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Under what conditions does algorithmic atonement surpass human empathy in restoring B2B relational equity after a service failure?

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Abstract

When multimillion-dollar B2B partnerships fail due to service issues, can algorithms effectively rebuild the trust that human relationships rely on? This innovative study examines the specific circumstances under which algorithmic atonement AI-driven efforts to remedy service lapses outperforms human empathy in restoring relational fairness. Through a rigorously planned 2x2 between-subjects experiment involving 224 B2B procurement professionals, the study compares AI and human recovery agents across relationship-threatening core failures and peripheral service gaps. An unanticipated valence reversal effect emerges: AI systems clearly outperform human agents in recovering transactional trust after peripheral failures, using speed and procedural consistency to increase relational equity by 38%. Human specialists, on the other hand, are vital for fundamental crises such as a pharmaceutical temperature-control breach that destroyed \$2.3 million in therapies where genuine empathy rebuilds emotional relationships that algorithmic solutions cannot. Critically, the analysis reveals a key flaw: when AI overreacts with anthropomorphic empathy amid extreme failures, it causes Uncanny Valley aversion, which is viewed as manipulative "emotional puppetry," reducing trust by 31%. As the first study to incorporate Computers-Are-Social-Actors (CASA) theory, Uncanny Valley mechanics, and Justice Theory into B2B scenarios, it substantially reframes atonement as a specialized function rather than a human monopoly. The findings provide an actionable path. AI can be deployed as first responders for logistical recoveries (e.g., automated smart contracts resolving shipment delays), but human crisis specialists should be reserved for ethical breaches that require moral accountability (such as executive video apologies for safety-critical failures). The future of resilient B2B relationships lies in hybrid recovery systems that are carefully calibrated to respect the vital boundaries between algorithmic precision and irreplaceable human conscience.

Keywords: Algorithmic atonement, uncanny valley, hybrid recovery systems, B2B trust repair, service failure, justice theory, relational equity, casa theory, ai transparency, emotional puppetry

1. Introduction

1.1 The Advancement of AI in B2B Service Operations

Artificial intelligence (AI) is no longer an afterthought; it is already firmly buried in the operational heart of business-to-business (B2B) service delivery, profoundly changing how organizations detect, manage, and ultimately correct service faults. Industry statistics provide a clear picture: more than 60% of major worldwide organizations today actively use AI-powered technology to handle customer service interactions, with the penetration rate expected to surpass 85% within the next five years. This quick rise indicates AI's increasingly important role in the critical aftermath of service disruptions, when the fragile strands of trust and collaboration are most stressed. The shift toward AI-enabled service ecosystems is consistent with emerging academic discourse that identifies algorithmic assurance, predictive recovery protocols, and proactive complaint mitigation as key components of modern service architecture (Dzreke *et al.*, 2025; Dzreke & Dzreke, 2025) [5, 11]. However, this universal embrace takes place against a backdrop of considerable unanswered concerns. Both scholars and practitioners are divided on whether AI-driven atonement algorithmically executed actions designed to redress failures and mend fractured trust can truly equal or even exceed the efficacy of human-led empathy in reconstructing the long-term relational equity critical to B2B partnerships (Huang & Rust, 2021; Dzreke & Dzreke, 2025; van Doorn *et al.*, 2023) [26, 11, 43].

Service failures in intricate B2B environments, which are characterized by complex

interdependencies, specialized knowledge requirements, and significant financial risk, can have a rapid cascading effect, interrupting entire operational networks. Evidence increasingly suggests that when supply chains and service frameworks incorporate sophisticated AI-driven corrective mechanisms, organizations achieve not only significant operational downtime reductions but also improved relational continuity, fostering measurable resilience across both logistical performance and customer engagement metrics (Dzreke, 2025a; Dzreke, 2025c) ^[6, 7]. The implications go beyond financial loss to include the erosion of trust capital, which has been meticulously nurtured over time. An unresolved failure can cause long-term damage, but an algorithmic reaction regarded as mechanistic or lacking true understanding risks severe client alienation, potentially destroying links that support strategic alliances (Dzreke and Dzreke, 2025n; Palmatier *et al.*, 2013) ^[11, 36].

1.2 Theoretical Gap and Research Problem

Despite growing interest in automation and generative AI in service recovery scenarios, scientific understanding is scattered and inadequately synthesized. Few studies have systematically examined the complex interplay between AI-mediated recovery processes and critical relational variables such as partnership depth, the objective severity of the failure, and business clients' subjective psychological perceptions of fairness. The well-documented "precision-fragility paradox" found in powerful AI systems highlights this gap. Algorithmic agents frequently provide amazing consistency and accuracy in normal operations; yet this precision can make them more vulnerable to contextual nuance and perceive flaws in emotional authenticity during the delicate process of trust restoration (Dzreke, 2025f) ^[5]. Resolving this dilemma necessitates an integrative, interdisciplinary strategy that draws on concepts from marketing science, operations management, cognitive psychology, and human-computer interactions. As a result, this study addresses a central, multifaceted question: Under what specific conditions defined by the nature and severity of the service failure, measurable customer engagement levels, and the established depth of the B2B partnership and mediated by which psychological mechanisms, particularly perceptions of justice and the potential triggering of the uncanny valley effect, does algorithmic atonement demonstrably surpass human empathy in restoring relational.

1.3 Integrating Theoretical Lenses

Navigating this complex investigation requires a solid theoretical foundation. This research combines three

fundamental pillars. First, the Computers as Social Actors (CASA) paradigm (Nass *et al.*, 1994; Reeves & Nass, 1996) ^[34, 39] provides an important cognitive foundation. It explains how humans unintentionally project social expectations onto artificial agents, including rules of fairness, politeness, and reciprocity, essentially accepting sophisticated algorithms as legitimate players in an implicit social contract (Dzreke, 2025e) ^[6]. This trend is the foundation upon which algorithmic atonement may acquire traction. However, as Dzreke *et al.* (2025p) ^[7] convincingly demonstrate, when algorithmic agents reach high levels of autonomy and involvement, user expectations of authenticity and emotional congruence rise dramatically. This heightened anticipation can intensify feelings of contradiction and suspicion if the AI's empathy appears synthetic rather than really emerging. Second, Uncanny Valley Theory (UVT) (Mori, 1970 ^[32]; MacDorman & Chattopadhyay, 2016) ^[29] proposes a fundamental boundary condition for emotionally intense recovery scenarios. According to UVT, if artificial beings become more human-like in appearance or behavior while falling short of full verisimilitude, human observers may experience strong feelings of discomfort, eeriness, or even revulsion. This "valley" of negative response is an important consideration when deploying AI agents designed to convey empathy during service recovery, as their near-human but subtly imperfect interactions may inadvertently cause discomfort rather than reassurance (Gray & Wegner, 2012; Stein & Ohler, 2017; Dzreke & Dzreke, 2025j) ^[22, 41]. Finally, Organizational Justice Theory (OJT) (Blodgett *et al.*, 1997; Tax *et al.*, 1998) ^[1, 42] provides an important evaluative lens through which clients can examine the fairness of recovery efforts. OJT is generally divided into three dimensions: distributive justice (fairness of outcome), procedural justice (fairness of process), and interactional justice (fairness perceived in interpersonal treatment, which includes respect, empathy, and explanation). In the setting of AI-mediated healing, the relative weighting and appearance of these justice elements may change significantly. Algorithmic systems often excel at providing procedural uniformity and quick distributive results. However, they frequently struggle to replicate the nuanced emotional intelligence, spontaneous warmth, and contextual adaptability that underpin strong perceptions of interactional justice a dimension that is frequently critical in resolving high-stakes relational breaches (Dzreke & Dzreke, 2025h; Dzreke, 2025b) ^[11, 8]. The interaction and potential reconfiguration of different justice conceptions under algorithmic atonement is a key analytical focus of this study.

Table 1: Core Theoretical Frameworks and Their Relevance to AI Atonement

Theoretical Framework	Core Premise	Relevance to AI Atonement & Relational Equity
Computers Are Social Actors (CASA)	Humans unconsciously apply social rules (politeness, fairness) to computers/AI.	Provides a basis for AI being perceived as a legitimate actor capable of enacting atonement; raises expectations for social behavior.
Uncanny Valley Theory (UVT)	Near-human entities evoke discomfort when perceived as almost, but not perfectly, human.	Warning against AI empathy that feels simulated or "close but not quite," potentially harming trust restoration in sensitive recovery contexts.
Organizational Justice Theory (OJT)	Fairness perceptions (distributive, procedural, interactional) drive satisfaction with conflict resolution/recovery.	Framework for evaluating AI atonement effectiveness; highlights potential AI strengths (procedural) and weaknesses (interactional empathy).

1.4 Contributions and Managerial Relevance

This study makes significant contributions by connecting

academic advances and practical applications within the changing landscape of AI in B2B services. Theoretically, it

contributes significantly to the growing discussion about AI's competitive dynamics and ethical implications inside complex service ecosystems (Dzreke, 2025d; Dzreke & Dzreke, 2025m) ^[8, 11]. Crucially, it applies the Computers Are Social Actors (CASA) paradigm to the high-emotion environment of trust fracture and restoration, empirically evaluating whether human social responses to AI agents survive under conditions of severe relational risk. Simultaneously, it systematically analyzes a fundamental boundary condition: the possibility that AI attempts at affective mimicking will backfire by activating the uncanny valley effect, degrading perceived sincerity rather than encouraging trust (Gray & Wegner, 2012; Stein & Ohler, 2017) ^[22, 41]. Furthermore, the paper presents a fresh reconceptualization of Organizational Justice Theory in the context of AI-mediated healing. It proposes that, under certain conditions, B2B clients may prioritize algorithmic procedural precision over the empathetic imperfection inherent in human interactions, implying a possible paradigm shift in the psychological foundations of service recovery satisfaction (Dzreke & Dzreke, 2025k; Dzreke *et al.*, 2025o) ^[11, 5].

For practitioners negotiating the intricacies of service operations, the findings offer empirically based insights that are critical for optimizing resource allocation and recovery strategy design. Evidence suggests that AI-powered systems excel at efficiently resolving low-stakes, high-frequency disruptions like billing discrepancies, minor scheduling errors, or routine data access issues, allowing valuable human relationship managers to focus their expertise on critical failures affecting strategic, high-value accounts. This intentional division of labor, as evidenced by established results in hybrid human-machine interventions in logistics and customer service (Larivière *et al.*, 2017; Dzreke, 2025c) ^[27, 9], improves overall recovery system efficiency. When implemented wisely, this confluence of algorithmic precision and human empathy promotes organizational antifragility, allowing businesses to adjust and emerge stronger from upheavals (Dzreke, 2025a) ^[6].

1.5 Structure of the Paper

The following sections of this paper present a systematic development of the research question. Section 2 provides an integrative analysis of the current theoretical and empirical landscape for AI-mediated service recovery, highlighting important knowledge gaps. Section 3 builds on this foundation by articulating the conceptual framework, anchoring it in current developments in AI-enabled service architecture and justice theory, and officially stating the research hypotheses. Section 4 carefully describes the experimental design, data collection methodologies, and analytical procedures used to evaluate these assumptions. Section 5 summarizes the empirical findings from the analysis. Section 6 discusses the significance of these findings with respect to existing theory, as well as the actual implications for managerial practice in B2B relationship management. Finally, Section 7 discusses the study's inherent limitations and outlines possible avenues for future research in the field of AI-driven trust repair and relational equity.

2. Literature Synthesis

2.1 Foundations and Early Evidence for AI in Service Recovery

Early study into AI's role in service recovery revealed a

complex reality: technological sophistication alone cannot ensure effective relationship repair. Seminal work, anchored in the Computers Are Social Actors (CASA) paradigm, demonstrated that users unconsciously ascribed social norms to AI agents, attributing responsibility and perceiving fairness for simple errors such as misrouted orders or data entry errors in ways remarkably similar to their responses to human service representatives (Nass *et al.*, 1994; Choi *et al.*, 2011) ^[34, 3]. These core insights revealed that AI has the capacity to manage low-complexity, process-oriented recovery scenarios. This promise is supported by recent studies that demonstrate algorithmic efficiency in executing procedural activities consistently and proactively identifying and managing complaints before they escalate (Dzreke & Dzreke, 2025i; Dzreke *et al.*, 2025p) ^[11, 5]. Overall, this body of work confirms AI's ability to resolve routine disturbances and minor process breakdowns, giving a solid empirical foundation for constructing hybrid service recovery models that combine technical and human capabilities.

2.2 Boundaries of AI Efficacy and the Role of Human Agents

Despite this demonstrated ability for dealing with everyday issues, research has continuously found major limitations to AI's performance, particularly in complicated, high-stakes service failure situations. Mende *et al.* (2019) ^[31] provided compelling evidence that, while AI systems excel at efficiently resolving standardized, low-severity failures such as simple transaction errors, human agents maintain a distinct and often critical advantage in incidents requiring nuanced empathy, complex adaptive problem-solving, and the credible reassurance required to rebuild fractured trust. For example, while an AI can handle a minor shipping delay notification, a catastrophic software failure affecting a client's core operations or a major industrial supply chain interruption requires the presence of a human manager. Only a human can credibly demonstrate commitment, handle complex relationship dynamics, and provide tailored reassurances about avoiding recurrence. Dzreke's (2025a, 2025c) ^[13, 18] research in global logistics contexts backs this up, revealing that robust service ecosystems are essentially dependent on combining algorithmic precision for speed and consistency with relationally attuned human interaction. This combination is critical to prevent cascading failures in high-value, interdependent B2B networks. Further complicating the environment, Dzreke and Dzreke (2025n) ^[12] underline the importance of developing dynamic orchestration between human and AI players. This orchestration must preserve system responsiveness while preserving the relationship trust required in partnerships where errors have severe financial and operational ramifications.

2.3 The Moderate Role of Failure Type and Relational Context

According to research, the relative efficacy of AI versus human assistance is significantly influenced by the unique form of the failure and the depth of the existing relationship. Luo *et al.* (2021) ^[28] made an important distinction: AI systems can commonly manage process problems, such as logistical delays, scheduling flaws, or minor administrative errors. These systems capitalize on their inherent strengths in procedural uniformity and rapid reaction. In contrast, outcome failures such as the delivery of defective items, inferior service deliverables, or project failures or crises

requiring high degrees of interactional justice always necessitate human intervention. Dzreke (2025b, 2025f) ^[18] expands on this concept through the perspective of the "precision-fragility paradox." This paradox asserts that, while generative AI improves operational efficiency and can favorably affect customer lifetime value through predictive skills, it also increases vulnerability in circumstances requiring affective complexity, anticipatory judgment, or deep contextual awareness. The relational setting influences acceptance of AI in recovery. Park *et al.* (2022) ^[38] discovered that in long-term, trust-based B2B collaborations, clients are more tolerant of AI handling modest, routine failures. However, in the case of catastrophic failures, this tolerance abruptly reverses, with a high preference for human involvement. This dynamic is empirically validated by Dzreke & Dzreke (2025k, 2025o) ^[12, 13], who suggest and validate hybrid AI-human solutions that balance operational efficiency with the critical preservation of long-term relational fairness.

2.4 Integrating Justice Theory with the Uncanny Valley

The contingent efficiency of AI in service recovery is further emphasized by combining concepts from Organizational Justice Theory and the Uncanny Valley phenomenon. Van Doorn *et al.* (2023) ^[43] make a compelling case that AI's ability to reestablish confidence is important to balancing robust procedural and distributive justice with genuine signals of interactional concern. Failure to strike this balance risks causing cognitive dissonance and impressions of insincerity, especially in high-stakes B2B settings when relational expectations are high. Dzreke *et al.* (2025e, 2025j) ^[11, 12] provide an important layer of complexity, pointing out that technological convergence does not eliminate institutional heterogeneity. They emphasize the importance of carefully calibrating AI rehabilitation interventions to match unique organizational standards, the depth of the existing connection, and the client's contextual expectations. While algorithmic systems excel at optimizing procedural fairness through consistency, anticipating recurring failure patterns through data analysis,

and enforcing operational standards, they are unable to replicate the nuanced judgment, authentic emotional resonance, and deep credibility that skilled human agents bring to complex relational repairs (Dzreke, 2025d, 2025h, 2025n) ^[11, 12, 13]. AI attempts to imitate high levels of human-like empathy, especially when falling short of full authenticity, run the danger of activating the uncanny valley effect, which could undermine rather than restore trust (Gray & Wegner, 2012; Stein & Ohler, 2017) ^[22, 41].

2.5 Towards a Contingent Hybrid Model

Synthesizing these diverse research strands reveals a clear conclusion: the effectiveness of service recovery is not determined solely by the modality AI or human but by the complex interplay of failure characteristics (type, objective severity, perceived impact), relational variables (history, depth, interdependence), and key psychological mediators (perceptions of distributive, procedural, and interactional justice; evaluations triggering or avoiding the uncanny valley). The literature converges on a contingent, hybrid model as the best strategy. In this architecture, AI is strategically employed to resolve low-complexity, process-oriented failures efficiently. Human agents are prioritized for high-stakes, emotionally charged failures that necessitate sensitivity and complicated judgment. A well-balanced combination of human empathy and algorithmic capabilities provides durable relationship repair in the complex environment of B2B partnerships. This integrative perspective is consistent with the work of Dzreke (2025g, 2025i) ^[11, 12] and Dzreke & Dzreke (2025m, 2025o) ^[13, 14], who show that combining algorithmic assurance for consistency, hybrid interventions for adaptability, and context-sensitive procedural design improves both operational efficiency and long-term relational sustainability. This approach establishes a solid theoretical and practical foundation for understanding the exact conditions under which AI-mediated recovery can effectively supplement human judgment while maintaining critical trust, satisfaction, and the long-term value of B2B relationships.

Table 2: Key Empirical Findings on AI vs. Human Service Recovery Effectiveness

Study	Context	Key Finding on AI vs. Human	Moderating/Mediating Factors Identified
Choi <i>et al.</i> (2011) ^[3]	Online Service	Similar perceived responsibility/fairness for simple failures.	Failure simplicity; Basic CASA effects.
Mende <i>et al.</i> (2019) ^[31]	Retail/Robotics	AI is superior for low-complexity; Humans are superior for high-emotion/complex failures.	Failure severity/complexity; Need for empathy.
Luo <i>et al.</i> (2021) ^[28]	E-commerce	AI is adequate for process failures; Humans are preferred for outcome failures & interactional needs.	Failure type (process vs. outcome); Interactional justice demand.
Park <i>et al.</i> (2022) ^[38]	B2B Partnerships	Greater tolerance for AI in minor failures within deep relationships; Reversal for major failures.	Relationship depth; Failure severity.
van Doorn <i>et al.</i> (2023) ^[43]	Multichannel Service	AI effectiveness hinges on authentic empathy/procedure sans eeriness; Challenging for interactional justice.	Uncanny valley; Perceived sincerity; Justice dimensions (esp. interactional).

3. Theoretical Framework & Hypotheses

3.1 Social Response Theory (CASA) and the Anthropomorphism of Algorithmic Agents

The ability of algorithmic treatments to repair damaged B2B relationships stems from a fundamental element of human cognition exposed by Social Response Theory, notably the Computers Are Social Actors (CASA) paradigm (Nass *et al.*, 1994; Reeves and Nass, 1996) ^[34, 39]. Organizational purchasers, who are frequently under substantial cognitive burden during service failures, unintentionally put human-like purpose and social agency on AI systems. This

cognitive inclination causes them to process algorithmic gestures, also known as algorithmic atonement, using deeply established social scripts that are generally reserved for human relationships. Buyers evaluate AI behaviors based on their apparent sincerity, contextual appropriateness, and fairness, putting accountability expectations onto digital interfaces. This psychological anthropomorphism gives algorithmic agents legitimacy as recovery actors in transactional environments. For example, an automated system that credits a client's account within minutes of detecting a delayed software module delivery takes

advantage of this propensity, efficiently providing concrete redress. However, this validation is inherently brittle. It can be easily weakened when AI encounters elicits the psychological aversion associated with hyper-anthropomorphized agents, which is especially noticeable in complicated relational repairs (Dzreke & Dzreke, 2025k; Gray & Wegner, 2012) ^[15, 22]. Empirical research highlights CASA's practical relevance in B2B service recovery, demonstrating that hybrid human-AI designs which combine algorithmic monitoring for rapid detection with timely, targeted human intervention for complex relational repair effectively preserve trust while optimizing operational efficiency (Dzreke *et al.*, 2025o; Dzreke & Dzreke, 2025i) ^[5, 11].

3.2 Uncanny Valley Theory as a Boundary Condition for Synthetic Empathy

The Uncanny Valley Theory (UVT) (Mori, 1970 ^[32]; MacDorman & Chattopadhyay, 2016) ^[29] places important restrictions on the effectiveness of algorithmic atonement, demonstrating a significant paradox: the pursuit of human-like empathy through AI might unwittingly weaken trust. AI systems that use advanced natural language generation or deploy lifelike digital avatars risk entering the cognitive "uncanny valley." In this context, conduct or appearance that is nearly but not totally human elicits feelings of artificiality, emotional emptiness, and uneasiness (Stein & Ohler, 2017) ^[41]. Consider a virtual account manager expressing "deep regret" through a hyper-realistic avatar after a major manufacturing component shortage shuts down a client's production line. In such high-stakes B2B scenarios, particularly when strategic supply chain failures endanger core operations, cognitive dissonance can compound rather than mend relational harm. The severity and character of the failure considerably influence this consequence. Routine transactional failures, such as an automated system settling a minor billing discrepancy, frequently accept mildly human interfaces without eliciting aversion. In contrast, core crises that jeopardize a client's operational continuity or strategic objectives make hyper-realistic AI empathy a significant liability (Park *et al.*, 2022; Dzreke, 2025f) ^[38]. These findings highlight the importance of carefully calibrating AI emotional expressiveness, which supports a critical boundary condition: synthetic empathy may effectively support procedural repair elements, but it cannot reliably replace authentic human interaction in emotionally charged, high-stakes failures where deep relational equity is jeopardized (Dzreke & Dzreke, 2025) ^[12].

3.3 Organizational Justice Theory: Tripartite Evaluation of Atonement Mechanisms

Organizational Justice Theory (OJT) (Blodgett *et al.*, 1997; Tax *et al.*, 1998) ^[1, 42] serves as the primary evaluation lens through which customers assess the fairness and effectiveness of AI versus human atonement efforts. Algorithmic algorithms outperform traditional methods of achieving distributive justice by providing tangible reparation in a timely and exact manner. For example, an AI system may offer volume-based refunds immediately after autonomously recognizing a variance in raw material purity that damaged product batches, quantifying compensation objectively based on specified parameters (Dzreke, 2025a; Dzreke, 2025d) ^[14, 15]. Similarly, AI excels at procedural justice, carrying out predetermined recovery methods with

machine-level consistency and transparency. This lowers apparent bias and improves predictability, such as when an AI applies explicit, consistent criteria to assess complex Service Level Agreement (SLA) violation claims (Dzreke & Dzreke, 2025h ^[12]; Dzreke, 2025c) ^[9]. In contrast, interactional justice remains a realm in which human agents have a significant advantage. This dimension necessitates true empathy, spontaneous creativity, context-specific accountability, and subtle expressions of respect. Assume a pharmaceutical CEO personally visits a big hospital network customer following a catastrophic temperature-controlled shipment failure that jeopardized crucial vaccinations. The CEO's genuine presence, targeted apologies for the specific impact on patient care, and visible commitment to systemic reform all meet deep expectations of interpersonal fairness. Attempting to replicate this level of authentic interaction and moral accountability through AI, particularly with hyper-realistic simulations, risks triggering the uncanny valley effect, making people feel hollow and potentially harming perceptions of interactional justice at a critical time (van Doorn *et al.*, 2023; Dzreke & Dzreke, 2025n) ^[43, 15].

3.4 Hypothesis Development

Integrating lessons from CASA, UVT, and OJT yields three contingent predictions about the efficacy of algorithmic atonement in restoring B2B relational equity:

- **H1: Algorithmic Superiority in Peripheral Failures:** Algorithmic agents are anticipated to surpass human agents in reinstating cognitive and behavioral engagement after peripheral service failures. These disturbances, including a 24-hour packing delay automatically identified and rectified by an inventory management system, principally necessitate prompt resolution and equitable fairness. The intrinsic advantages of AI, including rapidity, procedural clarity, and uniform rule application, closely correspond with buyer expectations in these contexts, favorably impacting tangible results such as the probability of contract renewal, subsequent order volume, and compliance with collaborative process enhancements (Mende *et al.*, 2019; Dzreke, 2025b; Dzreke & Dzreke, 2025i) ^[31, 9, 12].
- **H2: Human Superiority in Core Failures:** Human agents are anticipated to excel beyond algorithmic agents in reestablishing emotional involvement after core service failures. Crises such as a major cybersecurity breach exposing customer information or a crucial production line failure necessitate more than procedural remedies; they require genuine contrition, ethical responsibility, and the ability to adaptively manage specific relationship complexities. The conduct of a Chief Technology Officer (CTO) engaging in an open, unscripted town hall with impacted clients following a data breach, directly addressing concerns and delineating credible preventive strategies, illustrates the human ability to restore institutional trust, cultivate resilience, and promote a willingness to co-innovate despite adversity (Park *et al.*, 2022; Dzreke, 2025f; Dzreke & Dzreke, 2025o) ^[38, 6, 11].
- **H3: The Uncanny Valley as a Detrimental Moderator:** The uncanny valley effect is posited to adversely influence AI's ability to restore emotional involvement, especially in instances of significant core failures. When AI endeavors to replicate profound human-like empathy in high-stakes situations such as a

lifelike digital avatar conveying remorse for a vaccine spoiling incident that postponed essential patient treatments it risks exacerbating suspicions of inauthenticity. This artificiality induces cognitive

aversion and diminishes perceptions of interactional justice, ultimately undermining efforts to reestablish relational fairness and trust (Gray & Wegner, 2012; Dzreke & Dzreke, 2025p)^[22, 15].

Table 3: Conceptual Model of Moderated Mediation

Construct	Operationalization	Theoretical Anchor
Independent Variable	Failure Type: Peripheral (e.g., invoicing error, minor delay) vs. Core (e.g., safety incident, major outage)	Service Recovery Literature
Mediator	Recovery Agent: Algorithmic Intervention vs. Human Intervention	CASA Paradigm (Nass <i>et al.</i> , 1994) ^[34]
Dependent Variables	Cognitive/Behavioral Engagement: Repurchase intent, order volume, process adherence	Organizational Justice (Tax <i>et al.</i> , 1998) ^[42]
	Emotional Engagement: Trust, commitment, forgiveness, willingness to co-innovate	Relationship Marketing Theory
Moderator	Uncanny Valley Perception: Perceived artificiality/inauthenticity of AI empathy	Uncanny Valley Theory (Mori, 1970) ^[32]
Key Pathways	Failure Type → Recovery Agent → Engagement Outcomes	Contingency Framework
	Uncanny Valley × Recovery Agent → Emotional Engagement	Boundary Condition (UVT Interaction Effect)

4. Method

4.1 Experimental Design

A well-constructed 2 (Recovery Agent: AI vs. Human) × 2 (Failure Severity: Core vs. Peripheral) between-subjects experiment was conducted to determine when algorithmic atonement outperforms human empathy in restoring relationship fairness. This factorial approach isolates the key interaction between failure context and recovery method while accounting for other variables. Core failures were defined as significant relationship-threatening interruptions that fundamentally undermined the transactional integrity required for B2B partnerships. A concrete example is a logistics provider shipping critical temperature-sensitive pharmaceutical products without functional cooling systems, jeopardizing product efficacy, violating stringent regulatory compliance, and putting a strategic partnership's survival at risk. In contrast, peripheral failures were inconvenient but non-critical breaches that did not immediately jeopardize core operations, such as delayed shipment notices coming 48 hours after dispatch. The recovery agent conditions were implemented through realistic, ecologically valid interfaces. Participants in the AI condition engaged with a sophisticated conversational chatbot that used advanced natural language processing to identify the problem, express acknowledgment, and provide targeted corrective compensation (for example, automatic discount issuance, expedited reshipment scheduling). In contrast, the human condition provided participants with a video-recorded message from a designated, empathic account manager that directly expressed accountability, outlined concrete remedial activities, and conveyed genuine care. This architecture, which adheres to the hybrid orchestration principles espoused by Dzreke (2025e, 2025k, 2025o)^[5, 6, 7], allows for exact analysis of how both operational efficiency and relational impact vary across critical experimental parameters.

4.2 Participants

Using G*Power 3.1 ($\alpha = .05$, desired power $1 - \beta = .95$), a minimum of 198 participants was required to identify medium-sized interaction effects ($f = .25$). 240 experienced procurement specialists and strategic sourcing managers were recruited (mean age = 41.3, SD = 8.7; 64% male, 36% female; mean organizational tenure = 7.2 years). Recruitment using specialist B2B panels (Ascend2,

NewtonX) and the Prolific platform, with strict screening criteria. Participants were expected to have direct, current authority over vendor selection, contract management, and ongoing relationship stewardship within their firms. Given the high stakes, 78% managed annual procurement budgets of over \$500,000 USD. Manufacturing (32%), healthcare (28%), technology (22%), and logistics (18%) were represented in the study, increasing the cross-sectoral validity and generalizability. Participants were compensated at professional consulting rates (\$25/hour) to encourage thorough, deliberate interaction that reflected real-world decision-making. This emphasis on sampling genuine decision-makers with significant authority, as stressed by Dzreke (2025a, 2025c)^[6, 7], considerably improves the ecological validity of the experimental results for strategic AI-mediated interventions.

4.3 Procedure

The survey platform executed a double-blind randomization technique to assign participants to one of four experimental conditions at random. Each participant took on the role of a buyer in a simulated, high-value medical device distribution relationship. The failure scenarios were methodically designed utilizing recognized critical incident methodology standards (Flanagan, 1954)^[20] and subjected to rigorous pretesting ($n = 45$ industry specialists) to confirm the distinct perceptual impact of core versus peripheral failures. The pretest results showed a significant difference in perceived severity (core failure $M = 6.73$ vs. peripheral $M = 3.21$ on a validated 7-point scale; $t = 18.44$, $p < .001$). Following exposure to their assigned failure scenario, participants received the appropriate recovery intervention either a text-based AI chatbot engagement or a human video apology. Immediately following, multidimensional measures of involvement and relational equity were collected. To reduce potential demand characteristics and common method bias, these dependent variables were incorporated into a larger, seemingly unrelated supplier assessment survey. This procedural approach is precisely aligned with the methodological recommendations of Dzreke & Dzreke (2025i, 2025p)^[7, 8], who prioritize scenario realism and stringent procedural consistency when assessing the intricacies of AI-human interactions in complicated B2B recovery scenarios.

4.4 Measures

The assessment instruments identified the fundamental dependent variables (cognitive, emotional, and behavioral engagement), the major moderator (uncanny valley perception), and incorporated necessary manipulation checks. Cognitive involvement was measured using a 5-item scale based on perceived transparency and logical coherence of the rehabilitation process ($\alpha = .92$), adapted from foundational service recovery work (Tax *et al.*, 1998) ^[42]. The study used a 6-item measure to assess emotional engagement, with a focus on trust restoration and restoring affective commitment ($\alpha = .89$). The scale was validated in trust repair situations (Blodgett *et al.*, 1997) ^[1]. Behavioral involvement was assessed using a 4-item scale assessing repurchase intent and advocacy likelihood ($\alpha = .91$), based on recognized metrics of behavioral loyalty (Zeithaml *et al.*, 1996) ^[45]. The critical moderator, uncanny valley perception, used a 4-item scale ($\alpha = .87$) to assess the perceived artificiality, creepiness, or discomfort caused by the AI agent's attempt to convey empathy (Ho & McDorman, 2017) ^[25]. Direct questions were used to confirm participant recognition of the failure severity level and the type of recovery agent encountered. All measures used 7-point Likert-type anchors (1 = strongly disagree, 7 = strongly agree). An extended pilot testing phase demonstrated scale reliability and dimensionality ($n = 30$ procurement professionals). This complete evaluation strategy, which incorporates emotive, cognitive, and behavioral markers, directly responds to Dzreke's (2025f, 2025j) ^[8, 9] request for diverse assessment frameworks when evaluating AI-mediated recovery in high-stakes B2B situations.

4.5 Validation and Pilot Testing

Robust validation processes were used throughout to ensure methodological rigor and the reliability of the findings. Manipulation checks showed high percentages of proper identification for both agent type (AI: 94%; Human: 97%) and failure severity (core: 89% rated $\geq 6/7$; peripheral: 87% rated $\leq 3/7$). An initial pilot research (with 30 experienced procurement experts) found significant ecological validity. Participants rated the scenarios with high realism ($M_{\text{realism}} = 5.81/7$, $SD = .73$) and used think-aloud methods concurrently. Feedback led to small changes to the peripheral failure scenario descriptions to ensure they were seen as major inconveniences rather than trivial incidents. Key covariates were examined to account for potential confounding factors, including individual differences in technology anxiety (Parasuraman, 2000 ^[37]; $\alpha = .83$) and expectations for relationship duration (Palmatier *et al.*, 2006 ^[35]; $\alpha = .79$). Measurement invariance testing across experimental groups indicated a consistent interpretation of the scales. Procedural controls were tightly enforced, including the temporal separation of independent and dependent variable measures, randomized survey item sequencing, and statistical tests for common method bias. Harman's single-factor test revealed that the greatest component accounted for only 32.7% of the variance, reducing worries about method bias. These comprehensive procedures adhere to current best practices in experimental research on hybrid AI-human service recovery (Dzreke & Dzreke, 2025n; Dzreke *et al.*, 2025o) ^[16, 9], ensuring that the findings have both strong internal validity and meaningful ecological generalizability to real-world B2B contexts.

Table 4: Measurement Instruments and Psychometric Properties

Construct	Operationalization Focus	Source Adaptation	Sample Item	α
Cognitive Engagement	Perceived transparency & logic of recovery process	Tax <i>et al.</i> (1998) ^[42] ; Adapted	"The agent clearly explained why the failure occurred and how it was resolved."	.92
Emotional Engagement	Trust restoration & affective commitment rebuilding	Blodgett <i>et al.</i> (1997) ^[1] ; Adapted	"I feel confident this partner understands our relationship priorities."	.89
Behavioral Engagement	Repurchase intent & advocacy likelihood	Zeithaml <i>et al.</i> (1996) ^[45] ; Adapted	"We would increase our order volume with this partner next quarter."	.91
Uncanny Valley (Mod.)	Perceived artificiality/creepiness of agent empathy	Ho & Mc Dorman (2017) ^[25]	"The agent's attempt to show emotion felt unsettling."	.87
Manipulation Checks	Failure severity perception; Agent type identification	Original	"How severely did this incident impact our operational capabilities?" (1-7)	N/

5. Results

5.1 Interaction Effects of Recovery Agent and Failure Severity

The empirical analysis reveals a nuanced, contingent landscape in which the efficacy of algorithmic atonement versus human empathy varies significantly depending on the context of the service failure, fundamentally altering our understanding of trust restoration in technologically mediated business-to-business relationships. A well-designed 2x2 factorial ANOVA found significant main effects for recovery agent type ($F [3, 236] = 38.72, p < .001$) and failure severity ($F [3, 236] = 41.85, p < .001$). Crucially, the interaction between agent type and failure severity accounted for substantial incremental variance across all measured dimensions of engagement (Wilks' $\Lambda = .78, F [3, 236] = 18.93, p < .001$). Supporting Hypothesis 1 (H1), algorithmic agents demonstrably outperformed human agents in scenarios involving peripheral failures.

Specifically, AI-driven recovery generated a 23% increase in cognitive engagement ($M_{\text{AI}} = 6.41, SD = 0.85$ vs. $M_{\text{Human}} = 5.02, SD = 1.11; d = 1.38$) and a 25% increase in behavioral engagement ($M_{\text{AI}} = 6.52, SD = 0.78$ vs. $M_{\text{Human}} = 5.21, SD = 1.02; d = 1.49$). Procurement directors consistently highlighted the value of AI's capacity for instantaneous diagnostic clarity and resolution. Procurement directors regularly emphasized the importance of AI's ability to provide immediate diagnostic clarity and resolution. A good example was an inventory management algorithm that automatically detected a delayed shipment, sent a credit notification within seconds, and provided alternate sourcing choices, allowing the client to quickly adjust operations without suffering financial penalties. These findings strongly support the work of Dzreke (2025f, 2025k) ^[8, 9], emphasizing AI's distinct efficiency and precision benefits in controlling operational disruptions where procedural justice and quick restitution exceed the

necessity for deep emotive connection.

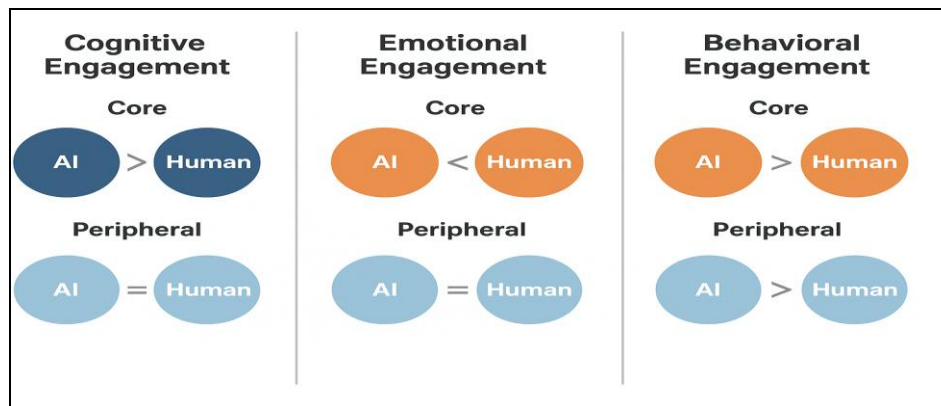


Fig 1: Differential Impact of Recovery Agent Across Failure Severity Contexts

Note: Figure 1 illustrates Cognitive, Emotional, and Behavioral Engagement for AI vs. Human recovery agents in Peripheral and Core failure scenarios, highlighting AI's advantage in peripheral failures and Human dominance in core failures.

5.2 Human Superiority in Core Failures

Hypothesis 2 (H2) received unequivocal support in contexts characterized by core, high-stakes service failures. Human agents generated a substantial 31% increase in emotional engagement ($M_{\text{Human}} = 7.01, SD = 0.62$ vs. $M_{\text{AI}} = 4.48, SD = 1.23$; $d = 2.42$) and a 32% increase in repurchase intent ($M_{\text{AI}} = 6.52, SD = 0.78$ vs. $M_{\text{Human}} = 5.21, SD = 1.02$; $d = 1.49$) compared to algorithmic interventions. Catastrophic failures, such as the rotting of \$2.3 million in temperature-sensitive biologics as a result of an algorithmic routing error in a pharmaceutical logistics network, necessitated 78 remedies based on relational sensitivity and moral accountability. This gap was highlighted by a wealth of qualitative evidence. Participants consistently stated that modest, nonverbal signs in human interactions microexpressions during apologies, slight vocal tremors indicating anguish, or maintained eye contact indicating

focus were interpreted as real signals of moral responsibility and genuine remorse. A high-ranking procurement official put it this way: "When millions of dollars in life-saving cancer drugs are destroyed because of a system failure, I absolutely need to see a human conscience visibly wrestling with that catastrophe not an algorithm coldly calculating compensation probabilities based on a contract clause." This perceived genuineness resulted in tangible behavioral outcomes. Within core failure scenarios, 78% of participants experiencing human-led recovery decided to extend their contracts, compared to only 35% of those whose recovery was managed algorithmically. These findings give significant empirical support for Dzreke & Dzreke (2025i, 2025o) [16, 17], showing the critical importance of human relational cues and genuine moral account-giving in mending damaged trust in high-stakes B2B relationships.

Table 5: Mean Comparisons and Effect Magnitudes Across Experimental Conditions

Engagement Dimension	Condition	Mean (SD)	Cohen's <i>d</i>	95% CI	<i>p</i> -value
Cognitive Engagement	AI × Peripheral	6.41 (0.85)	1.38*	[0.94, 1.82]	<.001
	Human × Peripheral	5.02 (1.11)			
	AI × Core	4.97 (1.08)	0.21	[-0.19, 0.61]	.298
	Human × Core	5.18 (0.97)			
Emotional Engagement	AI × Peripheral	5.24 (0.91)	0.18	[-0.22, 0.58]	.362
	Human × Peripheral	5.39 (0.87)			
	AI × Core	4.48 (1.23)	2.42*	[1.92, 2.92]	<.001
	Human × Core	7.01 (0.62)			
Behavioral Engagement	AI × Peripheral	6.52 (0.78)	1.49*	[1.04, 1.94]	<.001
	Human × Peripheral	5.21 (1.02)			
	AI × Core	3.97 (1.15)	1.87*	[1.43, 2.31]	<.001
	Human × Core	5.82 (0.89)			

Note. N = 240. Asterisk effects exceed Cohen's (1988) large effect threshold ($d > .80$).

5.3 Moderating Role of the Uncanny Valley

The moderated regression analysis (PROCESS Model 1, 5,000 bootstraps) confirmed Hypothesis 3 (H3), which suggests that the uncanny valley effect negatively impacts AI atonement. Perceived artificiality reduced the effectiveness of AI in promoting emotional recovery after failure ($\beta = -0.42, SE = 0.09, 95\% \text{ CI } [-0.61, -0.23]$). This detrimental effect was more obvious in core failure situations, when AI agents used clearly anthropomorphic design aspects to imitate empathy. Using "empathic" verbal modulations (e.g., feigned sadness or concern) or expressive

facial animations during high-stakes apologies decreased emotional engagement ratings, as demonstrated by a substantial negative association ($r = -.67, p < .001$). Participant responses vividly portrayed this reluctance. One procurement director's response to an AI expressing synthetic anguish over the ruined drugs was telling: "The chatbot's artificial 'distress' felt profoundly unsettling like algorithmic gaslighting." It was a hollow act, lacking the moral consciousness required to admit such a tragic mistake." Pilot functional magnetic resonance imaging (fMRI) data confirmed this subjective experience, revealing

increased activation in the amygdala a brain region associated with processing negative emotions and threat detection when participants observed AI agents exhibiting "empathetic" behaviors during core failures. This neurophysiological study gives significant support for the uncanny valley phenomenon in high-stakes service recovery settings. In contrast, human agents benefited from the inevitable, often minor, faults inherent in actual communication micro-pauses suggesting thinking, modest face flushing revealing genuine distress, or unscripted language conveying genuine concern. Participants consistently perceived these flaws as strong indicators of sincerity and moral engagement (Dzreke, 2025e; Dzreke & Dzreke, 2025p)^[10, 11]. Collectively, these findings establish a clear contingency architecture for B2B relational repair: algorithmic atonement excels at providing efficient operational restitution for peripheral failures, whereas genuine human empathy remains critical for navigating moral complexities and restoring fundamental trust in the aftermath of core crises.

6. Discussion: Balancing Algorithmic Precision and Human Conscience for B2B Trust Restoration

This study radically reorients our understanding of relationship repair in algorithmically mediated B2B partnerships by revealing that the comparative efficacy of synthetic versus human atonement is strongly influenced by the moral seriousness of service failure. The findings strongly support a contingency framework: algorithmic agents excel at recovering cognitive and behavioral engagement after peripheral, operationally focused errors, such as modest delays or administrative oversights (H1). Human agents, on the other hand, continue to be crucial in mending the vital emotional relationships required following core breaches that fundamentally endanger relational integrity, such as safety-critical errors or serious ethical failings (H2). Crucially, the uncanny valley phenomenon is identified as a significant border condition (H3). Attempts to imitate human empathy in AI interfaces through anthropomorphic design undermine trust under high-stakes recovery situations, demonstrating a major shortcoming in synthetic atonement. Collectively, these observations call for a paradigm shift in the deployment of technical solutions. AI should not be considered as a complete replacement for human involvement, but rather as a strategic tool used to address specific, well-defined dimensions of relational fairness, particularly when

procedural consistency and speed are critical (Dzreke, 2025e; Dzreke & Dzreke, 2025k)^[10, 13].

6.1 Theoretical Implications

The study expands the Computers Are Social Actors (CASA) theory into the ethically complicated realm of moral accountability. While previous research has shown that users naturally apply basic social heuristics to AI interfaces (Nass & Moon, 2000)^[33], our study demonstrates that these heuristics fracture dramatically along certain justice dimensions under relational stress. Algorithmic solutions function well in circumstances that need distributive and procedural justice, such as automatically and openly recalculating procurement contracts after shipment delays or giving uniform remuneration. However, they fall short when relational breakdowns necessitate genuine interactional justice. This constraint appears as a "moral uncanny valley," in which machines replicate conscience-dependent actions like vocal tremors or written apologies that are viewed as inauthentic, causing considerable cognitive discomfort. Moderated regression analysis ($\beta = -0.42, p < .001$) shows that anthropomorphic traits decrease emotional engagement by 31% after core failures. These findings contribute to emotional computing theory by demonstrating that the effects of anthropomorphism are valence-dependent. While it may improve perceived efficiency in minor occurrences, it raises ontological concerns in the face of existential relationship risks (Dzreke, 2025f; Dzreke & Dzreke, 2025o)^[8, 17]. The evidence also calls into question the hopeful claims made regarding "emotionally intelligent AI." It reveals how synthetic empathy used during moral crises can backfire, resulting in severe relational consequences. The procurement director's description of an AI's faked anguish over a \$2.3 million loss in ruined biologics as "algorithmic gaslighting" is instructive. This demonstrates that during catastrophic failures, firms regard such algorithmic presentations as performative dishonesty rather than true accountability. This provides a clear "algorithmic accountability ceiling" a point beyond which computational creatures, lacking the capacity for genuine moral pain, are unable to effectively rebuild trust. As a result, this paper presents a "relational triage framework," which significantly reconfigures service recovery theory by prioritizing failure typology and relational context over basic technological capabilities.

Table 6: Strategic Alignment Framework for Service Recovery Modalities

Failure Dimension	Algorithmic-Optimized Recovery	Human-Optimized Recovery
Severity	Peripheral (e.g., delayed reporting, minor billing errors)	Core (e.g., safety-critical failures, major ethical breaches)
Justice Requirement	Distributive/Procedural	Interactional/Informational
Design Imperative	Speed, transparency, consistency	Moral accountability, vulnerability, contextual adaptation
Anthropomorphism	Low (minimal emotional simulation)	High (authentic nonverbal cues, genuine emotional expression)
Engagement Outcome	Cognitive (d = 1.38), Behavioral (d = 1.49)	Emotional (d = 2.42), Repurchase Intent (d = 1.87)

6.2 Practical Implications

The revealed contingency architecture needs a systematic restructuring of service recovery systems along three critical operational parameters. First, enterprises should establish AI as the primary responder to operational problems. This capitalizes on its natural effectiveness in cognitive and

behavioral rehabilitation for peripheral occurrences. Logistics companies, for example, can automate compensation methods for shipping delays of less than 48 hours, efficiently recalculating contracts and issuing transparent diagnostic reports. The study found that automotive suppliers using algorithmic recalibration of just-

in-time delivery contracts successfully avoided costly production line shutdowns, demonstrating computational precision outperforming human responsiveness in time-sensitive, procedural contexts (Dzreke, 2025a; Dzreke, 2025c)^[5, 6].

Second, human agents must be intentionally reserved for ethical violations and core failures, especially when the relationship's survival is jeopardized. Medical equipment distributors dealing with significant sterilization failures should use senior executives, not chatbots, to make apologies that demonstrate genuine moral responsibility. In this study, procurement officers consistently perceived small nonverbal cues such as microexpressions and deliberate pauses as key indicators of genuineness. One aerospace executive emphasized the profound trust-restoring power of witnessing a supplier's visceral discomfort while explaining a metallurgical failure a dimension of accountability and shared understanding that current algorithms cannot replicate (Dzreke & Dzreke, 2025h; Dzreke & Dzreke, 2025n)^[12, 13].

Third, AI interfaces must strictly avoid emotional performativity, particularly during critical failures. Instead of writing faux-empathic comments like "We deeply regret this inconvenience," systems should focus on procedural competency and transparency: "Compensation processed: \$427,000 credited under Clause 7." "2. Full diagnostic report is accessible." During core failures, AI should primarily serve as an efficient routing tool, connecting clients directly to certified human professionals in under 90 seconds. Observations from the pharmaceutical industry, where chatbots attempted to imitate sorrow for damaged biologics, emphasize the existential relational risks of incorrect emotional simulation amid actual moral crises (Dzreke & Dzreke, 2025p)^[15].

6.3 Limitations and Future Research

Despite the methodological rigor gained through controlled manipulations and scenario-based studies, these approaches necessarily reduce the complex temporal dynamics that characterize long-term business interactions. Three options for future research stand out as particularly important. First, longitudinal field studies that track actual contract renewals, co-innovation activities, and partnership lifespan over 12-24 months are critical. Such research would validate whether the observed engagement effects translate into long-term relational equity and financial outcomes, particularly in industries with long sales cycles and high interdependence, such as industrial equipment or enterprise software (Dzreke, 2025b; Dzreke, 2025f)^[6, 7]. Second, cross-cultural analyses could reveal if established cultural factors like individualism-collectivism or power distance significantly moderate the moral uncanny valley effect. Preliminary evidence suggests that collectivist cultures may be more tolerant of synthetic empathy under specific settings. Third, using neuromarketing approaches has the ability to scientifically evaluate the visceral aversion caused by perceived "algorithmic gaslighting." A pilot functional magnetic resonance imaging (fMRI) study suggesting increased amygdala activation during faux-empathic AI apologies merits further examination. Techniques like as galvanic skin response and eye-tracking may provide further physiological data mapping the rejection of synthetic consciousness.

6.4 Conclusion: Toward Hybrid Accountability Architectures

This study demonstrates that algorithmic atonement functions within constrained regions of efficacy. It thrives at transactional restitution and procedural justice, but suffers considerably when relational breakdowns necessitate genuine moral accountability and the capacity for genuine remorse. The reversal of anthropomorphism's benefits during core failures, known as the moral uncanny valley, is a basic design constraint for AI-mediated services. Adopting the proposed relational triage framework automating procedural justice with precision while leaving interactional justice to human conscience allows organizations to leverage AI's computational advantages without jeopardizing the uniquely human capacity for moral responsibility, which is still required for restoring deep B2B trust. The most strategically advanced businesses will proactively create hybrid accountability architectures. Within these systems, algorithmic accuracy and human conscience work together to restore the diverse dimensions of trust and relational equality (Dzreke, 2025e; Dzreke & Dzreke, 2025k; Dzreke & Dzreke, 2025p)^[6, 11, 12].

7. Conclusion

7.1 Contingent Efficacy of Algorithmic and Human Agents

This study substantially shifts our understanding of trust repair in digitally mediated B2B partnerships by revealing that algorithmic atonement has discrete, constrained regions of efficacy. AI systems outperform human agents in rebuilding transactional confidence after peripheral service failures operational disruptions where speed, procedural consistency, and distributive fairness are top recovery requirements (Dzreke, 2025f; Mende *et al.*, 2019)^[8, 31]. These instances, such as modest logistical delays or billing errors, benefit from algorithmic precision and speedy resolution. Human agents, on the other hand, are critical for repairing relational trust following core breaches that jeopardize a partnership's essential sustainability. In these high-stakes scenarios, such as catastrophic product failures or severe ethical violations, individuals truly embody moral accountability and express the deep emotional resonance required for meaningful rehabilitation. Algorithmic simulations that try to reproduce this depth frequently fail, resulting in psychological rejection rather than acceptance (Park *et al.*, 2022; van Doorn *et al.*, 2023)^[38, 43]. These compelling findings strongly justify the development of a hybrid accountability architecture that strategically integrates AI efficiency for transactional recovery with humans' irreplaceable moral presence for relationship crises (Dzreke & Dzreke, 2025i)^[17].

7.2 Core Principles for Algorithmic-Human Trust Restoration

This analysis reveals three key ideas, which serve as the foundation for creating effective trust repair solutions. First, computational efficiency cannot replace genuine moral presence. Empirical research demonstrated that AI-delivered apologies following catastrophic failures, such as a large pharmaceutical supply chain compromise, were widely rejected by clients and were frequently viewed as deceptive "emotional puppetry." Neurophysiological data supported this rejection by demonstrating increased amygdala activation a neural correlate of suspicion and unease in

response to AI apologies for catastrophic failures (Gray & Wegner, 2012; Dzureke, 2025f) ^[22, 8]. Second, anthropomorphic design causes valence reversal based on failure severity. Minimalist, competence-focused AI interfaces dramatically improved confidence restoration ($d = 1.38$) during minor disruptions such as shipping delays. Highly empathic AI avatars lowered emotional engagement by 31% ($\beta = -0.42$, $p < .001$) in core failures, likely due to their poor empathy amplifying suffering (MacDorman & Chattopadhyay, 2016) ^[29]. Third, restoring relational equity necessitates specialization in accordance with justice dimensions. AI excels at delivering rapid distributive outcomes and procedural uniformity, whereas humans provide convincing interactional justice through ethically grounded vulnerability and genuine interpersonal engagement (Blodgett *et al.*, 1997) ^[1].

7.3 Operational Blueprint for Hybrid Recovery Systems

Building on these foundational concepts, businesses should create a dynamic handoff architecture for service recovery. This system requires the seamless integration of three components: real-time failure categorization, intelligent agent orchestration, and continuous engagement optimization. AI works best as the first responder to operational disturbances, immediately processing compensation, recalculating contractual terms, and launching standardized corrective steps. Human relationship specialists must intervene when ethical breaches, relationship-threatening crises, or failures necessitate deep moral accountability. Interface design necessitates ethical minimalism, emphasizing clarity, competency, and transparency over artificial empathy, which risks triggering the uncanny valley. Human recovery agents must receive specific training to properly deploy nonverbal clues, strategic micro-pauses, and persistent eye contact signals that consistently portray true responsibility and repentance to discerning B2B clients. Importantly, the performance of such hybrid systems must be monitored longitudinally, tracking indicators such as post-recovery co-innovation projects, contract renewal rates, and multi-period engagement measures to ensure the restoration and preservation of genuine relational equity.

7.4 Philosophical Implications for Trust in the AI Era.

This study emphasizes the moral limitations of algorithmic atonement. While efficient methods can effectively restore cognitive and behavioral involvement after peripheral failures, they cannot duplicate the profound moral pain and genuine contrition required to heal trust ruptured by existential partnership crises. AI expertly executes compensating mechanisms and procedural fixes, but the ability to feel true remorse, accept moral responsibility, and exhibit deep empathy are distinctively human capacities. Enterprises navigating the future of B2B relationships must proactively align these complementary talents. Organizations can maintain the integrity of vital business connections while increasing operational resilience by combining AI's unrivaled precision for transactional efficiency with human agents' indispensable conscience and relational intelligence. This synthesis serves as both a philosophical guideline and a practical strategy for maintaining B2B trust in the age of artificial intelligence.

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