Revisiting the Business Relationship Concept
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Abstract

In this paper we contend that the central notion of 'a business relationship' has largely been taken for granted and remains understudied within IMP research. tIn this paper we interrogate the notion of a 'dyadic exchange relationship' between Org A and Org B. Instead, we identify a dyadic business relationship as *multiple entities*. The singular version of the multiple business relationship then becomes an outcome of co-ordination or orchestration practices that the participants perform. Hence, research needs first to consider the multiple enactments of such relationships between varying interactants on either side, even including boundary spanners and objects. Second, studies need to pay attention to the practices that aim to produce a singular version of the business relationship. In revisiting the business relationship concept, we will draw on rich empirical accounts and draw attention to the co-ordination or orchestration practices to produce a singular version of the relationship. By conceiving of the enactment of a singular relationship entity as an *achievement* rather than a starting point we can reveal the multiple and sometimes conflicting efforts to ascribe agency to specific entities and their varying associations. Analytically, we take the starting position that with multiplicity comes, as Law and Mol (2002) suggest, the need for new conceptualisations of what it might be to hold these 'versions' together. We ask: what more could we learn about business relationships by opening the business relationship as 'black box' and examining the variations and multiplicities that reside within it?

Key words: Business Relationships, Multiplicity, Co-ordination

INTRODUCTION

In this paper we contend that the 'business relationship' remains understudied within IMP research. Since the interaction model (Håkansson et al 1982), which considers how relationships are formed as the result of an institutionalisation process across repeated interaction episodes, the central notion of 'business relationship' seems to have largely been taken for granted. While the theoretical definition of actors in e.g. Håkansson and Snehota (1995) is sensitive to multiple forms of actors, and while a central idea in IMP research has always been to emphasise the unclear boundaries of organisations, empirical studies have tended to remain at a predetermined 'level'. Indeed, because of a dominance in deterministic thinking in business relationship research, the constructed and complex nature of business relationships has been obscured. This is so despite the constructed nature of business interactions being at the heart of IMP thinking (Hallén et al. 1991), where the individual organisations, the relationship itself as well as the contextual environment are all open to influence and change due to interactions between the core actors in the relationship (Håkansson, 1982). For example, from a deterministic perspective change in a business relationship is considered imminent where a developing entity is moved along given points by an underlying logic or code which regulates the process of change (Halinen and Törnroos, 1995). While the process is open to external influencing factors, the stages themselves remain fixed (Van de Ven and Poole, 1995). Within this reasoning, it is suggested that certain progression of events must occur before movement to the next stage is possible. However, in the IMP tradition the business relationship as indeterminable; it can change and be changed and these changes are situational and arise out of interaction between, amongst others, the two parties. However, the growing concern with networks of connected exchange relationships shifted the unit of analysis from the singular dyad (IMP1) to the dyad as part of a network structure (IMP2) to the network itself (for instance, in the recent attention to 'network pictures'). While these moves have generated considerable insights concerning how firms are influenced by and influence their proximate environments, we argue that they have left the theoretical tools with which to apprehend the complexities of the dyad itself underdeveloped.

We contend that rather than only viewing dyadic relationships as part of larger inter-organisational networks, dyadic relationships can also be viewed as networks in their own right. As such we interrogate the notion of a 'dyadic exchange relationship' between Org A and Org B, by considering the multiple enactments or performances of such relationships (Mason et al 2015) between varying

interactants on either side, and even including others that don't keep well to sides at all, e.g. boundary spanners and objects. We ask: what more could we learn about business relationships by opening this black box of a business relationship and examining the variations and multiplicities that reside within it. This is as opposed to viewing business relationships as pre-given 'solid' albeit changeable entities. Thus, while any given dyad can be regarded as composed of two organizational actors linked together via an exchange relationship, such a dyad involves multiple interactions (activities) between individuals, departments, subsidiaries, systems, rules, devices (actors and resources), operating within a culture influenced by historical developments, present concerns, as well as aims and expectations for the future. As Araujo (1999, p. 87) points out "economic actors may have complex and varying temporal orientations, and their behaviour in specific exchange episodes may be governed by rules that specifically contain these temporal orientations and mixed motives".

The paper follows thus: firstly we describe the theoretical foundations of multiplicity. We then draw on rich empirical accounts of enduring business relationships to specifically draw attention to the co-ordination or orchestration practices engaged in by managers, and other relationship actors, to produce a singular version of the relationship. Here we argue that the resolution of inconsistencies and even conflicts is the stuff of relationship dynamics; that is, the two'ing and fro'ing of the relationship between actors over time. We conclude by considering areas for future research that arise from this conceptualisation of business relationships.

LITERATURE REVIEW

Within a single relationship individuals may have diverse views on the relationship and its development, the range and remit of the relationship, the need for control, the use of power and the relative desirability of stability and change. This suggests that the relationship cannot be only identified as a singular entity, but that it is *multiple*, enacted differently by those involved, within and across both organisations. By conceiving of the enactment of a singular relationship entity as an achievement rather than a starting point we can reveal the multiple and sometimes conflicting efforts to ascribe agency to specific entities and their varying associations. Analytically, we take the starting position that with multiplicity comes, as Law and Mol (2002) suggest, the need for new conceptualisations of what it might be to hold together. The notion of *multiplicity* in general concerns coexistences at a single moment (Law and Mol, 2002); co-existences of varying motives, roles, and dimensions. There are two distinct approaches here. One derives from social

constructivism and is epistemologically oriented; it stresses that social phenomena are subject to different readings/interpretations based on the perspective employed by the actors (e.g. Berger, Berger, & Kellner, 1974; Schutz, 1962; Daft & Weick, 1984). The second approach is constructivist and derives particularly from the work of Mol (2002) and Law (2004); this approach is ontologically oriented and stresses that different (yet overlapping) versions of the same objects are being enacted through different practices (Law and Urry 2004; Kjellberg and Helgesson 2006). In short, there are not simply different interpretations of an exchange relationship, but that relationship is in itself multiple; relationship*s* not relationship.

From either starting point, the enactment of an exchange relationship as a singular entity becomes an achievement. In the social constructivist approach, singularity results from successfully aligning the perspectives employed by those involved, while the constructivist approach emphasizes that interferences between a wider range of practices, each enacting a different version of the relationship, must be co-ordinated or orchestrated to produce a singular version. Importantly, both of these readings direct attention to the role of representational practices in establishing the existence and character of an exchange relationship, including the ascription of agency to specific entities and their varying associations to each other. We propose to focus then on how buyers and sellers "construct the relationships that constitute the proximate environment of the network, while simultaneously securing their own position within (or indeed outwith) it" (Ellis and Ybema, 2010, 282). We contend that when entities are in/and constructing a long term enduring 'relationship' there will be spill overs from one situation/event to another, where memories of events and possible futures are being taken into account by the actors involved. Various elements involved in such situations and events are also likely to have been, be, or become involved in other situations/events, some of which potentially are part of the same relationship. This suggests that we are likely to see overlaps between different versions of the dyadic relationship as well as of those involved in it. Indeed, it is difficult to separate out just the relationships and treat the parties to the relationships as entities already there. Most relational approaches in social science entertain the idea that relationships configure agents (Granovetter 1985; Callon 1998) e.g. if an exchange relationship becomes strong enough, we may no longer recognize two parties, but consider them (parts of) the same business actor.

According to Law and Mol, (2002, pg 11), multiplicity "is often not so much a matter of living in a single model of ordering or of 'choosing' between them. Rather it is that we find ourselves at places where these modes join together. Somewhere in the interferences something crucial happens, for

Strategy for 'dealing' with multiplicity	Description	(likely) Examples in business relations	Emerging questions for our understanding of 'business relationships'
Avoiding encounters between incompatible practices			
De-Coupling	Largely unintentional - separating incompatible practices in time and space	Sales and purchasing negotiate the offering, legals negotiate the final contract including payment terms and delivery delay penalties - is this unintentional?	Does it become more likely in enduring relationships that the different worlds assumed in de-coupling will collide?
Orchestrated Coupling	Efforts to organise practices so as to reduce the number of situations where they encounter each other	Buyer firms appearing as co-operating engineering dept and sometimes as hard-balling procurement dept when interacting with suppliers	What are the implications for future interactions - contagion effects? What are the consequences for the firm being varyingly represented?

although a single simplification reduces complexity, at the places where different simplifications meet, complexity is created, emerging where various modes of ordering (styles, logics) come together and add up comfortably or in tensions, or both). We can assume then with multiple logics at play in a business relationship that differing forms of *inconsistencies* and maybe even conflict will occur. From this arises a crucial point for understanding relationships and their development, for as Law and Mol (2002) suggest where there are overlapping and interfering logics comes the need for new conceptualisations of what it might be to hold together.

As part of their discussion on the multiplicity and performativity of market practice Kjellberg and Helgesson (2006) offer a framework for how we might understand markets when several (groups of) actors engage in different market practices that contribute to shape the market. The authors contend that "rather than thinking of market practices as associating an exclusive set of entities, we should think of them as associating elements for given situations" (ibid, pg 850). In a relational setting, we agree that we shouldn't think of practices as associating specific set of stable entities, e.g. org A and org B - but rather than only look at given situations, we also take into account that when entities are in long term enduring relationship that there will be spill overs from one situation to another, where memories or events and possible futures are being taken into account by the actors involved, and therefore more likely for overlaps between different actor-networks.

In the tables below we outline our adaption of Kjellberg and Helgesson's (2006) framework for the purposes of considering the multiplicity of business relationships.

Managing Incompatibility though co-ordination			
Addition	Putting together different preformed versions that coincide in important respects	see below	The choice of strategy in any one situation is likely to be influenced by perception of both past and future (potential) of the relationship
Privilege	One of above can be privileged over another - can be outcome of controversy or more peaceful means	A seller decides on one approach to handle a customer complaint out of several currently in use	
Calibration	Implies translating some versions to ensure compatibility with others	When different ways of measuring customer loyalty are alligned through some form of indexing	Might the customer be indexed different by different departments? Are BusRels a specific site for multiple configurations of the customer?
Negotiation	Adjusting different versions to achieve alignment	Buyer subverting official system by asking preferred supplier to co-design call for tenders	The choice of strategy in any one situation is likely to be influenced by perception of both past and future (potential) of the relationship
Supression	Postponing the resolution of incompatibility to some other situation	Intentional disregarding that sales & customer-complaints configure customer differently. Only attempt to co-ordinate when need arises in specific customer interactions	Will such postponements come about for the sake of the seller, the customer, or 'the relationship'?

Tables 1-2. Titles (adapted from Kjellberg and Helgesson, 2006)

CASE ILLUSTRATIONS

Our first case illustration involves four companies; Buycom, Sellcom, Softcom, and Conscom, all involved in designing, developing, and maintaining a complex tailored software system. Buycom

was the buyer, a large multinational, and both Sellcomm (a software supplier, a new partner), Softcom (another software supplier, with a long history with Buycom), and Concscom (3rd software company, also new, but replacing Sellcom) were considerably smaller ones. The relationship started with various levels of enthusiasm, but soon the different versions of the relationship became disintegrated, problems started to appear here and there, which later escalated, putting the continuation of the relationship into danger. Despite of various recovery efforts the relationship between Buycom and Sellcom ended, leaving a variety of traces behind, and giving birth to a relationship between Buycom and Conscom.

Our second case concerns the interactions between ArtOrg and Telco over a 10 year period. ArtOrg is a nonprofit organisation, part funded by the Arts Council of Ireland. The Festival was established in 1977 and has experienced many changes over its lifetime. With its origins in theatre, ArtOrg became multi-disciplinary in 1993/4; its current list of art forms includes street art, spectacle, comedy, literature, music and theatre. The size of ArtOrg changes during the year, with temporary personnel joining around the time of the festival, including box office staff and a large number of local volunteers. Established in 1973, Telco operated in the telecommunications sector and was a subsidiary of a Canadian multinational. Initially offering basic telephony, over time it moved into web-hosting, broadband, multimedia communication servers, optical and wireless networks. Telco emphasised employee well-being and strong community relationships. Telco regarded the sponsorship of the festival as a potentially valuable mechanism to build profile with the local community and employees. The arrangement was typical of a sponsorship, involving a payment from Telco in return for publicity (recognition and advertising space in a range of festival brochures); media coverage (assurances of local and national media coverage); and venue branding. However, as a result of the degree of interaction and involvement by Telco personnel in the arts events, the relationship was more embedded than a typical sponsorship arrangement.

Empirics

In the following section we will identify not merely the sources of complexity, but more highlight the locale of complexity within the business relationships. For example, in our research we have observed interactions between legal, technical and market facing actors, all of which were subject to changes in personnel over time; not only in people leaving organizations, but in re-configurations of personnel within large organizations.

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In addition, people from different organizations within a large company, representing different special knowledge, such as marketing and information technology (as seen in Figure 1) often need to work in long-term projects forming different working groups. These groups then involve people from the buyer and the seller companies, but also from other involved companies, people from different departments, units or divisions, with different backgrounds.
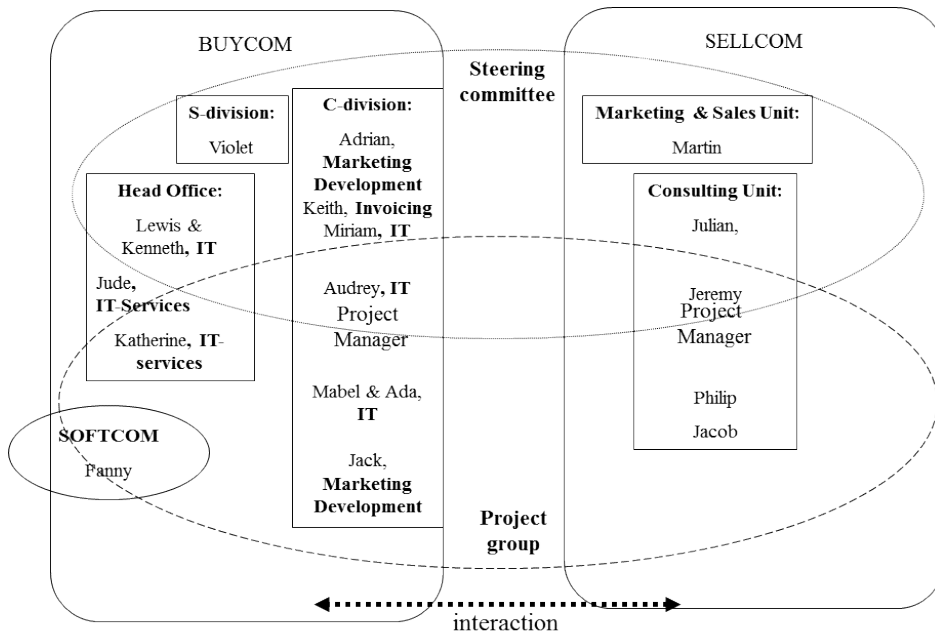

Figure 1. A business relationship with multiple points of interaction and different dimensions of both organisations

Similarly in our Telco/Art case we have evidence of multiple levels of interaction across people from both organisations.

Interaction level	Key Personnel (role) within Telco	Key Personnel within ArtOrg
Managerial	Managing Director	Festival Director
	Financial Controller	Artistic Director
	Personnel Manager	
Departmental	Staff involved in financial management, logistics etc	Festival Director
	General Telco staff	ArtOrg staff involved in Telco staff training
Operational	Festival committee	Festival Director

General Telco staff working as stewards   Artistic Director

Festival Volunteers

Figure 2a Multiple Interaction Points between Telco and ArtOrg

Thus, while on a simple level the dyad is composed of two organizational actors, this involves multiple interactions between many people, but also systems, rules, devices, operating within a culture influenced by time, history, expectations etc, as seen on Figure 2b.
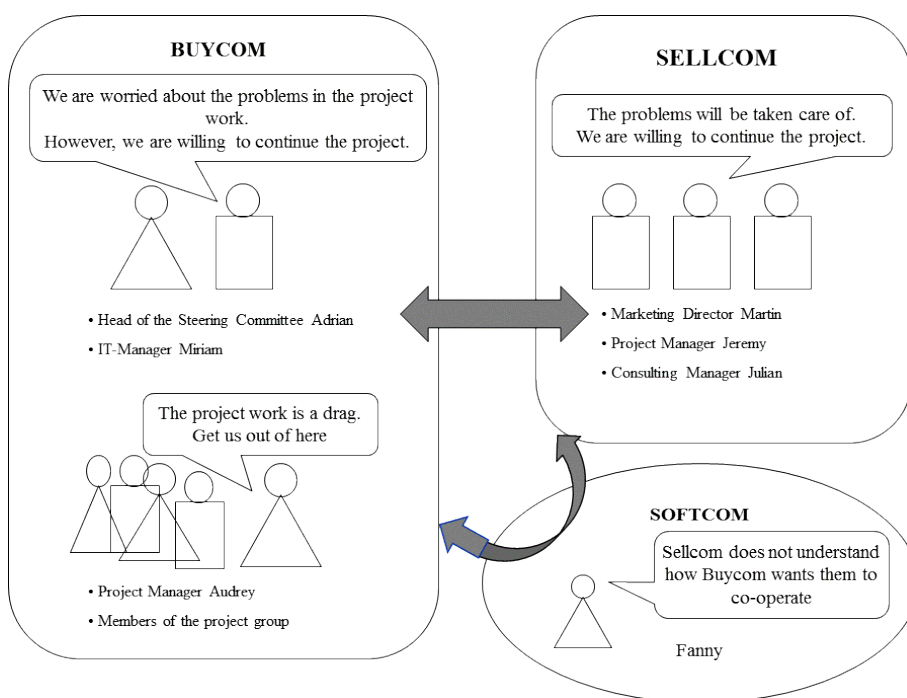

Figure 2b. Multiple perceptions of the business relationship existing at one time

The motivation to engage in a relationship can vary greatly and include the search for stability, the drive for change, to provide access to resources, to create markets for products (Harris et al. 2003) as the following quotations illustrate.

...just to have the system in production. At that point, we did not intend to connect any further enhancement. Project Manager at C-Division, Buycom

We did have a goal in it, that after this project we would be able to continue our co-operation, we always seek for more long-term relationships. Project Manager at Conscom

As Araujo (1999, pg 87) points out "economic actors may have complex and varying temporal orientations, and their behaviour in specific exchange episodes may be governed by rules that specifically contain these temporal orientations and mixed motives". Therefore, within a single relationship individuals may have diverse views on the relationship and its development (see Figure 3), the range and remit of the relationship, the need for control, the use of power and the relative desirability of stability and change.

This variability and complexity of the business relationship suggests that the relationship cannot be only identified as a singular entity, but it is multiple, enacted differently by the actors involved, within and across both organisations. This multiplicity is about coexistences at a single moment (Law and Mol, 2002); co-existences of varying motives, roles, dimensions. For Mol (2002) however, multiplicity should not only speak to different perspectives on the 'same thing'. Kellberg and Helgesson (2006) describe this as different (yet overlapping) version of the same objects enacted through different practices. In short, there are not simply different versions of the relationship, but the relationship itself is multiple; relationship*s* not merely *the* relationship.

In the Telco/ArtOrg case we can see the emergence of different enactments of relationship roles over time. For example while initiated as a 'straight' sponsor-sponsee relationship, this grew to also include customer and service provider interaction; often with a reversal of the roles of sponsor and sponsee, as we understand them. For instance, later in the relationship ArtOrg began to offer their event management expertise, and were in a position to offer services outside the sponsorship arrangement. This then, for ArtOrg became a new source of income, while at the same time becoming an added dimension to the inter-organisational relationship, outside the bounded notion of sponsorship; "...*that is a new source of income for us where we are selling our expertise. We are getting paid*" (Managing Director ArtOrg). Importantly for our analysis, it was all of these relationships *at the same time*, each with differing rules of engagement, different objectives and overarching logic. Managers engaging in these relationships therefore moved through the nuances of these differing forms in their day-to-day interactions.

A further example of interesting co-existences, in this case of stabilizing and changing forces, comes from Tähtinen (2002). In this example the business relationship in focus was ending, but during the ending process, that took several months, opposing sub-processes of restoring the relationship and disengaging from it where ongoing at the same time. They took place in different levels of the relationship (head office vs. the project team), the actions were performed by different individuals or

groups, different people were leaving the relationship and some were entering with the intention of restoring it, as Figure 4 shows.
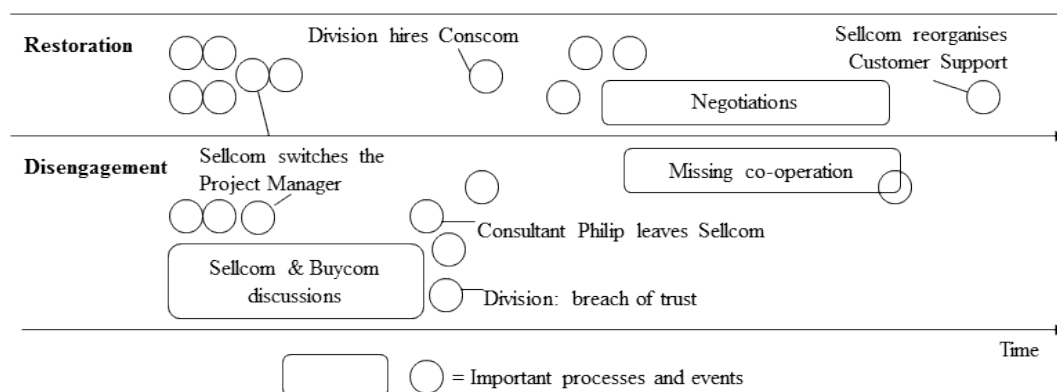

Figure 4. Co-existence of stabilizing and changing forces

RESOLVING AND RECONCILING CONFLICTING/INCONSISTENT PRACTICES

We will explore this, initially, with ArtOrg/Telco case. Here, we will focus our attention on two particularly interesting dimensions of the relationship that not only evidence the interplay of varying logics and enactments of the relationship, but also demonstrate that the future of the relationship is being constructed by actors as they attempt to resolve or reconcile conflicting/inconsistent practices. The two dimensions we will explore are the managing of volunteers from Telco who acted as stewards in the festival. This was part of the community aspect of the sponsorship from Telco's perspective. A further component of the sponsorship deal was the allocation of free and also discounted tickets for Telco employees. It turned out that the co-ordination of these two, what became, mini-projects within the relationship was more of a challenge than had been initially conceived. In our analysis we use Kjellberg and Helgesson's (2006) framework on what might hold these overlapping logics together, including actor's avoiding or orchestrating encounters between incompatible practices, or managing incompatibility through coordination. Specifically, we will discuss an example where actors initially attempted to manage an incompatibility through co-ordination, but eventually moved to separating incompatible practices in time and space.

In our case, free tickets offered to staff were a key part of the sponsorship, and were offered to Telco as part of the deal from the outset. However, evidence from the research suggested that discrepancies formed between demand and supply. Eventually as ArtOrg searched for ways to re-position itself in the relationship they began to equate value of free tickets to value of cash given by Telco as part of

the sponsorship deal. This began following advice from Deloitte who undertook an audit of the festival in a project that was part funded by Telco and the Arts Council. Following which the value of the free ticket allocation was recognised, and a review enacted, resulting in the initiation of strict parameters aimed to "*avoid administrative/control difficulties at [their] busiest time*" (email from Managing Director ArtOrg to Financial Controller Telco). So buy the year 5 sponsorship, ArtOrg had developed a procedure to calculate the number of free tickets offered to sponsors, i.e. 8-10% of the value of their sponsorship. For Telco, this equated to 300 units, which was less than was offered in the previous year. Further to this then ArtOrg offered of a further 20% discount of tickets, block-booked, before the event; as well priority booking for Telco staff. In this example then we can trace how free tickets moved from a donation object, whose value was not calculated to an object exchanged as part of the sponsorship deal, whose value was precisely calculated. Two, different, calculative frames were therefore employed, and while the latter won out, eventually, there were times when these different frames co- existed (i.e staff continuously looking for free tickets etc).

Similarly the management of volunteer stewards went through changes. Early on in the relationship a Telco representative managed the Telco employee festival volunteers. Again with many years where this issue being contentious (volunteers not turning up etc), ArtOrg initiated a system to take control of this aspect of the relationship.

> "*This year [2000 and 2001] became more sophisticated in how we managed it. Traditionally the Telco employee took responsibility for co-ordinating all the volunteers from their side. This year at our request we put in place the scenario where our volunteer co-ordinator would have direct access to those people, so at the start of the year the production manager and the festival manager went to meet anyone interested in volunteering from the Telco company*" (Managing Director ArtOrg)

CONCLUSIONS

At the outset of this paper we posed a question: what more could we learn about business relationships by opening this black box of a business relationship and examining the variations and multiplicities that reside within it? Our answer to this question is that at any one point in time, a business relationship can be conceived as a multidimensional loose coupling of actors (including people, systems, devices etc), held together in a particular configuration, but subject to change. Similarly to Mol's (2002) study of atherosclerosis, the business relationships we discuss here are

multiple; performed varyingly in different settings, spaces and time. For example, for Telco managers the relationship with ArtOrg was about supporting a local arts organisation and helping to solve their problems. For ArtOrg the relationship was about access to resources. For the employees the relationship meant free tickets to show. These are not merely examples of different perspectives on the single relationship. They don't simply add up to the same thing. Each of these actors acted out and therefore performed the relationship from these perspectives. These varying enactments of the relationship meant that in situations actors on different sides attempt to avoid inconsistence or co-ordinate around them.

In taking seriously the constructivist approach implicit in the IMP approach, and adapting conceptualisations espoused within the recent market studies approach (after Araujo, 2007), we believe that we can significantly advance our understanding of business relationships. In this initial exploration of the multiplicity of business relationships we have raised a number of questions that we believe will be fruitful in their answering. In particular we believe we have begun to shed light on a set of practices which we believe contribute to the ongoing construction of business relationships and ultimately account for their dynamics.

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