

Dark side of network embeddedness on the example of tourist region in Poland

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Abstract

The aim of the paper is to identify dark sides of network embeddedness in tourist industry and to explain how those negative aspects of network embeddedness can influence network cooperation. We combine insights from various fragmented studies on network dark side and propose the dark side typology that includes five main negative results of network embeddedness, namely: opportunity costs, dominance of interpersonal obligations, domino effect, interpersonal tensions and opportunistic behaviour. This typology constitutes a conceptual framework for our empirical analysis allowing us to add one additional negative result – network inertia in terms of decision making. The qualitative research was conducted in two stages (in years: 2008-2010 and 2013-2014) and was focused on five tourist network structures located in the south of Poland. Altogether it comprised 114 interviews conducted with various business actors operating in the research region and usually being members of at least one of the analysed network structures¹. We discuss our empirical findings with current body of literature on relationship dark side and formulate some ideas with regard to how managers of tourist companies can manage network dark side.

Keywords: dark side, embeddedness, overembeddedness, negative effects, relationships, networks, tourist region

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INTRODUCTION

Today it is widely accepted that business relationships and networks are complex phenomena, which bring positive and negative effects for a focal company. It is visible in IMP research tradition, where business relationships are sometimes analysed as the company burden (Ford, Gadde, Hakansson, & Snehota, 2003; Håkansson & Snehota, 1998). Negative consequences of business relationships arise not only through wrong partner selection but also due to high opportunity costs, inertia, relationship dynamics and interpersonal aspects of every inter-firm partnering. Negative aspects of business relationships demand special management attention, because negative emotions tend to have stronger influence on people behaviour than positive ones and they can easily deteriorate relationship (Tähtinen & Blois, 2011), an effect also called “negativity effect” (Holmlund & Strandvik, 2005).

Anderson and Jap (2005, p. 75) observed that „relationships that appear to be doing well are often the most vulnerable to the forces of destruction that are quietly building beneath the surface of the relationship”. This phenomenon is called dark side of relationships. Fong, Chang & Peng (2011, p. 775) define dark side of relationships as „phenomenon resulting from imbalanced tensions, indicated by the way in which excessive cooperation, competition, flexibility, rigidity, and either long- or short-term orientation clearly tend to break up partnerships”. Relationship dark side in business context is also associated with hiding activities and hiding intentions by partners which create potential risks in cooperative projects (Chowdhury, Gruber, & Zolkiewski, 2016, in press).

Management theory acknowledges dark side of embeddedness and proposes various methods of handling it, including conscious relationship termination (Ritter & Geersbro, 2011; Tähtinen & Halinen, 2002), developing deficient partners (Wagner & Krause, 2009) and balancing between old and new partners in business relationship portfolio (Capaldo, 2007; Mitrega & Pfajfar, 2015). However, our knowledge about inter-firm “overembeddedness” is fragmented and built mainly on empirical insights from industrial settings and buyer-seller configurations (Hagedoorn & Frankort, 2008; Mitrega & Zolkiewski, 2012; Noordhoff, Kyriakopoulos, Moorman, Pauwels, & Dellaert, 2011; Villena, Revilla, & Choi, 2011).

Our study extends literature on negative aspects of business relationships and networks by exploring such aspects in tourist sector as an empirical setting that was previously neglected. The existing B2B literature focuses rather on negative aspects of business dyads, so we contribute by investigating “network dark sides” experienced by various members of 5 network structures in a tourist region in Poland. We follow IMP assumption holding that tourist inter-organizational networks are built from actor bonds, resource ties and activity links (Håkansson 1982; Fonfara, 1999), however instead of analysing network itself (e.g. network structure), we rather concentrate on managerial aspects of functioning in tourist business network. Specifically, we assume that each tourist organization performs certain actions within business network that lead to various outcomes and are based on this focal organization’s experiences, affects and cognitions (Ford et al, 2003). From the perspective of a focal actor (Tikkanen, 1998), some network actions and network outcomes are perceived negatively (as dark sides) and these network dark sides may constitute challenge for the focal company (Håkansson & Snehota, 1998; Ford & Havila, 2003) that demands special attention from management research.

Our study combines insights from various fragmented studies on relationship dark side and propose the dark side typology that includes five main negative results of embeddedness, namely: opportunity costs, dominance of interpersonal interests over other interests (e.g. intercompany ones), domino effect, interpersonal tensions and opportunistic behaviour. The aim of the paper is to identify dark sides of social embeddedness of actors creating networks

in tourist destination and to explain how those negative results of actors' embeddedness can influence network cooperation.

The specific features of tourist sector make it interesting context for the study on embeddedness in inter-firm networks. In tourist sector various, usually small, entities are responsible for different elements of developing and distributing regional tourist product. Thus, to assure a tourist's interest in the region and further satisfaction with a regional tourist product they tend to cooperate with one another. This cooperation (aimed, for example, at joint regional promotion) is not easy since cooperators are often competitors to each other – they serve similar segments of tourists (Bengtsson & Kock, 2014; Czernek & Czakon, 2016). Tourist cooperation usually occurs on a local level – in small municipalities – where entities are strongly socially embedded. The specific situation between various entities in a tourist destination leads to various tensions and relationship problems that cooperating entities need to face. We employ interpretative approach towards qualitative data gathered in two step research conducted in five municipalities in the south of Poland to explore those relationship problems.

The paper consists of four parts. After introduction, the first part is the literature review on the concept of social embeddedness of economic action and dark side of embeddedness. In this part, basing on previous literature, we present topology of dark sides of social embeddedness which constitutes conceptual framework for our empirical analysis. Secondly, we present methodology of our research conducted in two stages. In the first stage, there were conducted 66 interviews with various business actors in one tourist region comprising of five municipalities in the south of Poland. Most of those interviewees were members of different tourist networks operating in this region. In the second stage, the research comprised 48 interviews with members of one partnership organization (network structure) in one of those five municipalities. The third part of this paper is devoted to research results. Then, in the last, fourth part, we discuss our empirical findings and formulate some ideas about how managers of tourist companies can deal with dark side of business relationships and networks.

LITERATURE REVIEW

Social embeddedness of economics actions

A lot of researchers (Granovetter, 1993, 2005; Arrow, 2000; Dequech, 2003; Ratajczak-Mrozek, 2014) claim that economic analysis of business relations in order to be complete must take into account partners' social connections. Granovetter (1985) in his work stressed the role of so-called social embeddedness of business activities. He claims that the social configuration plays a key role in:

- information flow on the market,
- awarding and punishing market activities,
- reducing transaction costs.

Regarding the first of mentioned roles, Granovetter (1985) stress that information is much more reliable, if it comes from a partner, who the actor is strongly bound with, than from an unknown source. Such a result can be achieved thanks to: lower costs of getting such information, higher trust to partners that are known and have good reputation, a feeling obligation to behave properly because of past relations and planned future transactions with a partner, and social content of relations based not only on trust but also on lack of opportunism (Granovetter, 1985). Secondly, Granovetter (1985) also claims that social relations constitute source of awards and punishments for market activities and, thirdly, that social relations are important source of trust which allows to reduce transaction costs and leverage innovativeness.

The concept of embeddedness has spread to other research areas, including such disciplines as: management, economics or political sciences (Dacin Ventrusca & Beal, 1999;

Rowley, Behrens, Krackhardt, 2000; Dequech, 2003; Piore, 1993; Locke, Jakoby, 1997). The literature stresses a lot of positive results of deep relations between business partners in different sectors of economy (e.g. Uzzi, 1997; Uzzi and Lancaster, 2004; Zukin and Dimaggio, 1990). For example, Mizruchi, Stearns (1994), claim that such social ties allow to get an access to new business partners (who can be reached with lower costs and risk) (Webster, Wind, 1972) and new capital (Useem, 1979). Burt (1992) claims that social relations reduce costs of an agreement between partners and costs of mutual adjustment (Webster, Wind, 1972). In general, social embeddedness has a crucial place in research on business networks, which is visible, for example, in IMP research tradition, where actor bonds together with activity links and resource links constitute the conceptual framework for analysing every B2B interaction, i.e. so-called A-R-A model (Ford, et al., 2003).

The phenomenon of social embeddedness of economic actions seems to have a particular role in tourism, in relationships between actors at the local level (in tourist municipalities). The tourist economy is dominated by small and medium enterprises (SMEs) (Ratajczak-Mrozek, 2015) providing complimentary goods and services. Thus, cooperation between such enterprises is indispensable. In such small communities actors usually know one another and a lot of business relations are bundled with social ties. It makes tourist entrepreneurs socially embedded in local communities and allows to generate a lot of positive results stemming from this embeddedness.

The issue of social embeddedness was discussed in tourist literature, however usually without explicit referring to the Granovetter's concept (1985). It was analysed from the perspective of trust (Bramwell, Lane, 1999; Strobl, Peters, 2013; Nunkoo, Ramkisson, 2011a, 2011b), interpersonal relationships (Beritelli, 2011; Jack, Anderson, 2002), communication (Saxena, 2006), the specificity of SMEs (Ritchie, Ritchie, 2002), or the asymmetry of power and authority (Nunkoo, Ramkisson, 2011a; Reed, 1997). The study where the concept of embeddedness is used in a direct way in tourism sector is a work of Jack and Anderson (2002) who examined the results of embeddedness of entrepreneurs in rural areas in Highlands of Scotland. They mentioned different benefits of social embeddedness, for example, better knowledge about partners, local context, potential market limitations, better availability of resources, higher abilities to reach partners and to convince them to cooperation, and lower costs of getting information or information transfer. In general, the literature tends to concentrate more on positive aspects of social embeddedness than on negative ones, which is especially visible in prior works on business relationships in tourist sector.

Dark side of embeddedness

The role of social embeddedness may be not only positive, it can be also negative. As some authors stress (Anderson & Jap, 2005; Grégoire & Fisher, 2008) close relationships are not always synonymous of effective relationships and there exists also dark side of embeddedness. At every stage in relationship cycle there may occur actors' overembeddedness (Uzzi 1997), leading to serious problems. In particular, entities face fewer opportunities for entering into valuable new partnerships (Burt, 1992; Gargiulo and Benassi, 1997). The reason is that they depend on a particular actor or group of actors (partners) too much. Such an "overembeddedness effect" can take place on different levels of relations – dyadic one (Chung 2000; Gulati 1995), and network as well (Hagedoorn, Frankort, 2008). In case of inter-organizational overembeddedness, partnering entities become locked-in within densely connected sub-networks (e.g. cliques). In such situations, groups of well-connected actors become isolated from others in the broader network of (potential) partners (Hagedoorn, Frankort, 2008). As Hagedoorn, Frankort (2008) claim „overembeddedness is that, up to a certain threshold, the embeddedness of inter-firm partnerships parallels a growth of new

partnerships that generates useful new information". We assume that this threshold that differentiates between "embeddedness" and "overembeddedness" does not have only quantitative character, i.e. does not only take form of number of business relationships that the single focal company may accommodate, but it is rather actor- and context specific, which means that it is connected with the economic value that the focal company perceives in its relationship portfolio in comparison to other possible relationship portfolio configurations. Thus, two companies may have similar number of close business relationships, but only one of them can be overembedded, because one company stays in a network predominated by inertia and the other one actively shapes its relationship portfolio by ending some old partnerships and allowing inflow of fresh blood into the network. Such various network structures with their influence on actors' innovativeness were illustrated in previous research (Capaldo, 2007; Doz & Kosonen, 2008).

The dark side of embeddedness, i.e. results of overembeddedness, can manifest in different ways. First of all, it refers to opportunity costs being a result of restricting cooperation for new potential partners. The prior studies show that it can reduce the flow of new ideas into the network and thus limit network innovativeness and openness to alternative ways of doing things (Uzzi, 1997; Burt 1992; Nahapiet & Ghoshal, 1998; Håkansson & Snehota, 1998). In industries, where offering is more standardized and the prices may be easily compared, staying too long in the same set of business relationships results in high opportunity costs in the area of company efficiency (Mitreğa & Zolkiewski, 2012).

The efficacy of economic actions suffers, when in given business relationship social aspects of embeddedness start to replace or predominate over economic rationality (Uzzi, 1997; Gulati, Nohria, Zaheer, 2000; Mizruchi, Stearns, 2001). Strongly embedded relationships may result in the will to fulfil partners' expectations or certain hidden rules, which may consequently restrict the business efficiency by limiting its activities and creativity. As Uzzi (1997, p. 59) claims: "feelings of obligation and friendship may be so great between transactors that a firm becomes a "relief organization" for other firms in the network". In similar spirit, Gu, Hung and Tse (2008, p. 18) conclude, "the ties that bind may turn into the ties that blind". For example, Donckels, Lambrecht, (1997) and Johannisson and Mönsted, (1997) found that social ties with family and acquaintances (which is also characteristic of the tourist sector and all SMEs) (Czernek, 2014) may hinder the development of enterprise.

Moreover, strong embeddedness can lead to negative domino effects, when a firm or firms within a network experience some change, e.g. worsening in economic conditions or less innovative business processes, that spreads directly and indirectly between actors. In some extreme cases, it can be a situation when one firm fails and it entails the same result for other firm or firms in a network (Uzzi, 1997). As operating in business networks is the complex and interactive process and demands long-term approach (Håkansson & Ford, 2002), the focal company may experience some negative network effects not only from actions undertaken by other companies that this focal company is not directly cooperating with, but also from inconsistencies and changes in ways that these actors perceive the network, also called "network pictures" (Henneberg, Mouzas, & Naudé 2006). Such situations are very likely in tourist sector, where companies cooperate in the region without clear boundaries for their roles and the negative information spread between actors (e.g. gossip about potential decreased financial support from municipality) can change the way they perceive relationship value and decrease their involvement in cooperative actions.

Another possible indicator of the dark side of embeddedness are interpersonal tensions between socially embedded partners (Anderson & Jap, 2005; Nohria and Garcia-Pont, 1991; Tähtinen & Blois, 2011). People involved in business relationships rather do not behave in accordance to "*homo oeconomicus*" model and emotions play pivotal function in their approach towards business network that surrounds them (Waluszewski & Håkansson, 2006).

Some forms of business partnering may result in actors' burnout which result from role conflicts, e.g. in projects oriented at joint value co-creation with customers (Edvardsson, Tronvoll, & Gruber, 2011). Emotional tensions can arise not only through wrong selection of partners, but also because actors know themselves very well and with time the likelihood of arguments and conflicts between them increases (Deutsch, 1958). The partners experience stress, when the relationship deviate from the expected and normal relationship pattern (Holmlund-Rytönen & Strandvik, 2005). In problematic business relationships actors are exposed to the variety of strong emotions, including humiliation, anger and frustration, which bring important consequences for the relationship development, e.g. minimizing cooperative efforts, monitoring and, in certain circumstances, ending cooperation (Tähtinen & Blois, 2011).

The negative result of overembeddedness is also actors' opportunistic behaviour. Opportunism has been defined as self-interest seeking with guile (Williamson, 1975). In B2B context opportunism can take form of passive opportunism (Wathne & Heide, 2000) – worse negotiating position and lower effort presented by one or all partners, or blatant or active opportunism – when a company uses coercive power against its partner, e.g. motivated by changing business environment (Mitreęa & Zolkiewski, 2012). Even relationships adaptations can be used to make partners increasingly dependent and create potential for future opportunistic behaviour by either party. Although partnering firms tend to tolerate more passive opportunism than active opportunism and weak-form opportunistic behaviours are almost expected within long-term relationships (Chowdhury, et al., 2016, in press; Seggie, Griffith, & Jap, 2013), over time, passive opportunism has a corrosive impact on satisfaction with relationship performance (Seggie, et al., 2013).

Table 1 proposes the typology of dark sides that may come from inter-firm embeddedness and the list of prior studies illustrating these types. This typology was used in this study also as a conceptual grounding for analysing qualitative data about partnering in tourist region in Poland. However, our investigation of relationship dark sides was explorative in nature and context related, so we particularized these general types in the context of tourist sector.

Table 1: Dark side of embeddedness typology

No.	Types of negative results of embeddedness	Characteristics	Authors
1.	Opportunity costs	Costs of exclusion of other potential partners (outside existing network): <ul style="list-style-type: none"> • reduction of the flow of new ideas into the network; • limitation the openness to alternative ways of doing things; • collective blindness when the market environment changes; • losing opportunity for increased cost efficiency, e.g. better prices 	Gargiulo and Benassi, 1997; Mitreęa, Żółkiewski, 2012; Håkansson & Snehota, 1998 Nahapiet and Ghoshal, 1998; Wellman 1988; Uzzi, 1997; Burt, 1992; Kim, 2006
2.	Dominance of interpersonal obligations	Limiting efficacy of economic actions – personal indebtedness by partners; overloading an actor with personal obligations to its network partners making the network and/or own company inefficient	Uzzi, 1997; Walder, 1995; Vanhonacker, 2004; Mizruchi, Stearns, 2001; Donckels, Lambrecht, 1997; Johannisson, Mönsted, 1997; Gulati, Nohria, and Zaheer, 2000.
3.	Domino effect	When a firm or firms within a network experience some changes, e.g. worsening in	Uzzi, 1997; Garcia-Pont and Nohria, 2002; Portes and Sensenbrenner (1993)

		economic conditions, that spreads directly and indirectly between actors	
4.	Interpersonal tensions	Interpersonal negative emotions and conflicts between network actors	Anderson & Jap, 2005; Tähtinen, Halinen, 2002; Tähtinen and Blois, 2011; Blois, 2011; Deutsch, 1958; Nohria and Garcia-Pont 1991 Waluszewski & Håkansson, 2006; Holmlund-Rytkönen & Strandvik, 2005
5.	Opportunistic behaviour	Self-interest seeking with guile within a network that can take passive and active form	Wathne & Heide, 2000; Mitreğa, Żółkiewski, 2012 Chowdhury, Gruber, & Zolkiewski (2016, in press), Seggie, Griffith, & Jap, 2013

Source: Authors own based on literature

METHODOLOGY

This research represents interpretative epistemological stance, which means that decisions and activities of business actors were analysed through their interpretations with regard to specific context in which they were studied (Myers, 2013). Such qualitative methodology for collecting data and its analysing was applied, because of several reasons. Firstly, such approach is useful for under-studied phenomena and dark sides of actors' embeddedness in tourist sector fall into this category. Secondly, such approach provides in-depth knowledge about complex phenomena under investigation and business relationships and networks are described as such phenomena in IMP tradition (Ford & Hakansson, 2006). Thirdly, this approach allows for building rapport with informants and getting closer access to the professional context in which they operate, which is very important for sensitive topics such as overembeddedness. Fourthly, this kind of qualitative research allows for inductive analysis and, thus, it helps in introducing new theoretical ideas in a given research area (Eisenhardt & Graebner, 2007; Gioia, Corley & Hamilton, 2013).

This research applies a multiple case study methodology (Stake, 2013) were five networks operating in one tourist destination were treated as research cases. Such methodology allows for analytical generalization of research results as an alternative to statistical generalization used in quantitative research (Miles & Huberman, 2000). For conducting the research there was chosen a mountain tourist destination located in the South of Poland. The region comprises of five municipalities: Brenna, Istebna, Szczyrk, Ustroń and Wisła. Its choice resulted from several reasons Firstly, the area is well known summer and winter mountain destination in Poland, has many natural and anthropological tourist attractions. Among these five municipalities the most known by tourists are Szczyrk, Ustroń and Wisła – popular ski resorts. All municipalities are located in the south of Poland in Beskidy mountain region, about 50-100 kilometres from big cities like Katowice or Cracow. Secondly, in 2008 local authorities of those five areas signed cooperation agreement, called “Beskidzka 5”, aimed at their joint promotion as one tourist destination. Moreover a few other inter- and intrasectoral forms of network cooperation (between representatives of public, private and non-profit organizations) were identified in Beskidy region. Creating and developing such networks was important premise of choosing this territory for a research. Moreover, the chosen region (because of its coherent tourist offer and municipalities cooperation in a form of “Beskidzka 5”) can be treated as a network itself (a network of actors responsible for providing tourists with a regional tourist product).

The research was conducted in two stages. The first one was explorative one and lasted from July 2008 till October 2010. It was conducted in all five mentioned municipalities. Its aim was to identify different determinants of inter- and intra-sectoral cooperation in tourist sector (between representatives of public, private and non-profit organizations). The research focused on different forms of cooperation in analysed region. Except the mentioned “Beskidzka 5” another one was “Beskid Tourist Organization” (BTO) – a cooperation between private entrepreneurs from the five municipalities with the aim to promote their businesses and the whole tourist area. Another analysed organization was “Wisła Tourist Organization” (WTO), having similar aims as BTO, but embracing entities from only one municipality – Wisła. Except those formal partnership structures there were analysed also some promotional initiatives where actors creating informal networks were engaged. These were for example, “Wisła for a half-price” or “Wisła discount card”. All those networks (partnership structures and initiatives) are characterized in Table 2.

The second research stage started in August 2013 and lasted till January 2014. Its aim was to deepen knowledge about determinants of cooperation between private entrepreneurs being members of WTO network, operating in Wisła.

Table 2: Networks characteristics

Networks characteristics	“Beskidzka 5”	“Beskid Tourism Organization”	“Wisła Tourism Organization”	“Wisła Discount Card”	“Wisła for half price”
Time of activity	2004 – today (officially cooperation agreement written in 2008)	2005 – today	2008 – today	2008 – 2010	2008 – today
Aim of activity	Promoting five municipalities as one coherent tourist region	Selling tourism services, promoting Beskids region, and network members	Promoting Wisła as an attractive tourist destination	Promoting accommodation firms engaged in this initiative and encouraging tourist to stay longer in Wisła	Promoting Wisła and private entrepreneurs engaged in this initiative
Members	local governments: - Szczyrk, - Wisła, - Ustroń, - Brenna, - Istebna	- private entrepreneurs from: - Brenna, - Ustroń, - Wisła, Istebna and Szczyrk (from 2005 to 2008)	- Wisła local government, - private entrepreneurs from Wisła, - private people interested in tourism development in Wisła	Private entrepreneurs (accommodation firms) from Wisła	Entrepreneurs from Wisła, especially WTO members
Organization leader	Local authorities from Ustroń	2 entrepreneurs from Brenna and Ustroń	Entrepreneurs from Wisła and local authorities	Entrepreneur from Wisła – the owner of tourist mediation agency	2008-2010: two entrepreneurs from Wisła together with Wisła local authorities, foundation in Wisła;

					Since 2010 – today: Wisła local authorities and WTO
Examples of activities	Joint promotional strategy - organizing marketing research, events, tourist commercial, etc.	Organizing workshops for members; selling their offers – trips in the region, ski services, etc.,	Joint promotional strategy, events, engagement in tourist trades, commercial, etc.	3-10% discount on accommodation services for clients of a tourist agency mediating in selling accommodation. The accommodation firms in exchange for the discount got free of charge advertise in the mediating agency	<i>Ad hoc</i> initiative (organized twice a year); 50% or less present discount on all or chosen services in Wisła

Source: Authors' own

At the first stage, the research utilized individual in-depth interview technique with an open list of information needs, but without predefined questionnaire. There were conducted 66 interviews with 63 informants (a few of them were interviewed twice). Interviewees were asked whether, with whom and why they cooperate, including their membership in network structures. Afterwards they were asked what are determinants – stimulants or barriers – of such cooperation. Among these 63, 10 informants represented public sector – local government (mayors and officials responsible for tourism development) in each of the five municipalities. All those 10 informants were directly engaged in “Beskidzka 5” network cooperation. Mayors were official representatives of their municipalities in this network, and officials performed current tasks connected to this partnership structure. All of them were asked about determinants of cooperation in “Beskidzka 5” and about their general view on inter- and intrasectoral cooperation determinants in their municipalities. Afterwards, these first 10 informants were asked to point at private entrepreneurs engaged in their municipalities in different forms of cooperation (including network ones) and at those who, according to their knowledge, were the most reluctant to cooperate. It allowed for interviewing 36 representatives of different types of businesses in tourist sector in the five municipalities: accommodation, catering, tourist attractions, inbound tourism intermediaries and souvenir shops. They were asked about forms of cooperation they were involved in and determinants of such cooperation – stimulants and barriers. Most of them were members of at least one of network structures/network initiatives: “Beskid Tourist Organization” (BTO), “Wisła Tourist Organization” (WTO), “Wisła for a half-price”, “Wisła discount card”. Finally, 17 interviewees representing non-profit organizations in the region (e.g. chairpersons of network organizations engaged in tourism development, like: foundations, associations, etc.) were asked to mention and describe network cooperation determinants from their perspective. At this stage, the research allowed to identify different types of cooperation determinants and emphasized social embeddedness of economic activities as one of crucial drivers of such cooperation.

At the second stage, the research focused mostly on private entrepreneurs – 48 of the 55 members of the “Wisła Tourist Organization” (WTO) were interviewed (7 members did not agree to take part in the research). Apart from the representative of the Wisła authorities, all members of the organization were private enterprises – directly or indirectly serving tourists in

Wisła area. Informants were asked about the reasons to join the WTO and problems experiences in this cooperation. It allowed to deepen the results of the first stage of the research and identify dark sides of embeddedness in network cooperation. In a synthetic way the research design – its stages, aims and characteristics of the methods used – are presented in Table 3.

Table 3: Research design

Research characteristics	Stage 1:	Stage 2
Time	July 2008 – October 2010	August 2013 – January 2014
Main research aim	To identify networking actions in tourist sector (between and within public, private, nonprofit organizations)	To deepen knowledge about cooperation between network actors (between private tourist entrepreneurs)
Network structures/initiatives being studied (main units of analysis)	<ul style="list-style-type: none"> • “Beskidzka 5” • “Beskid Tourist Organization” (BTO) • Wisła Tourist Organization” (WTO), • “Wisła for a half-price” • “Wisła discount card” • “Agro card” 	<ul style="list-style-type: none"> • “Wisła Tourist Organization” (WTO)
Data gathering method	Unconstrained, in-depth exploratory interview	Semi-structured interview
Informants selection	63 interlocutors representing the public sector (10 representatives), private (36) and non-profit sector (17 entities)	48 interlocutors – 47 enterprises – directly or indirectly serving tourists and one representative of Wisła local authorities
The content of interview questions	Informants asked about forms of network cooperation they were involved in and its determinants – stimulants and barriers	Informants asked about the reasons to join the WTO and problems experiences in this cooperation
Main research results	Identification of different types of cooperation determinants and emphasizing social embeddedness of economic activities as one of crucial drivers of such cooperation	Deepening the results of the first stage of the research and identifying dark sides of embeddedness in network cooperation

Source: Authors own

All interviews were recorded. The data analysis consisted of three flows of activity: data reduction, data display and verification (Miles & Huberman, 2000). First, transcription for each of the interlocutors were prepared. Following prior literature in this area, the research used typology of embeddedness dark sides (see Table 1) as deductive, general codes for data analysis. By analysing the content of each case card, units of analysis were identified and sorted into categories (codes) describing different negative results of social embeddedness. At this stage the categories were developed and particularized inductively. Thus, the project corresponds with abductive approach (a combination of deductive and inductive analysis of qualitative data) (Auerbach & Silverstein, 2003; Dubois & Gadde, 2002; Suddaby, 2006).

Data analysis was supported by Atlas.ti v. 7.0 software application, which allowed for data reduction to a manageable size in terms of its display, further analysis and verification (Miles & Huberman, 2000). To increase the level of research trustworthiness (Guba, 1981) one of authors spent long time with research informants and observed their work environment (Woodside, 2012), moreover all research procedures were documented. Full transcripts, definitions of codes and their applications were created and checked (Saldaña, 2009). To present research results in the most realistic way, quotations from the interviews supported

main research conclusions. Such an approach allows for accurate reporting of interviewees' personal experience (Hamersley & Atkinson, 2000).

RESULTS

This research explores various dark sides of network embeddedness experienced by actors within tourist industry and it investigates how these different dark sides affects network cooperation and networking outcomes. The influence of each type of dark sides of embeddedness on network cooperation is characterized in a more detailed way in following section of the paper.

Opportunity costs

The research allowed to identify some opportunity costs being a result of overembeddedness. We found that too thick relationships in networks hindered the access for other entrepreneurs (those coming from the outside of regional network). It was visible in all five municipalities. It reduced the flow of new ideas, actor's potential innovativeness and other positive results of cooperation. It was illustrated by words of one entrepreneur from Brenna – the manager of a ski lift and pension:

“With agrotourism business [here the name is mentioned] we don't cooperate, because we are not from here. We are from Lubliniec [a city located 120 kilometres from Brenna] and local people often don't want to cooperate with us, although we do want. They treat us as a competition, like a big threat. For example, once I went to the pension [there the name is mentioned] to book 20 rooms. I treated this as a form of potential cooperation, but they refused, although it would be a profit for them”.

This kind of problem was also declared by the owner of a restaurant in Wisła, who came not from Wisła, but from another city. The interviewee stressed, however, that after some time of feeling excluded, if an outside entrepreneur really wants to go in to the community, it is still possible. Nevertheless, as she admitted, she was not as much determined and thus, cooperation with local entrepreneurs was more difficult for her:

Researcher: “regarding entrepreneurs' origin that we have started to talk about, you are not from Wisła, are you?”

Interviewee: “No, I'm not.”

Researcher: “And do you think it matters?”

Interviewee: “Yes, like everywhere. You know, if a person craves for this... And I'm not such a person, to go ahead, to meet people. It is natural that highlanders are highlanders [laugh] and it's obvious that they have their hands in the till and they won't let you in. So, why should I push to be there? I'm here in my backwater, so for sure, it matters (...). It is easier for them, because they know each other. And it is everywhere: in offices and everywhere else is the same”.

Very often people from the outside stressed that local communities seemed to work in a very hermetic way. It was visible even in relations between representatives of local authorities and private entrepreneurs. According to the leader of a non-profit organization in Szczyrk, at the beginning local entrepreneurs did not accepted a new person responsible for tourist promotion and cooperation with tourist businesses in Szczyrk:

“What I know is that at the beginning people looked at her carefully or even disapprovingly, because she is not from Szczyrk. Now, she lives here, but she is not, so-called, stump. So she had to push her way thorough, but she managed to convince people to her by her engagement and work (...). At the beginning this resistance could have been a barrier of cooperation, especially in such small municipalities as Szczyrk”.

This exclusion of outside potential partners from cooperation was also to some extent confirmed by local people. Some of them directly stated that they prefer to cooperate with local people whom they know and that those people have priority over other entrepreneurs as their potential partners. The reason was that they were perceived as more trustworthy entities and that transaction costs of searching partners and finalizing cooperation agreement were lower in such cases. It was confirmed by the initiator of a promotional campaign (discount card) in Wisła. In this campaign different types of local organizations offered discounts for their goods and services (restaurants, tourist attractions, etc.). The initiator of this card explained the process of selecting card members in this way:

“Researcher: local people tell me sometimes that their social relations that they built here help them in business cooperation. Do you think so?”

Interviewee: We have some businesses in this agro-card. And I have some friends, and I phoned them and said that there is such an initiative, are you in? They said “yes”. If I would be an outside person [the answer would be] – “no”. Thus, I think that knowing local people is very important here. We are not anonymous and we can do a lot of things (...).”

The same interviewee admitted that when somebody whom she does not know calls her and asks to cooperate, she usually refuses, in contrary to the situation when there is a call from somebody being known before:

“It is different when somebody calls me, you know, calls me and wants to ask me to buy his or her promotional offer, there is five thousand such telephones, and this is a different situation when I know a person”.

As can be seen, overembeddedness existed in relations between private entities and in public-private relations as well. The main reason of excluding outside potential partners from cooperation was the lack of trust to them. However, such attitudes limited the flow of new ideas to the community, hampered innovativeness processes and made that outside entrepreneurs felt like outsiders discouraged to future cooperation.

The research also illustrated that overembeddedness limited the openness of cooperating actors towards alternative ways of doing their businesses. For example, some interviewed entrepreneurs did not even consider potential benefits connected with changing their current suppliers. It was visible in an interview with an owner of a restaurant in Szczyrk:

Researcher: “And joint orders of some part of goods with other restaurants, what do you think about it?”

Interviewee: Impossible. It changes so quickly that it doesn't make sense to save money, because keeping eye on it costs even more. Besides, we are satisfied with one deliver, and some other person with another one (...). The conflict of interest makes that if people – deliver and receiver – reach up a consensus, then they cooperate for many years”.

Dominance of interpersonal obligations

Interviews with tourist actors brought evidence that social overembeddedness influenced negatively on economic achievements of individual network members. The main reason was that members of partnership structure usually felt obliged to make decisions which were good for some partners or the structure as a whole, but not necessarily for themselves or entities that they represented. The reason was sustaining good, friendly relations between network members. It was visible, for example, in municipal cooperation in a form of “Beskidzka 5”. The mayors of the five municipalities had different opinions about a need of unifying “Beskidzka 5” with another organization in the region (“Beskid Tourist Organization” – BTO). BTO embraced private tourist entrepreneurs whose aim was also to promote the same region, thus, such an union would be highly justified. The leaders of BTO were entrepreneurs from

Brenna and they did not have good reputation among local authorities in Brenna. Thus, representative of Brenna municipality in “Beskidzka 5” opted for negative decision about uniting those two organizations. On the other hand, at least two other “Beskidzka 5” members were eager to create one promotional organization from those two structures. In fear of breaking friendly relations between all “Beskidzka 5” members they decided to speak one voice in this matter. The words of a representative of local authorities in Istebna reflect this resolution:

“Researcher: and how do you see it [joining “Beskidzka 5” and BTO?]

Interviewee: (...) It’s really hard to say. Because either all municipalities join BTO or any of them. And I don’t know if all are convinced”

After some time, a final decision was made to not unite those two organizations. It entailed some negative results, also presented further in the paper.

Moreover, a feeling of interpersonal obligations towards network partners made a decision making processes very long and often inefficient.

The research also showed that nepotism and domination of interpersonal obligations in local authorities’ offices made that decisions made by officials were not always optimal regarding local interest. A lot of entrepreneurs complaint about this:

“The whole office, the respective departments, they consist of some families, sects, clans. Unfortunately this is how it is, one can't fire another because he was the best man on his wedding, the other one was the godfather”.

It shows that some decisions were made according to interpersonal relations dominating over other interests and a will to sustain close and friendly relations between partners.

Domino effects

This research suggested that social embeddedness made many times establishing cooperation easier – when people responsible for business cooperation in different firms knew one another and were socially embedded, it was easier for them to start and continue network cooperation. However, some specific features of tourist sector, like seasonality and rotation of labour, stimulated negative domino effects in networked organizations. For example, when people responsible for cooperation in some companies stopped working there, very often network cooperation was harder or there was even a risk that it will terminate. As one of entrepreneurs described:

“The barrier for cooperation (...) is the continuous rotation of managers (...) – every six months or every year the directors change and, because of that, if we start cooperation, it ends very quickly”.

It was also visible during off season time, when some companies were closed or not so active and it brought the danger for ineffective cooperation for the whole partnering organization, because finding new partner was treated as too time consuming and sometimes risky.

A mentioned before bad reputation of BTO leaders among local authorities in Brenna was spread among other regional actors which damaged their reputation also among remaining members of “Beskidzka 5” (i.e. Szczyrk, Wisła, Ustroń and Istebna). A representative of local authorities of one of the four of the mentioned municipalities described BTO leaders in this way:

“I have an impression that they were very desperately determined and they created BTO as a way to earn some money, just for themselves. This is not a noble idea like tourism development in Beskid Mounties. Unfortunately not”.

This was one of factors why those two organizations did not become one partnership structure.

Interpersonal tensions

Overembeddedness in different ways led also to interpersonal tensions. An example can be mentioned before interpersonal tensions between local authorities in Brenna and BTO leaders. Existence of such tensions, being result of former internal (municipal) cooperation, can be confirmed by words of a representative of Brenna:

“To be honest – I will be able to convince myself to BTO when it has different board members. Just like that, personal factors..”

Overembeddedness led also to solidification of personal conflicts. It affected decisions made by entities (public and private) being in such conflicted relations. It was especially visible in interviews conducted with actors from small municipalities, e.g.:

„You know, this is a small town: there lives one family on the hill and they have been the enemy of the second family on the second hill and for generations, so... In the office municipality these and these families work (...).

There were also conflicts based on perceived favouritism in relationships between private sector entities. Two entrepreneurs from Wisła admitted that they allowed their parents' businesses for exclusive membership in the promotional campaign “Wisła discount card”:

“About 60 entities are engaged [in this action] at this moment (...). A problem that occurred is that entrepreneurs wanted to join having exclusiveness – e.g. that only he or she will be a restaurateur, they did not understand the idea. Exclusiveness was given only to taxis (here competition is the highest) and to our parents – to their businesses”.

Such decisions in “Wisła discount card”, perceived as favouritism by other interviewed entrepreneurs, resulted interpersonal tensions between them and those two entrepreneurs initiating the joint campaign. As was stressed by one of entrepreneurs from Wisła:

“Here is a problem of a loyalty system – if it is fair and tight with very clear rules and would function as, for example, on petrol stations, without any arbitrary choice, then it has a chance to function! But such ideas! [with giving exclusiveness to some partners], I wish them “good luck!””

Some conflicts between partners in tourist region seemed to grow in time as a natural element in relationship cycle, without clear episode that would trigger the conflict. The owner of a pension in Wisła admitted that after a few years of close cooperation with another actor in “Wisła Tourist Organization”, this cooperation become very problematic and stressful:

“WTO [joint membership in this organization] led to higher tensions. We knew each other better and it made, at least for me, that we are reserved with each other. Because Mr [here the name is mentioned] did for WTO a website, published WTO brochures – the first, the second one, and afterwards this cooperation in WTO was very tense. And it made me outdistanced”.

Opportunistic behaviour

The research also showed that overembeddedness in a direct and indirect way led to opportunistic behaviour. Some interviewees openly declared that they decided to join the organization and be close to network partners to get better information about situation in the municipality and/or region and about their competitors. One of their aims was to get knowledge about competitors' plans and tools and use this knowledge in their own business sometimes to defend this business and sometimes to make competitors weaker:

“Let's be honest. These kind of organizations are not established because people have joint initiatives, but people join them having one specific aim – to defend own, individual interests. This is not a venture of people with initiative who want to act together, but a venture of people who with this membership protect their businesses from innovations and novels. Then they can

defend their organization with their own voice, they can be well informed. And, to be honest, this is also my approach to cooperation in a form of WTO”.

Overembeddedness exposed some entities to opportunistic behaviour of other players and made them careless in networking. Some interviewees stressed that they trust local business people who are embedded in municipal social relations. This trust, based usually on local reputation and on some local norms and values, was, by some entrepreneurs, transferred also on other potential partners who were not known in local community and came from the outside. They were entrepreneurs who were interested in starting cooperation with local actors in order to develop their tourist business. One interviewee, the owner of a transport firm, claimed that she wanted to treat those external actors in the same way as local businessmen, e.g. to cooperate without signing formal agreement with them. Unfortunately, such “open approach” was sometimes used against her, when the external partners behaved beyond informal agreements seeking only for their own benefits:

“Here [in the municipality] relations are really on that level, that if something is said, it is done. And this is a responsibility. And I don’t have to have a lot of papers, agreements, stamps or signatures (...). On the contrary, external entities think that if something is not on the paper then they can deceive us (...). And now, till today I haven’t received any money for my service (...). I don’t have an agreement signed, there is only an issued invoice.”

Network inertia in terms of decision making

Based on empirical research we identified another group of negative results of embeddedness. This was an inertia of the process of making decisions in a network. Such a decision paralysis was a result of a great diversity of network members’ aims, conditions and possibilities of activity. A good example of such network that was “Beskidzka 5”. Each of the five municipalities was on a different level regarding general economic and tourism development, thus, actions taken by local authorities in each of those municipalities, for example, promotional campaigns, had to be adjusted to the tourism development level in a particular municipality. One of officials in Istebna stressed:

“The problem is that in our municipality and also in Brenna, we can think about tourism development only after some other investments in technical infrastructure. Whereas Wisła, Ustroń and Szczyrk would like to take different activities, but we were not able to do that”.

Such situations made that actors from network for a long time were not able to make any final decision or, even when a decision was made, its process was very time and money consuming. It was especially visible when there were too many actors engaged in a network. A representative of local authorities in Wisła described it as follows :

“It is much more easier to introduce promotional campaign when only we have a particular vision of our place and promotional materials. But here suddenly you have to take into account voices of other people because they see it differently and they don’t like it. It lasts longer and this is a disadvantage of such cooperation”.

As a result, some network members, after some time of ineffective cooperation, decided to withdraw their membership, such situation was described by a mayor Istebna:

“There shouldn’t be too many municipalities in cooperation, because too many municipalities mean too many ideas and then it’s very hard to cooperate. (...) At the beginning of 90ies we were, as a municipality, in a municipal association for gas supply (...). It embraced 17 municipalities (...). Each mayor had its own vision and some of them didn’t want to resign, so we withdrew our membership from it”.

In a synthetic way the influence of each type of identified dark sides of embeddedness on network cooperation was presented in Table 4.

Table 4: Dark sides of social embeddedness of actors cooperating in tourist networks

No.	Types of negative results of embeddedness	Characteristics
1.	Opportunity costs	Costs of exclusion from networks potential partners not socially embedded in local community: <ul style="list-style-type: none"> • reduction of flow of other innovative ideas with potential partners; • limitation of openness towards alternative ways of doing things for increased efficiency, e.g. <ul style="list-style-type: none"> - the lack of will to organize joint orders for getting bargaining power (because of relying on own, known suppliers); - unwillingness to cooperate with new entrepreneurs in order to accommodate tourists above expected quantity, while existing accommodations are fully booked • perceiving tourist entities in municipality as hermetic, closed society as a factor discouraging potential partners to start cooperation in the region
2.	Dominance of interpersonal obligations	<ul style="list-style-type: none"> • Deciding and acting as majority of partners, however, not in an optimal way from the perspective of a focal company in the network (adjusting own decisions and activities to various actors' views, in fear of breaking friendly terms of relations between network members); • Extended in time and not efficient decision making process because of a strong feeling of having personal obligations towards some network members; • Nepotism in municipal offices precluding officials from making proper personnel decisions (e.g. punishing and awarding personnel responsible for cooperation and municipal tourism development)
3.	Domino effects	<ul style="list-style-type: none"> • Spreading effects escalated by some specific tourist sector features, e.g. rotation of employment or seasonality: <ul style="list-style-type: none"> - changing job by a key person (manager) responsible for cooperation with other businesses leading to break of the whole set of cooperation agreements; - during off season time suspension of business activity by seasonal type businesses, leading to termination of cooperation with other actors, who, as a result, are forced find new partner/s and bear costs connected with that process; • Spreading negative image of a promising potential partner by one actor among network members, that had no previous experience with the partner
4.	Interpersonal tensions	<ul style="list-style-type: none"> • Solidification of personal conflicts from the past, transferred to the business activity (hindering optimal decisions - specific of small municipalities); • Favouritism perceived by potential partners – e.g. inviting to network cooperation only known people (or family) or inviting them on better conditions (source of interpersonal conflicts) • Conflicts between partners who (after a long time of network cooperation and getting better knowledge about themselves) start to perceive each other in a negative way on personal level
5.	Opportunistic behaviour	<ul style="list-style-type: none"> • Too much credibility put in new, not known partners who, by seeking self-interest, use it and behave opportunistically; • Joining network cooperation with the preliminary aim to spy on competitors and to use such knowledge against them
6.	Network inertia in terms of decision making	<ul style="list-style-type: none"> • Inability to make final decision in a network (or extended in time, not efficient decision making process) as a result of too many network

		members, having different aims, possibilities and acting under different conditions; • Network ineffectiveness leading to partners' withdrawal from a network
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Source: authors own

RESEARCH DISCUSSION

This research suggests that similarly to other areas of economy, the embeddedness may have a negative impact on network cooperation in tourist sector (Uzzi, 1997; Jack, Anderson, 2002). Corresponding with prior literature in this area, we proposed a typology of different types of embeddedness dark sides, which was afterwards extended and particularized with regard to research conducted in tourist sector. There were identified and described six main negative results of embeddedness, namely: opportunity costs, dominance of interpersonal interests, domino effect, interpersonal tensions, opportunistic behaviour, and the last group, identified in our research, network inertia in terms of decision making.

Our research qualifies existing knowledge about network dark side by illustrating that some specific features of tourist sector facilitate social overembeddedness of economic actions in this sector. Firstly, tourism develops mainly on local level, often in small communities, where actors know themselves well and are often socially embedded, but often they are not prepared for networking on a larger scale, e.g. where few municipalities decide to cooperate. Thus, they make lack “network capabilities”, which are helpful in maximizing relationship value (Walter, Auer & Ritter, 2006). Secondly, because of complex character of tourists needs, different actors in tourist destinations have to cooperate with each other and such “forced cooperation” creates the room for hidden intensions and tensions, which may be very destructive for relationship development.

This research provides the evidence that one of negative results of embeddedness in tourist sector are opportunity costs – costs of exclusion of new promising partners from the network (Håkansson & Snehota, 1998; Mitreġa, Zolkiewski, 2012). The embeddedness causes the marginalization of entities, which do not belong to close groups inside the municipalities. Being closed, hermetic society makes it hard for external, promising counterparts to start different forms of cooperation with entities in the region. It all reduces the inflow of new ideas and new supply sources in municipalities, which results in opportunity costs on both levels: focal actor level and the whole business network level as well.

The research illustrates also the dominance of interpersonal interests in the business network which limits economic efficacy. Overloading actors with personal obligations to their network members makes business decisions inefficient either at network level or individual actor level (Walder, 1995; Donckels, Lambrech, 1997). Our research presents this negative side of embeddedness using, among others, example of decisions made by members of “Beskidzka 5” – organization, grouping five municipalities. Problems in interpersonal relations between local authorities in Brenna and some entrepreneurs from this municipality, representing BTO board, made that “Beskidzka 5” members striving for sustaining in friendly relations, decided not to unite the two organizations (although it would be probably good for the whole region or at least for some of its municipalities). Our research presents this negative result of embeddedness regarding an interesting type of network actor – a municipality being very complex and multidimensional entity.

This research provides the evidence that domino effects, consequence of embeddedness on network scale, can affect negatively cooperation in tourist sector (Uzzi, 1997; Garcia-Pont and Nohria, 2002). When an actor has a bad reputation according to one member of a network, other network members start to perceive the actor in the same negative way, even if such actor can contribute to their business objectives. That is why almost all members of “Beskidzka 5” organization, negatively perceived the leaders of “Beskid Tourist Organization” and the whole

BTO as well. This was one of the most important reasons why the two organizations were not united, although BTO members and some mayors were very interested in making such a union. Some examples of domino effects were also connected to the specificity of tourist sector. For example, rotation of employment on managerial level, made that when managers responsible for cooperation with other entities leaved their previous work, there was a problem with continuing cooperation (also in network structures), because of close relations that those employees had with their partners.

The research outlined interpersonal tensions (Tähtinen, Halinen, 2002; Waluszewski & Håkansson, 2006) as a negative result of embeddedness in tourist sector. Too strong embeddedness may strengthen past conflicts, which are then transferred to the business network (Johannisson, 1987; Jack, 2005). Interviewees frequently stressed that it is particularly characteristic of small municipalities, such as the ones included in the research. Actors' social embeddedness led to favouring some actors in the process of network partners selection, which, in turn, stimulated local conflicts. Such conflicts occurred also when actors, after some time of cooperation in a network, started to know each other better and started to perceive partner's behaviour in a business way.

Our research suggests that opportunistic behaviour (Wathne & Heide, 2000; Mitreǵa, Zolkiewski, 2012; Seggie, Griffith, & Jap, 2013) can result from actors' overembeddedness within tourist network structure. Our research shows that social embeddedness can lead to extrapolation of trust towards well-known partners into not known, external partners, who use this trust for their own interest. As many cooperative actions in tourism are not based on formal agreements, tourist companies may be more exposed to this negative result of embeddedness than actors from other industries.

Finally, our research shows that overembeddedness, especially when stemming from engagement of a lot of partners in one network, can lead to network inertia in terms of decision making. We show that such a problem occurs when a lot of partners, having different aims, conditions and possibilities of activity, are not able to adjust to one another and thus, there is no possibility to make final decisions or the process of decision making is too long and not efficient. This can lead to a situation when partners start to withdraw their engagement in a network.

MANAGERIAL IMPLICATIONS

This research emphasizes various negative aspects of social embeddedness of economic actions in tourist sector, which constitute serious challenges for effective networking in this sector. On the other hand, specific features of tourist sector make such networking necessary, so entities in tourist sector should incorporate adequate tools and strategies that will help them to manage these phenomena.

There is scarcity of studies which have focused explicitly on that issue. On the general level, there are three main theoretical frameworks which may be applied while conceptualizing strategies to handle problems in business relationships. Firstly, transaction cost economics suggesting that a partner's opportunism might be controlled through monitoring the partner's behaviour and offering long-term incentives for a cooperative approach (Williamson, 1975; Lal 1990). Secondly, social capital studies that emphasize the role of trust between close network partners and social embeddedness of economic transactions which mitigate the risk of opportunism (Granovetter, 1985; Uzzi, 1996). Thirdly, the IMP approach that discourages single actor from undertaking unilateral actions (Håkansson & Ford, 2002) and suggests interactive processes of solving relationship problems by "suggesting, requesting, requiring, reacting, performing and adapting activities", taking into consideration the inter-linkages

between actions undertaken in a given relationship within the whole network of actors that surrounds this relationship (Ford and Havila, 2003, p. 8).

There have also been a few explicit attempts to propose strategies related to problems in business relationships. Uzzi & Lancaster (2004) and Jack, Dodd and Anderson (2008) claim that optimal for a given enterprise is to maintain both – embedded and market (transactional) ties, which enables the entities to survive and function better on the market. However, as they admit the balance between those two types of relations may differ depending on the region or sector. Wathne and Heide (2000) developed a conceptual framework of governance strategies that can be used to manage different forms of opportunism. This framework synthesized transaction cost economics and social capital studies. Namely, they proposed monitoring, incentives, selection and socializing as four methods of managing opportunism. More recently, in the context of buyer-seller relationships Holmlund and Strandvik (2005) conceptualized a model of negative incident management. They propose that this takes the form of systematic monitoring of disturbances in interactions with buyers in order to reveal hot spots which are the areas of high risk of negative incidents. This process should reveal the reasons behind frequently occurring problems and provide the basis for improvement actions.

RESEARCH LIMITATIONS

The research presented in this paper is not without limitations. Firstly, we applied case study approach which does not allow for statistical generalizations. Secondly, our research findings are restricted to the specific industry, so they may be not universal beyond tourist sector. The network-related phenomena sector was largely neglected in the research devoted to this sector, but this sector has some specific features, which suggest that general B2B theories may be not fully relevant in such context. Thirdly, the tourist network structures that we studied comprised companies operating on the regional scale (i.e. Beskid mountain region), so research insights might be not fully applicable to international business networks that function in tourism. However, as business relationships and networks are very complex research phenomena that are not in the best fit with traditional sampling (Iacobucci & Zerrillo, 1996), qualitative research remains the main research avenue within IMP research tradition (Golfetto, et al., 2007) and is well adjusted to explorative nature of this research.

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