderating these effects. Analysis of data from 158 distributors in China shows that suppliers' destructive acts tend to increase distributors' exit intentions. Whereas business ties positively moderate this effect, political ties do not. Moreover, a distributor's exit intention is positively related to its opportunistic behavior. And relationship intimacy amplifies this effect. Theoretical and managerial implications of these results are discussed.

Keywords: destructive acts; business ties; political ties; exit intention; opportunism; relationship intimacy

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1. INTRODUCTION

Interfirm relationships are critical to companies' performance and thus have attracted extensive research attention over the past decades (Morgan & Hunt, 1994; Palmatier, Dant, Grewal, & Evans, 2006; Zhang, Watson, Palmatier, & Dant, 2016). However, as the existing literature is largely devoted to the building blocks of effective relationships such as trust, commitment, dependence, and relational norms (for a review, see Palmatier et al., 2006), studies focusing on relationship decline and dissolution are limited (Hibbard, Kumar, & Stern, 2001; Jap & Anderson, 2007; Ping, 1993, 1999; Pressey & Qiu, 2007; Zhang et al., 2016). This research gap is surprising, because no interfirm relationship lasts forever. Even the best relationships may suffer from problems and end if the problems are not effectively handled (Geykens & Steenkamp, 2000; Samaha, Palmatier, & Dant, 2011; Zhang et al., 2016). As relationship dissolution is commonly associated with significant economic and psychological consequences (Dwyer, Schurr, & Oh, 1987; Kang, Oh, & Sivadas, 2012), a more complete understanding of it can benefit both practitioners and academics. It can not only help prevent relationship dissolution and reduce losses, but also offer new perspectives for effectively managing and improving interfirm relationships (Pressey & Qiu, 2007; Samaha et al., 2011).

To narrow this research gap, this study examines how a supplier's destructive acts affect a distributor's intention to exit from the relationship, and how that intention changes the distributor's opportunistic behavior. It further explores the roles of managerial ties (i.e.,

business ties and political ties) and relationship intimacy in moderating these effects. It aims to achieve three objectives. First, although the literature has identified many antecedents of firms' exit intentions, such as relationship satisfaction (Geykens & Steenkamp 2000; Ping, 1993), alternative attractiveness, relationship investment, switching cost (Ping, 1993), conflict, unfairness, goal incongruence, trust (Yang, Sivadas, Kang, & Oh, 2012), destructive acts (Hibbard et al., 2001), and passive and active opportunism (Seggie, Griffith, & Jap, 2013), the roles of managerial ties have not been explored. Managerial ties are "top managers' boundary-spanning and interpersonal connections" (Li, Poppo, & Zhou, 2008, 383). Because managerial ties can have a bonding effect on buyer and seller relationships in both business and service marketing contexts (e.g., Hocutt, 1998; Wilson, 1995), they may affect relationship dissolution. However, due to the scarcity of empirical research on this topic (Pressey & Qiu, 2007), it is unclear how managerial ties can affect relationship dissolution. Do they buffer or amplify a firm's exit intention when the relationship suffers from destructive acts? In this research, building on relational governance and social capital theories, we investigate how a firm's managerial ties influence its exit intention from an interfirm relationship in response to destructive acts. In doing so, we distinguish business ties and political ties (Peng & Luo, 2000; Sheng et al., 2011), and explore their different moderating effects on the effect of destructive acts on firms' exit intentions.

Second, when an exchange relationship is in trouble and when a firm considers to exit from the relationship, the firm may no longer care for the long-term interest of the relationship, but rather seek to maximize its own interest (Jap & Ganesan, 2000). It suggests a positive link between a firm's exit intention and opportunistic behavior (Dwyer et al., 1987). Nevertheless,

so far no empirical study has examined this relationship, except for the study by Kang et al. (2012), which shows that the relationship between exit intention and opportunism is partially mediated by transaction-specific investments. The current research, in contrast, explores a moderation effect: interfirm relationship intimacy, also called mutual confiding (Granovetter, 1973) or the extent and quality of bidirectional information exchange (Stanko, Bonner, & Calantone, 2007), amplifies the effect of exit intention on opportunism. This finding contributes to relationship marketing theory by highlighting potential adverse effects of close relationships when the relationship is ending. Although the dark side of close relationships has attracted much attention (e.g., Anderson & Jap, 2005; Gu, Hung, & Tse, 2008; Moorman, Zaltman, & Deshpandé, 1992; Noordhoff, Kyriakopoulos, Moorman, Pauwels, & Dellaert, 2011), the working mechanism of the dark side in the relationship decline process is seldom investigated. Our finding offers new implications for effectively managing interfirm exchange relationships.

Third, we propose an integrated conceptual framework that incorporate the aforementioned relationships and use the relationships between sanitary appliance distributors and suppliers in China, a major emerging economy, as our empirical research context. 158 sample data sets were collected from distributors to test our research hypotheses. We confirm that suppliers' destructive acts lead to distributors' exit intentions. More importantly, business ties strengthen the damaging effect of destructive acts, and political ties do not moderate the relationship. In addition, a distributor's exit intention is positively related to its opportunistic behavior, and this effect is amplified by relationship intimacy.

In the remainder of the article, we propose our framework and develop hypotheses in

Section 2. Section 3 presents our methodology and Section 4 discusses our empirical results. We conclude this article with a discussion of the theoretical and practical implications of our findings and directions for further research.

2. THEORY BACKGROUND AND HYPOTHESES DEVELOPMENT

2.1. Relationship Dissolution, Exit, and Exit Intention

In a classical research on buyer-seller relationship development, Dwyer, Schurr, and Oh (1987) argue that dissolution may happen in any phase of the relationship development process, which can cause tremendous economic and psychological consequences when high interdependence and commitment have been developed. Drawing on Hirschman's (1970) research, Ping (1993, 1999) introduces a framework of responses to marketing channel relationship problems, in which exit is considered as one of the major response behaviors (The other responses are voice, loyalty, neglect, and opportunism).

Exit is to terminate a channel relationship (Geyskens & Steenkamp, 2000; Ping, 1993). Because relationship dissolution is a process (Dwyer et al., 1987; Kang et al., 2012; Tähtinen & Halinen, 2002), distinguishing between physical exit and exit intention (Ping, 1993, 1999) is necessary. Kang et al. (2012) and Ping (1999) suggest that the last step of the relationship dissolution process, physical exit, or leaving a relationship completely, includes activities such as breaking the contract with the current partner, contracting with an alternative firm, disposing of specific assets in the relationship, and investing specific assets to an alternative relationship (Ping, 1999). In contrast, exit intention, or exit propensity, is defined as the "degree of disinclination to continue the relationship" with the current partner (Ping, 1993). In this state, a firm may have formed an exit intention but has not physically left the relationship yet.

Typically, when a firm considers to exit from a relationship, it engages in activities such as planning on leaving, searching for and evaluating alternative firms (Ping, 1993, 1999). Although exit intention and physical exit are strongly and positively linked (Ping, 1999), exit intention does not necessarily lead to physical exit (Tähtinen & Halinen, 2002). A firm may choose to continue a relationship if the cost of exiting and building a new relationship exceeds the cost of maintaining and repairing the relationship (Dwyer et al., 1987; Zhang et al., 2016).

Problems are inevitable in any channel relationships, for reasons such as channel members' destructive acts (Hibbard et al., 2001; Seggie et al., 2013), perception of unfairness (Samaha et al., 2011), and unhandled conflicts (Zhuang et al., 2010). Because it takes time to develop a channel relationship and replacement of channel partners is difficult and costly (Dwyer et al., 1987; Zhang et al., 2016), a firm may endeavor to maintain a relationship with underlying problems for a long time (Frazier, 1983). Following the tradition (Geykens & Steenkamp, 2000; Kang et al., 2012; Ping, 1993, 1994, 1995, 1999; Yang et al., 2012), we focus on exit intention and conceptualize it as a firm's propensity to terminate a channel relationship when facing relationship problems.

Research shows that overall satisfaction (Ping, 1993), economic and social satisfaction (Geykens & Steenkamp 2000), neglect (Ping, 1999), relationship investment and switching costs (Ping, 1999), and trust (Yang et al., 2012) reduce a firm's exit intention, whereas alternative attractiveness (Ping, 1993), conflict, unfairness, goal incongruence (Yang et al., 2012), and partner's opportunism (Seggie et al., 2013) increase this intention. Hibbard et al. (2001) show that destructive acts, relationship quality, and interdependence structure can also affect the intention. Although these studies have shed light on the antecedents of exit intention,

the role of managerial ties remains unexplored and thus warrant investigation.

2.2. Effects of Destructive Acts on Exit Intention

Destructive acts are actions that are perceived by the aggrieved channel member as having a significant negative impact on the viability or functioning of the affected firm (Hibbard et al., 2001; Kim et al., 2011). Channel members' perceived intensity of destructive acts and attribution to the acts influence their responses (i.e., disengagement, constructive discussion, passive acceptance and venting), which subsequently affect performance and overall perceptions of relationship quality (Hibbard et al., 2001). Furthermore, the outcome of destructive acts depends on the type of commitment (affective, calculative or normative) (Kim et al., 2011). In a supplier-distributor dyad, a supplier's destructive acts include refusing or threatening to refuse to deliver products, delaying to deliver products, taking legal action, delivering unwanted products, charging high prices, and withdrawing some support. In this study, we focus on distributors' perception of their suppliers' destructive acts.

Relationship exit is the opposite of trust and commitment (Kim et al., 2011; Morgan & Hunt, 1994; Yang et al., 2012). According to social exchange theory, reciprocation is the underpinning of social exchange relationships (Blau, 1964). The returns generated from an exchange relationship motivate parties to engage in further exchange and continue the relationship (Yang et al., 2012). As such, we propose that a supplier's destructive acts lead directly to a distributor's exit intention. Destructive acts are perceived as failing to meet expectation of continuous exchange because the "norm of reciprocity" is violated (Yang et al., 2012). As the relationship is damaged, a distributor may reduce its willingness to invest in the relationship and instead search for alternatives (Kim et al., 2011). Moreover, within supplier-

distributor relationships, destructive acts can induce intensive conflict and hurt performance (Zhuang et al., 2010), which make a distributor more likely to exit from the relationship (Hibbard et al., 2001; Yang et al., 2012). Therefore, in the context of marketing channels, we hypothesize the following:

H1. A supplier's destructive acts are positively related to a distributor's intention to exit from the relationship.

2.3. Moderating Effects of Managerial Ties

Economic actions, such as channel activities, are embedded in networks of interpersonal relations, according to Granovetter (1985). Given the social embeddedness of business relationships in China (Su et al. 2009), managerial ties are advocated not only as an informal governance mechanism for coordinating and facilitating interfirm exchanges (Sheng et al., 2011; Su et al., 2009; Uzzi, 1997), but also as social capital, through which firms can access important resources and information (Li et al., 2008; Peng & Luo, 2000; Sheng et al., 2011). In China, managers generally build two types of managerial ties in China, business ties and political ties (Peng & Luo, 2000; Sheng et al., 2011; Su et al., 2009). Business ties are a firm's informal and interpersonal connections with various levels of managerial staff in business partner (and competing) firms (Su et al., 2009). In contrast, political ties are a firm's informal and interpersonal connections with government officials at various administration levels, including central and local governments, and regulatory agencies such as taxation and industrial and commercial administrative bureaus (Park & Luo, 2001; Sheng et al., 2011).

Social exchange theory provides foundation for interorganizational relational governance for its emphasis on unspecified obligation and reciprocity (Cao & Lumineau, 2015; Lambe et

al., 2001). Relational governance refers to the extent to which interfirm relationships are coordinated through informal rules and procedures to address exchange hazards (Heide, 1994). It works primarily through relational norms that govern acceptable behaviors of exchange partners (Heide & John, 1992). As such, relational governance theory suggests that business ties can serve as an informal governance mechanism that facilitates exchange relationships (Sheng et al., 2011; Uzzi, 1997), reduces information ambiguity, and enhances mutual understanding (Su et al., 2009).

We propose that close business ties amplify the effect of destructive acts on exit intention. First, although close business ties foster interpersonal trust through channel managers' social activities (Su et al., 2009), destructive acts violate a distributor's expectations of trust and destroy a distributor's commitment (Kim et al., 2011). Thus, partners with close business ties are more likely to feel a sense of "betrayal", which intensifies the severity of destructive acts and leads to negative responses (e.g., exit from current relationship). Second, in coordinating exchange relationships, close business ties are associated with reciprocal obligations to partners (Gu et al., 2008). In order to maintain reciprocity norms, firms often invest resources that exceed the benefits obtained from the relationship (Villena et al., 2011). Since destructive acts break norms of reciprocity, firms with close business ties tend to perceive more (economic) loss and thus have greater intention to exit. Therefore, we hypothesize the following:

H2a. Business ties strengthens the positive effect of a supplier's destructive acts on a distributor's exit intention.

Rooted in the structure and content of relationship (Adler & Kwon, 2002; Wang et al., 2013), social capital is the sum of valuable resources embedded within, available through and

derived from the network of relationships (Nahapiet & Ghoshal, 1998). In transitional economies such as China, governments control certain scarce resources and can significantly influence industry development and firm operations (Guo, Xu & Jacobs, 2014; Hoskisson et al., 2000; Peng 2003; Zhou, Gao, & Zhao, 2017). Social capital provided by political ties can offer firms important market and regulatory resources, and thus increase their efficiency and effectiveness (Luo et al., 2011).

We propose that political ties amplify firms' exit intentions, a negative response to partners' destructive acts. First, distributors with strong political ties have access to scarce resources such as land, financial capital, licenses, and market entry permits (Dong, Li, & Tse, 2013; Peng & Luo, 2000), which give them strong distribution capability (Dong et al., 2013). This capability not only increases a supplier's dependence on a distributor but also makes the distributor more attractive to other suppliers, which enables the distributor to explore more new relationships. In this case, the distributor with strong political ties perceives destructive acts to be more intensive (i.e., unfairness and anger) and is more likely to attribute problems to the supplier, which increases its exit intention (Hibbard et al., 2001). Second, political ties offer access to insider information, such as industry development plans and priorities, unpublished market intelligence (Davies et al., 1995), and more legitimacy in the way of decoding policies, regulation interpretation, and contract enforcement (Dong et al., 2013; Zhou et al., 2014). These advantages enable firms to adjust their marketing strategies more quickly to seize market opportunities. Furthermore, as a common practice of *zhaokaoshan* (looking for a reliable mountain to back them up) in China (Zhuang & Zhou, 2004), distributors with strong political ties have *kaoshan* (backers) and thus bear lower risk and less cost if they terminate a

relationship with a supplier. Thus, when destructive acts occur, distributors with strong political ties are more likely to switch to alternatives and explore new relationships. Therefore, we hypothesize:

H2b. Political ties strengthens the positive effect of a supplier's destructive acts on a distributor's exit intention.

2.4. Effects of Exit Intention on the Opportunism

Opportunism is “self-interest seeking with guile” (Williamson, 1985) that involves behaviors such as lying, cheating, distorting information, and active or passive intention to violate written or social contracts (Seggie et al., 2013; Wathne & Heide, 2000). Transaction cost economics posits that given an opportunity, any agent may unscrupulously seek their self-interests and conduct opportunistic behaviors after a cost-benefit calculation (Rindfleisch & Heide, 1997). When the expected benefits of opportunism exceed the potential costs, a firm tends to behave opportunistically (Jap, Robertson, Rindfleisch, & Hamilton, 2013; Williamson, 1985). As a relationship-destroying factor (Samaha et al., 2011), opportunism damages exchange relationships and can negatively affect a firm's performance (Crosno & Dahlstrom, 2008; Samaha et al., 2011).

According to social exchange theory, firms evaluate past experiences, form future expectations, assess potential benefits, costs and risks, and select the option with highest benefit (Blau, 1964). As such, when facing channel problems, a distributor's exit intention leads to opportunistic behaviors. No longer caring for long-term interests of the relationship, a distributor who plans to exit a relationship is likely to search for alternative suppliers and to dispose of specific assets tied to the relationship (Ping, 1993, 1999). In this case, the distributor

may attempt to maximize its own interest before it leaves the relationship completely (Ganesan, 1994). In addition, when assessing the benefits from opportunism and the cost of fulfilling contractual obligations and the cost of being caught, a distributor may find that the benefits exceed the costs in dissolution of the relationship (Kang et al., 2012). Thus, a distributor with intention to exit is motivated to behave opportunistically. Furthermore, channel relationships are economic exchange relationships by nature (Dwyer et al., 1987). A distributor's exit intention may be initiated by an unmatched profit expected from the relationship. It may attribute its dissatisfactory relational outcomes to the supplier (Kang et al., 2012), and thus behave opportunistically to maximize its own interests to restore the sense of fairness (Fehr & Gächter, 2000). Hence, we posit our hypothesis as follows:

H3. The stronger the distributor's exit intention, the more likely it behaves opportunistically.

3.4. Moderating Role of Relationship Intimacy

Intimacy in an interfirm relationship refers to mutual confiding (Granovetter, 1973), or the extent and quality of bidirectional information exchange (Stanko et al., 2007). A high level of intimacy involves frequent and extensive exchanges of fine-grained, sensitive, confidential, tacit, and complex information (Stanko et al., 2007). The extant literature suggests that intimacy has two differential effects on a relationship. The positive view highlights the bright side of intimacy: mutual confiding leads to joint problem solving, information exchange and creativity, commitment and efficiency (e.g., Rindfleisch & Moorman, 2001; Stanko et al., 2007; Su et al., 2009). On the other hand, a dark side may exist in an intimate relationship as well (e.g., Anderson & Jap, 2005; Grayson & Ambler, 1999; Gu et al., 2008; Moorman et al., 1992; Noordhoff et al., 2011). Granovetter (1985, 491) describes it as an "enhanced opportunity for

malfeasance,” an increased opportunity for embedded partners to take advantage of each other.

Does intimacy weaken or strengthen the effect of a distributor’s exit intention on its opportunism? According to the bright side view, fine grained, forward looking, confidential and tacit information exchanged through formal and informal communication lead to mutual understanding, joint problem solving, commitment, and shared values (Stanko et al., 2007; Uzzi, 1997). In this case, strong relational norms may govern the behavior of the distributor (Dwyer et al., 1987; Heide & John, 1992), which indicates that relationship intimacy weakens the effect of its exit intention on opportunism.

The dark side view, however, posits a strengthened effect of relationship intimacy on opportunism (Granovetter, 1985). In this view, relational norms and trust formed in the intimate relationship may reduce a supplier’s vigilance and efforts in monitoring a distributor’s behaviors (Villena, Revilla, & Choi, 2011), which can increase the likelihood of the distributor’s opportunism. Furthermore, the sensitive and confidential information exchanged in the relationship may provide opportunities for a distributor to take advantage of its supplier (Wick, Berman, & Jones, 1999). Considering the above opposite effects that relationship intimacy may have on the relationship between exit intention and opportunism, we propose two competing hypotheses:

H4. Relationship intimacy weakens the effect of a distributor’s exit intention on its opportunism.

H4_{alt}. Relationship intimacy strengthens the effect of a distributor’s exit intention on its opportunism.

The hypotheses are summarized in the conceptual framework presented in Figure 1.

[Insert Figure 1 About Here]

3. METHOD

3.1. Data Collection

Distributors in the sanitary appliance industry in a capital city in Northeastern China provided the data to test the hypotheses. Sanitary appliances are ceramic and hardware appliances used in wash rooms and kitchens (e.g., bathroom fittings and accessories). Chinese sanitary appliance manufacturers generally distribute products through local agents in local markets. This empirical setting is appropriate for this study for three reasons. First, using managerial ties to conduct business is a tradition in China (Li et al., 2008; Park & Luo, 2001): it is widespread (Lovett, Simmons, & Kali, 1999) and creates social and economic value (Peng & Luo 2000). Second, economic activities and business operations in China (Sheng et al., 2011) are shaped by the government and the market and thus firms are motivated to build ties with business communities (business ties) and government authorities (political ties) (Park & Luo, 2001). Third, significant changes in distribution systems in recent decades have led to intense competition in China, and as a result, channel conflict and relationship dissolution are common.

A regional industry association provided a distributor list, which included 429 distributors in the sanitary appliance industry in the city. Face-to-face interviews were conducted with 200 randomly selected distributors by eight trained research assistants to ensure high response rates and information validity (Gu et al., 2008; Hoskisson et al., 2000). Senior managers (e.g., chief executive officers, presidents, general managers, purchasing managers), with an average of

more than 7 years of experience with their companies, served as key informants; they have the most contact with suppliers and are familiar with channel issues. During the interviews, the research assistants explained the academic purpose of the research and guaranteed confidentiality. In order to provide a problematic relationship context and to follow the widely used method in survey research (Kumar, Stern, & Anderson, 1993), we asked the respondents to recall an event that caused a problem in a relationship in the previous six months. We then asked them to respond to survey questions based on the relationship problem. Among the 200 interviews, 158 responses were acceptable and used in this study, representing an effective response rate of 79 percent. Among the 158 firms, 77.9 percent had sales revenues of less than ¥3 million, and 44.3 percent were private companies. On average, the length of the relationship was 7.1 years. Appendix A provides more detailed descriptive information about the sample.

3.2. Measures

All of the multi-item measures used in the survey were adapted from existing scales. A translation and back-translation procedure was made to ensure the equivalence of the English and Chinese versions of the questions (Douglas & Craig, 2006). Unless specified otherwise, all items use five-point Likert scales (1 = “strongly disagree” and 5 = “strongly agree”).

Destructive Acts. Following Hibbard et al. (2001) and Kim et al. (2011), our destructive acts measure captures the actions that are perceived by distributors as having a significant negative impact on channel relationship. We adapted the scales from Zhuang et al. (2010) to identify the frequency of the following actions: refusing or threatening to refuse to deliver products, delaying to deliver products, taking legal action, delivering unwanted products, charging high prices, and withdrawing some support.

Managerial ties. Following Peng and Luo (2000) and Sheng et al. (2011), we distinguished two different managerial ties: business ties and political ties. We adapted the scales of business ties and political ties from Su et al. (2009). The measure of business ties captures the degree of personal and informal connections between the distributor's managers and the supplier's managers. The political ties measure captures the degree of connections between the distributor's managers and (local) government officials.

Exit intention. Following previous research (Geyskens & Steenkamp, 2000; Ping, 1993, 1999), we conceptualize exit intention as a distributor's propensity to end a relationship with a supplier. We adapted the scale from Ping (1993).

Opportunism. We adapted Ping's (1993) self-reported scale to capture the distributors' opportunistic behaviors, such as distorting information, shirking obligations, and failing to fulfill promises. To avoid possible social desirability bias of self-reported measures (Crosno & Dahlstrom, 2008), we followed Jap & Anderson's (2003) suggestions to avoid any direct or sensitive wording.

Interfirm intimacy. Following Granovetter's (1973) classic definition of intimacy as mutual confiding, we adapted the scale from Stanko et al. (2007) to capture the frequency and extent of exchange of fine-grained, sensitive, confidential, tacit, and complex information between a distributor and its supplier.

Control variables. We controlled for potential effects of the following characteristics of the firm, channel structure, nature of transaction and market environment: 1) relationship length, which is the number of years that a distributor had carried its supplier's product line; 2) the distributor's business size, represented by the annual sales of the distributor in the previous

year, ranging from 1 = “less than 1 million” to 5 = “more than 100 million”; 3) relationship investment, using the scale from Ping (1993); 4) the distributor’s (economic) satisfaction with the relationship, using a scale adapted from Sheng et al. (2011); 5) market uncertainty, using a scale adapted from Cannon & Perreault (1999); 6) total dependence (distributor dependence plus supplier dependence) and distributor relative dependence (distributor dependence minus supplier dependence) that reflects channel structure (Hibbard et al., 2011), using scales adapted from Kumar, Scheer and Steenkamp (1995) to measure distributor dependence and supplier dependence.

3.3. Reliability and Validity Measures

To ensure our constructs’ reliability and validity, we performed confirmatory factor analysis (CFA) with Amos 7.0. We restricted each measurement item to load on its hypothesized factor. All items revealed significant ($p < 0.001$) loadings on their expected constructs in support of convergent validity. As shown in Appendix 2, the factor loadings and model fit index ($\chi^2(583) = 831.01$, IFI= 0.92, TLI= 0.91, CFI= 0.92, RMSEA= 0.05) indicate that our model fits the data well. Next, we examined the discriminant validity of the measures with a variance extracted test (Fornell & Larcker, 1981). The average variance extracted (AVE) of most of the constructs is higher than the widely accepted threshold of 0.50. By comparing the variance-extracted estimates on each pair of constructs with the square of the correlations between the two constructs, we found that both variance-extracted estimates on each pair’s constructs were greater than their squared correlations, in support of their discriminant validity. Finally, we used the Cronbach’s alpha and composite reliabilities (CR) to confirm our constructs’ reliability. As shown in Appendix B, the Cronbach’s alpha coefficients for the scales

and the CR of the constructs are both acceptably high, which supports their internal consistency.

Table 1 reports the correlation matrix and descriptive statistics of the measures.

[Insert Table 1 About Here]

3.4. *Common Method Bias*

Common method bias may be present, as our data were distributor self-reported. We used several tests and methods to mitigate this possibility. First, we used procedural remedies including protecting respondent confidentiality, increasing item clarity, and separating items that measure the other firm's destructive behaviors and own exit intention and opportunism (Wang et al., 2013). The interaction terms in the model also reduce the likelihood of bias, as it would be extremely difficult for respondents to predict and manipulate their survey responses *ex ante* (Wang et al., 2013).

Second, following Podsakoff et al. (2003), we performed the single factor test on the independent variables, dependent variables, and moderators. The results indicated that all the variables were loading on different factors, of which the largest factor was 16.87% of the variance. In addition, following Jia, Cai and Xu (2014), we performed a confirmatory factor analysis in which we linked all items to a single latent factor. The single factor model ($\chi^2(628) = 2967.44$, IFI= 0.23, TLI= 0.18, CFI= 0.22, RMSEA= 0.15) showed poorer fit as compared to the measurement model that include ten factors. This means that no single factor accounts for the majority of the covariance in our study, indicating that the threat of CMV bias is unlikely to be serious.

Third, we employed the marker variable assessment technique recommended by Lindell & Whitney (2001). We chose a scale that is theoretically unrelated to at least one other scale in

the analysis as a marker variable. To adjust the construct correlations (Lindell and Whitney, 2001), the supply and demand situation of distributors' product (ranging from "supply exceeding demand," to "demand exceeding supply") served as the marker variable that provided the lowest positive correlation ($r = 0.02$) with other variables. After controlling for the influence of product demand situation, the partial correlation analysis shows that only 1 of 26 significant correlations became nonsignificant, and no nonsignificant correlations became significant (see Table 1). These findings suggest that the effect of CMV bias is unlikely to be serious.

Fourth, following Wang et al. (2013), we estimated the original model by adding a "same-source" factor to the indicators of all the model constructs (Netemeyer et al., 1997). We then compared two models: a model in which the same-source factor loadings are fixed to zero (i.e., "constrained model") and a model in which the same source-factor loadings are estimated freely (i.e., "unconstrained model"). Results show that even with common-method variance controlled, all of our results remained significant, which suggests that our results are unlikely to be seriously inflated due to the CMV problem.

4. ANALYSIS AND RESULTS

4.1. Hypotheses Tests

Because our model contains interaction effects, we ran moderated regression models to test the hypotheses. To avoid potential multicollinearity problems, we mean-centered the variables, including the interaction terms that are calculated as the multiplication of the relevant mean-centered variables (Jaccard, Turrisi, & Wan, 1990). The variance inflation factors range from 1 to 2, which indicates no significant multicollinearity problem. We note that exit

intention and opportunism are influenced by common factors, such as characteristics of the firm (e.g., firm size), channel structure (e.g., total dependence and relative dependence), the nature of transaction (e.g., relationship length, relationship investments), and market environment (e.g., market uncertainty) (e.g., Crosno & Dahlstrom, 2008; Jap & Anderson, 2003; Ping, 1993; Yang et al., 2012). To correct for endogeneity problems, we followed Sheng et al. (2011) and employed a three-stage method suggested by Hamilton & Nickerson (2003; Slotegraaf, Moorman, & Inman, 2003). In Stage 1, we regressed the variables of channel structure, the nature of transaction, market environment on exit intention to obtain residuals free of their influence. In Stage 2 and 3, we used the residuals as indicators of exit intention to construct its interaction terms with relationship intimacy. Specifically, in Stage 2, we regressed the residuals of exit intention, other predictors and the controls on opportunism. In Stage 3, we regressed the full model, with the interaction terms added.

Table 2 reports the regression results. It shows that destructive acts have a significant and positive influence on exit intention ($\beta = 0.38, p < 0.001$), in support of H1.

[Insert Table 2 About Here]

We predict that business ties (H2a) and political ties (H2b) both positively moderate the relationship between destructive acts and exit intention. Table 2 shows that the interaction of business ties and destructive acts ($\beta = 0.19, p < 0.05$) is positively and significantly related to exit intention, in support of H2a. However, the interaction of political ties and destructive acts is not significantly related to exit intention. So H2b is not supported.

To demonstrate more clearly the moderating effects, we decomposed the interaction terms and compared the impact of destructive acts on exit intention at low and high levels of business

ties (Aiken & West, 1991). Specifically, we set the low level of moderator as one standard deviation below its mean and the high level as one standard deviation above the mean. As Figure 2 shows, destructive acts have a stronger positive impact on exit intention at high levels than low levels of business ties.

[Insert Figure 2 About Here]

H3 is also supported. As shown in Table 2, exit intention is positively and significantly related to opportunistic behaviors ($\beta = 0.30, p < 0.001$). Finally, with regard to the two competing hypotheses on the moderating effect of interfirm intimacy on the relationship between a distributor's exit intention and its opportunism (H4 and H4alt), the results in Table 2 support the hypothesis based on the negative view of relationship intimacy ($\beta = 0.12, p < 0.1$). That is, relationship intimacy amplifies the effect of exit intention on opportunistic behavior. Figure 3 graphically illustrates this moderating effect, derived by decomposing the interaction terms and comparing the impact of exit intention on opportunism at low and high levels of interfirm intimacy (Aiken & West, 1991). Exit intention has a stronger positive effect on opportunism at high levels than at low levels of interfirm intimacy.

[Insert Figure 3 About Here]

Results in Table 2 show that political ties have a significant and positive effect on exit intention ($\beta = 0.22, p < 0.01$, in the model of Exit intention M3) and business ties have no significant direct effect on exit intention, and that political ties have a significant and positive effect on opportunism ($\beta = 0.28, p < 0.01$, in the model of Opportunism M1) and business ties have no significant direct effect on opportunism.

4.2. Additional Tests

Our conceptual framework (see Fig. 1) implicitly assumes that exit intention mediates the effect of destructive acts on opportunism. Following Jia et al. (2014) and Baron and Kenny (1986), we test on this mediation effect by including exit intention in the regression model of opportunism. Table 2 shows that the original effect of destructive acts on opportunism ($\beta = 0.30, p < 0.001$, in the model of Opportunism M1) is reduced but remains significant ($\beta = 0.19, p < 0.05$, in the model of Opportunism M2), which suggests a partial mediation effect of exit intention.

To further understand this mediation effect, we conducted a test for moderated mediation effects of business ties and relationship intimacy respectively. We used Hayes' PROCESS and SPSS to examine the conditional indirect effects (Hayes, 2012), a procedure that is widely used to test mediation effects (Zhao et al., 2010). Table 3 presents the estimates, standard errors, and corresponding lower and upper level of confidence intervals. First, the conditional indirect effect of destructive acts is not significant ($\beta = 0.06$, at 95% CI [-0.04, 0.13]) when business ties are low, and significant ($\beta = 0.15$, at 95% CI [0.06, 0.26]) when business ties are high. Thus, business ties strengthen the indirect effect of destructive acts on opportunism via exit intention. Second, the conditional indirect effect of destructive acts is not significant ($\beta = 0.05$, at 95% CI [-0.02, 0.13]) when relationship intimacy is low, and significant ($\beta = 0.15$, at 95% CI [0.07, 0.25]) when relationship intimacy is high. Thus, relationship intimacy also strengthens the indirect effect of destructive acts on opportunism via exit intention.

[Insert Table 3 About Here]

4.3. Robustness Checks

To consolidate the theoretical foundation of our research framework, we verified our

assertion that exit intention affects opportunism, but not that opportunism affects exit intention. Wong and Law (1999) argue that it is not always possible for researchers to have data that match the exact time duration of the cross-lagged effects, and that non-recursive structure equation modeling can test reciprocal relationships between two constructs. Thus, we follow Gaur, Ma and Ding (2018) and examine first the link from exit intent to opportunism and then the link from opportunism to exit intention. Then, we compared the two models' fit index, Akaike's information criterion (AIC) and Bayesian information criterion (BIC) (Wang, Kayande & Jap, 2010). Smaller values of AIC and BIC indicate less discrepancy between the hypothesized model and the true model. It enables us to tell which model is better in terms of both model fit and model parsimony (Little et al., 2006; Ozdemir et al., 2020). Results show that our proposed model (exit intention → opportunism) fits better than the alternative model (opportunism → exit intention); the AIC and BIC in alternative model are 148 and 292, respectively (versus 131 and 275 in our proposed model), providing confidence in our model (Wang et al., 2010).

5. DISCUSSION

Drawing on social exchange theory, social capital theory, relational governance theory and transaction cost economics, the current study develops an integrated research framework to investigate how managerial ties affect a firm's exit intention and how the intention affects opportunism. Our findings indicate that destructive acts are positively related to a distributor's exit intention (H1) and business ties strengthens the effect (H2a), and that a distributor's exit intention is positively related to opportunism (H3) and this effect is amplified by relationship intimacy (H4alt).

5.1. Theoretical Contributions

This study makes important contributions to relationship marketing literature. First, although managerial ties play an important role in exchange relationships, particularly in emerging economies, no study has examined their effect on relationship dissolution in a B2B context. The current study presents the first evidence that managerial ties are important contextual factors of firms' intentions to exit from an interfirm relationship when destructive acts occur. In general, managerial ties have dark side effect when the relationship is ending, different from that when firms try to develop and maintain the relationship (e.g., Sheng et al., 2011; Su et al., 2009). Our findings also confirm that different types of managerial ties can affect relationship dissolution differently (e.g., Dong et al., 2013; Zhou et al., 2014). Our empirical analysis shows that business ties amplifies the effect of destructive acts on relationship dissolution. In contrast, political ties exert no significant moderating role, although they can directly drive dissolution of a troubled relationship.

Although we hypothesized that political ties can amplify the effect of destructive acts on exit intention, government officials may also act as *mediator* and “*go-betweens*” to reconcile and mitigate conflict (Su et al., 2009), thus buffering the destroying effects of destructive acts. Thus, the moderating role of political ties is not significant. Interestingly, political ties have positive direct effect on exit intention. As Sheng et al. (2011) indicate, political ties cannot ensure long-term cooperation because rotation of government officials may weaken political ties or even terminate them. Firms with political ties (as *kaoshan*) can leverage the resources controlled by government to maximize their benefits (Rokkan et al., 2003), attract new partners and develop new relationships (Su et al., 2009; Zhuang & Zhou, 2004). Moreover, the valuable

and crucial resources obtained through political ties can provide firms with significant advantages (Peng & Luo, 2000) to exit from the relationships when destructive acts occur. Thus, political ties induce exit intention.

Second, prior literature suggests both the dark (Anderson & Jap, 2005; Grayson & Ambler, 1999; Gu et al., 2008; Moorman et al., 1992; Noordhoff et al., 2011; Villena et al., 2011) and bright sides (Stanko et al., 2007; Su et al., 2009; Uzzi, 1997) of close relationship in relationship formation and maintenance. The current study extends this literature by focusing on relationship dissolution and showing that relationship intimacy exacerbates opportunism when firms have intention to end a relationship. It is consistent with the *shashu* phenomenon in China, in which people exploit acquaintances' or friends' trust to maximize self-interest (Zhang & Keh, 2009). Although the positive effect of relationship intimacy may be dominant in relationship maintenance, the negative effect can be activated when the relationship is ending. Our finding sheds new light on the dark side of close relationships and relational governance.

Third, our findings also contribute to understanding the exit-voice-loyalty-neglect (EVLN) model (Hirschman, 1970; Ping, 1993). Scholars have explored EVLN model in different contexts. For example, from the perspective of customers (e.g., Puriton et al., 2007; Vidal et al., 2016), it has been shown that good business relationship (Vidal et al., 2016), service quality, satisfaction, trust (Kaur et al., 2012) and loyalty (Stewart, 1998) are exit barriers, and that caring only for one's own interest can result in exit (Puriton et al., 2007). The current study shows that good relationship may not be able to ensure relationship survival. More specifically, close business ties can be an amplifier that prompts relationship dissolution. In addition, when distributors intend to exit, interfirm relationship intimacy can exacerbate distributors'

opportunism. These findings provide a more holistic picture to understand exit in EVLN model.

5.2. Managerial Implications

Our findings provide managerial implications for doing business in China. First, managers should distinguish between business and political ties, because they provide firms with different resources that affect exit intention differently. Firms should pay close attention to partners that boast strong political ties. Although these partners may have better resources and greater capability, they are more likely to exit the relationship when the relationship is in trouble. A balanced view of business and political ties is helpful in managing relationships.

Second, maintaining a relationship is particularly challenging when relationship is in trouble. Close business ties can amplify the detrimental effects of destructive acts on marketing relationships. Suppliers need to find ways to develop and sustain their competitive advantage, strengthen their product quality and branding, and reduce their dependence on informal governance mechanisms, thereby lowering the risk and cost in case of relationship dissolution.

Third, suppliers must be cautious of distributors' possible opportunistic behavior when facing channel problems. A distributor with exit intention tends to behave opportunistically, especially if the relationship is intimate. Although surveillance may signal distrust and hurt channel relationships (Poppo & Zenger, 2002), some degree of vigilance may be prudent when sharing sensitive confidential information. More formal governance mechanisms should be considered. Firms can also consider using hostage strategies to safeguard their own interests, such as inducing partners to make investments in specific assets in the relationship.

Fourth, it is necessary for suppliers to understand the process of relationship ending (Halinen & Tähtinen, 2002). While leading to physical exit (Ping, 1993), distributors' exit

intention may also have other detrimental effects, as suppliers' destructive acts induce opportunism through distributors' exit intention. The aggrieved party may retaliate by conducting opportunistic behavior if it is unwilling to continue the relationship.

5.3. *Limitations and Further Research*

This study has several limitations that are noteworthy for further research. First, the current research focuses on the effects of business and political ties on exit intention. However, other behaviors, such as loyalty, voice, and neglect (Geyskens & Steenkamp, 2000; Ping, 1993) may as well be responses to channel problems. They could be considered in future research. Second, the measure of business and political ties in this study (see also Li et al., 2008; Peng & Luo, 2000; Sheng et al., 2011) do not capture other dimensions of managerial ties in China such as *renqing*, *mianzi*, *ganqing* (Su et al., 2009). It would be interesting to explore how they may affect firms' exit intention. In addition, we look at political ties only at the local market level. It is possible that political ties at different levels have different effects. Third, it is difficult to determine whether a relationship is in the dissolution stage. Future research could use relationship stage measurement (e.g., Jap & Anderson, 2007; Jap & Ganesan, 2000) or hidden Markov model based on a longitudinal data set (e.g., Zhang et al., 2016). Fourth, since we employed self-reported method to measure opportunism, it is unavoidable to induce social desirability bias. Future research could use partner-based opportunism, bilateral reported opportunism or archival data to address the problem. Fifth, since the average variance extracted (AVE) of relationship intimacy in our findings is lower than the widely accepted threshold of 0.50, future studies could develop a better measure for this construct. Sixth, the sample size in this study is relatively small; future studies could replicate the findings with a larger sample.

Finally, caution is warranted in generalizing the findings to other contexts because China's social and institutional frame of reference is specific. Empirical studies on both emerging and developed economies could address this research gap.

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Appendix A. Profiles of the sample distributors (n=158)

| Sample characteristics | Frequency | Percentage |
|-------------------------------|------------------|-------------------|
| Owner structure | | |
| Private firms | 70 | 44.30 |
| State-owned firms | 8 | 5.06 |
| Joint ventures | 14 | 8.86 |
| Joint-stock firms | 60 | 37.97 |
| Others | 6 | 3.80 |
| Sales | | |
| <1 million RMB | 71 | 44.94 |
| 1–3 million RMB | 52 | 32.91 |
| 3–5 million RMB | 26 | 16.46 |
| 5–10 million RMB | 6 | 3.79 |
| >10 million RMB | 3 | 1.90 |
| Relationship Length | | |
| ≤5 years | 40 | 25.32 |
| 6–10 years | 67 | 42.41 |
| >10 years | 51 | 32.27 |
| Respondents' Tenure | | |
| ≤5 years | 62 | 39.24 |
| 6–10 years | 71 | 44.94 |
| >10 years | 25 | 15.82 |

Appendix B. Measurement Items and Validity Assessment

| Constructs and Items | Loadings |
|--|----------|
| Destructive Acts $\alpha=0.86$, CR=0.86, AVE=0.51 | |
| Please indicate how often the supplier takes each of the following actions in their dealings with your company in order to change your company's actions or decision: 1=never, 2=seldom, 3=sometimes, 4=often, 5=always | |
| Refuse or threaten to refuse to deliver products | 0.63 |
| Delay to deliver products | 0.75 |
| Take legal action with your company | 0.66 |
| Deliver unwanted products | 0.75 |
| Charge high prices | 0.70 |
| Withdraw some support | 0.80 |
| Business Ties $\alpha=0.82$, CR=0.83, AVE=0.62 | |
| We have maintained a close personal relationship with the sales managers of this supplier. | 0.78 |
| We have good friends who are also friends of the sales managers of this supplier. | 0.68 |
| Our boss has maintained a close personal relationship with the managers of this supplier. | 0.88 |
| Political Ties $\alpha = 0.85$, CR = 0.85, AVE = 0.74 | |
| Our boss has extensive personal relationships with officials at various levels of governments. | 0.88 |
| We have friends who hold power in industrial departments. | 0.84 |
| Exit Intention $\alpha = 0.85$, CR = 0.86, AVE = 0.60 | |
| We are not likely to continue the business relationship with this supplier. | 0.62 |
| We are looking for replacement suppliers. | 0.90 |
| We will consider a replacement supplier soon. | 0.88 |
| We will probably stop doing business with this supplier in the near future. | 0.67 |
| Opportunism $\alpha = 0.88$, CR = 0.88, AVE = 0.71 | |
| We may purposefully exaggerate the sales opportunities in my market to get additional allowances or assistance from our primary supplier. | 0.72 |
| Occasionally we may shirk certain contractual obligations to our primary supplier when we see profit opportunities from doing so. | 0.93 |
| We may neglect our program responsibilities when our primary supplier is unlikely to notice our noncompliance. | 0.87 |
| Relationship Intimacy $\alpha = 0.77$, CR = 0.75, AVE = 0.45 | |
| Any information that might help the other party will be provided to them. | 0.80 |
| Exchange of information in this relationship takes place frequently and informally, and not limited to prespecified agreement. | 0.79 |
| The parties will provide proprietary information if it can help the other party. | 0.50 |

| | |
|--|------|
| We keep each other informed about events or changes that may affect the other party. | 0.52 |
|--|------|

Relationship Investments $\alpha = 0.91$, CR = 0.92, AVE = 0.69

| | |
|---|------|
| Overall, we have invested a lot in the relationship with this supplier. | 0.79 |
|---|------|

| | |
|---|------|
| A lot of time and effort have been put to build and maintain the relationship with this supplier. | 0.81 |
|---|------|

| | |
|--|------|
| All things considered, the company has put a lot into the relationship with this supplier. | 0.91 |
|--|------|

| | |
|--|------|
| We have put a considerable amount of time, effort, and energy into building the relationship with this supplier. | 0.86 |
|--|------|

| | |
|--|------|
| Much of our investment with this supplier is unique to the relationship. | 0.78 |
|--|------|

Market Uncertainty formative scales

In this market, the following factors are changing (1= “very infrequently,” 5= “very frequently”)

| | |
|---------|------|
| Pricing | n.a. |
|---------|------|

| | |
|-----------------------------------|------|
| Product feature and specification | n.a. |
|-----------------------------------|------|

| | |
|--------------------|------|
| Product technology | n.a. |
|--------------------|------|

| | |
|----------------|------|
| Product supply | n.a. |
|----------------|------|

| | |
|-----------------|------|
| Customer demand | n.a. |
|-----------------|------|

Satisfaction $\alpha=0.78$, CR=0.86, AVE=0.61

Compared with other distributors, your company is satisfied with the following factors of the relationship (1= “very dissatisfied,” 5= “very satisfied”)

| | |
|-------------------|------|
| Sales growth rate | 0.75 |
|-------------------|------|

| | |
|---------------|------|
| Profitability | 0.80 |
|---------------|------|

| | |
|-----|------|
| ROI | 0.85 |
|-----|------|

| | |
|--------------|------|
| Market share | 0.70 |
|--------------|------|

Supplier Dependence $\alpha=0.78$, CR=0.82, AVE=0.60

| | |
|--|------|
| In our area, there are other firms that could provide the supplier with comparable distribution. | 0.77 |
|--|------|

| | |
|---|------|
| In our area, the supplier would incur minimal costs in replacing our firm with another distributor. | 0.73 |
|---|------|

| | |
|--|------|
| It would be difficult for the supplier to replace the sales and profits we generate. | 0.82 |
|--|------|

Distributor Dependence $\alpha=0.78$, CR=0.78, AVE=0.55

| | |
|---|------|
| There are other suppliers who could provide us with comparable product lines. | 0.76 |
|---|------|

| | |
|---|------|
| Our total costs of switching to a competing manufacturer’s line would be prohibitive. | 0.75 |
|---|------|

| | |
|--|------|
| It would be difficult for our firm to replace the sales and profits generated from this supplier’s line. | 0.71 |
|--|------|

Relationship Length

| | |
|--|------|
| The number of years you have been doing business with this supplier. | n.a. |
|--|------|

Firm Size

| | |
|--|------|
| The sales of your company in the previous year: 1= “<1 million”, 2= “1–3 million”, 3= “3–5 million”, 4= “5–10 million”, 5= “> 10 million”. | n.a. |
|--|------|

Notes: AVE = average variance extracted, and CR = composite reliability.

Figure 1

Conceptual Model

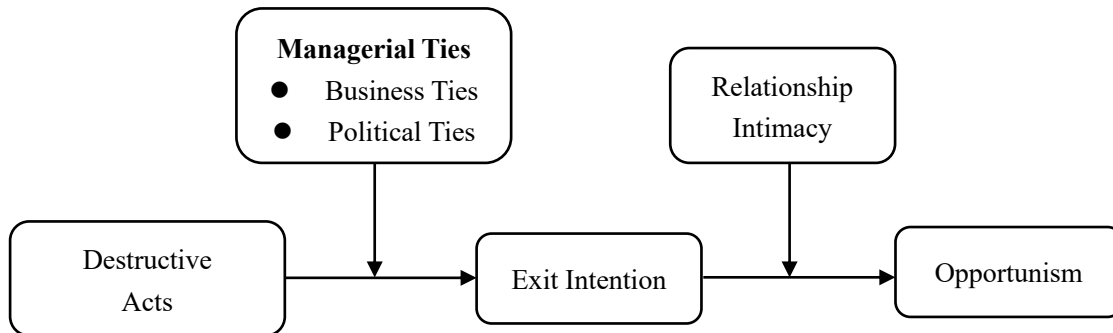


Figure 2a

Interaction Between Destructive Acts and Business Ties

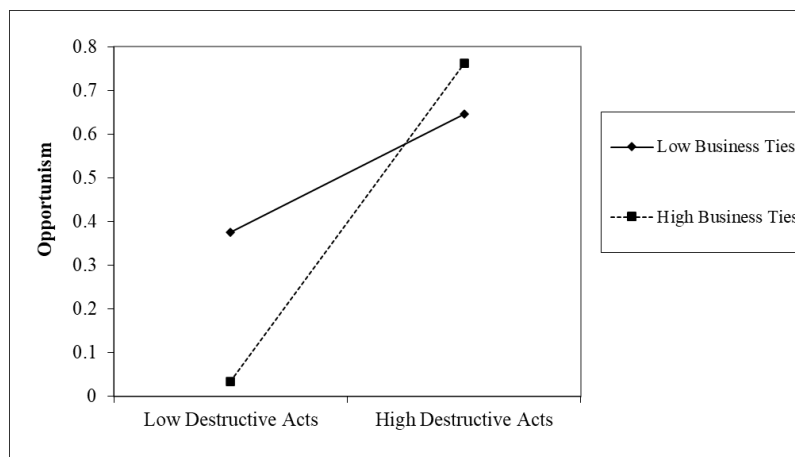


Figure 3

Interaction Between Exit Intention and Relationship Intimacy

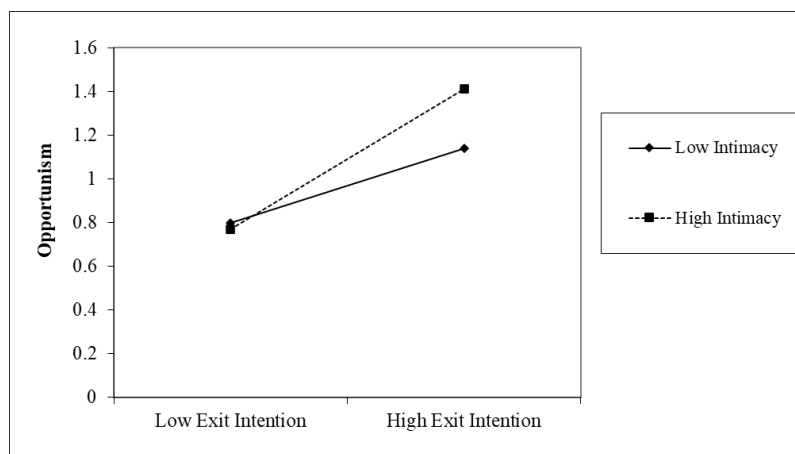


Table 1

Descriptive Statistics and Correlations

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1. Destructive Acts | 0.71 | -0.06 | 0.17* | 0.38*** | 0.35*** | -0.10 | 0.05 | 0.09 | 0.10 | -0.06 | -0.07 | 0.00 | -0.08 |
| 2. Business Ties | -0.07 | 0.79 | 0.30*** | -0.06 | 0.09 | 0.12 | 0.23** | -0.12 | 0.00 | 0.00 | -0.05 | 0.00 | -0.06 |
| 3. Political Ties | 0.17* | 0.28*** | 0.86 | 0.19* | 0.38*** | 0.14 | 0.26** | 0.04 | 0.16* | 0.07 | 0.17* | 0.26** | -0.17* |
| 4. Exit Intention | 0.38** | -0.06 | 0.18* | 0.78 | 0.43*** | -0.04 | -0.03 | 0.09 | -0.11 | -0.23** | -0.18* | 0.01 | 0.10 |
| 5. Opportunism | 0.35** | 0.08 | 0.38*** | 0.43*** | 0.84 | -0.00 | 0.14 | 0.03 | 0.06 | -0.17* | 0.11 | 0.17* | -0.01 |
| 6. Intimacy | -0.08 | 0.10 | 0.15 | -0.04 | 0.01 | 0.67 | 0.07 | 0.02 | 0.03 | 0.10 | 0.04 | 0.18* | 0.05 |
| 7. Relationship Investment | 0.07 | 0.19* | 0.27*** | -0.03 | 0.15 | 0.10 | 0.83 | -0.03 | 0.14 | 0.07 | 0.12 | 0.18* | -0.07 |
| 8. Market Uncertainty | 0.09 | -0.11 | 0.03 | 0.09 | 0.03 | 0.02 | -0.04 | n.a. | -0.11 | 0.04 | -0.16* | -0.07 | -0.10 |
| 9. Satisfaction | 0.12 | -0.04 | 0.17* | -0.12 | 0.07 | 0.06 | 0.19* | -0.12 | 0.78 | 0.27** | 0.31*** | 0.24** | -0.94 |
| 10. Relationship Length | -0.06 | -0.00 | 0.07 | -0.23** | -0.17* | 0.11 | 0.07 | 0.04 | 0.28*** | n.a. | 0.25** | 0.11 | 0.00 |
| 11. Firm Size | -0.05 | -0.07 | 0.18* | -0.18* | 0.12 | 0.06 | 0.17* | -0.17* | 0.34*** | 0.25** | n.a. | 0.28*** | 0.04 |
| 12. Total dependence | 0.02 | -0.02 | 0.26** | 0.00 | 0.18* | 0.20* | 0.22** | -0.08 | 0.27** | 0.12 | 0.31*** | n.a. | 0.03 |
| 13. Relative dependence | -0.08 | -0.06 | -0.17* | 0.10 | -0.02 | 0.05 | -0.07 | -0.09 | -0.09 | 0.00 | 0.04 | 0.03 | n.a. |
| 14. Mark Variable | -0.10 | 0.14 | -0.07 | 0.02 | -0.06 | -0.14 | -0.24** | 0.06 | -0.24** | -0.04 | -0.21** | -0.19* | 0.01 |
| Mean | 1.58 | 3.18 | 2.30 | 2.41 | 2.47 | 3.65 | 3.28 | 2.43 | 3.23 | 7.10 | 1.85 | 6.39 | 0.48 |
| S. D. | 0.64 | 0.94 | 0.93 | 0.85 | 0.94 | 0.68 | 0.86 | 0.69 | 0.64 | 3.67 | 0.96 | 1.76 | 0.50 |

Notes: Zero-order correlations are below the diagonal; adjusted correlations for potential common method variance (Lindell and Whitney, 2001) are above the diagonal. The bold faced values on the diagonal are square roots of AVE.

* $p < 0.05$ (two-tailed); ** $p < 0.01$ (two-tailed); *** $p < 0.001$ (two-tailed).

Table 2

Results of Multiple Regression Models

| Independent Variables | Dependent Variables | | | | | | | |
|-------------------------------------|---------------------|-------------------|--------------------|-------------------|-------------|----------------|---------|-------------------------|
| | Exit Intention | | | | Opportunism | | | |
| | M1 | M2 | M3 | M4 | M1 | M2 | M3 | M4 |
| Relationship Length | -0.21* | -0.18* | -0.18* | -0.21** | -0.21** | -0.22** | -0.22* | -0.21** |
| Firm Size | -0.14 | -0.11 | -0.14 [†] | -0.14 | 0.12 | 0.12 | 0.12 | 0.10 |
| Relationship Investment | 0.01 | -0.02 | -0.04 | -0.00 | 0.02 | 0.03 | 0.03 | 0.04 |
| Satisfaction | -0.01 | -0.07 | -0.08 | -0.07 | -0.02 | 0.01 | 0.01 | 0.01 |
| Market Uncertainty | 0.09 | 0.06 | 0.03 | 0.05 | 0.03 | 0.05 | 0.05 | 0.03 |
| Total dependence | 0.08 | 0.08 | 0.03 | 0.02 | 0.09 | 0.10 | 0.11 | 0.10 |
| Relative dependence | 0.11 | 0.13 [†] | 0.16* | 0.18* | 0.04 | 0.03 | 0.03 | 0.05 |
| Destructive Acts | | 0.38*** | 0.33*** | 0.39*** | 0.30*** | 0.19* | 0.19* | 0.20** |
| Business Ties | | | -0.10 | -0.05 | 0.04 | 0.06 | 0.06 | 0.06 |
| Political Ties | | | 0.23** | 0.18* | 0.28** | 0.22** | 0.22** | 0.21** |
| Destructive Acts ×Business Ties | | | | 0.19* | | | | |
| Destructive Acts ×Political Ties | | | | -0.08 | | | | |
| Exit Intention | | | | | | 0.30*** | 0.30*** | 0.29*** |
| Intimacy | | | | | | | -0.02 | 0.08 |
| Exit Intention ×Intimacy | | | | | | | | 0.12[†] |
| <i>F</i> | 2.27* | 5.64*** | 5.49*** | 5.07*** | 5.93*** | 7.39*** | 6.73*** | 6.55*** |
| <i>R</i> ² | 0.10 | 0.23 | 0.27 | 0.30 | 0.28 | 0.36 | 0.36 | 0.37 |
| ΔR^2 | | 0.14*** | 0.04* | 0.04 [†] | | 0.07*** | 0.00 | 0.01 [†] |

[†] $p < 0.1$ (two-tailed); * $p < 0.05$ (two-tailed); ** $p < 0.01$ (two-tailed); *** $p < 0.001$ (two-tailed).

Table 3

The Conditional Indirect Effects of Destructive Acts on Opportunism

| Moderator | β | SE | 95% CI | |
|-----------------------|---------|------|--------|---------------|
| Business Ties | Low | 0.06 | 0.04 | [-0.04, 0.13] |
| | High | 0.15 | 0.05 | [0.06, 0.26] |
| Relationship Intimacy | Low | 0.05 | 0.04 | [-0.02, 0.13] |
| | High | 0.15 | 0.05 | [0.07, 0.25] |