

Business Relationship Dynamics from a Duality View

Abstract

This paper firstly conceptualizes business relationship dynamics from a duality perspective, which involves viewing the changing and stabilizing processes of relationships as co-existing and interdependent. Secondly, the study suggests methodological choices that would enable applying the above view of the co-existing changing and stabilizing processes in research and in that way to advance a deeper understanding of the life of business relationships.

Keywords: business relationship dynamics; duality view; change and stability; changing processes; stabilizing processes

Introduction

Research on business-to-business relationships would benefit from a conceptualisation and the subsequent research on dynamic relationships as coexisting changing and stabilizing processes. So far, relationship research has focused quite extensively on change and less on stability. Moreover, stability has mostly been studied as a variable, as the major defining characteristic of a relationship (Li & Ng 2002); or indirectly, as the outcome of relationship commitment and trust (Morgan & Hunt 1994); or as a counterforce to change of a relationship (Ping 1995). Such focus on either changing or stabilizing processes offers a limited understanding of internally dynamic business relationships. Instead, changing processes *and* stabilizing processes should be studied together as they are equally important for understanding dynamic business relationships.

On a network level, changing and stabilizing processes have been studied together (Gadde & Håkansson 1992, Freytag and Ritter 2005, Dubois, Gadde, and Mattsson 2003). However, on relationship level only Huemer (2004) argues that “A relationship can in itself be sufficiently complex and multifaceted to be both stable and varied overall . . .” (p. 251). Hence, the research deficit on a business relationship level has resulted in a dearth of knowledge on how the two opposite yet interdependent changing and stabilizing processes can and do co-exist in relationships.

Alvesson and Sandberg (2014) urge scholars to challenge accepted assumptions to achieve research progress and to infuse a discipline with new ideas outside its current ‘box’. This study uses the duality view to bring new ideas to research on dynamic business relationships. We argue that the dynamics of business relationships can be re-conceptualized as consisting of not only changing processes *or* stabilizing processes (the dominant assumption), but a combination of co-existing and simultaneous changing *and* stabilizing processes. The duality views originates from organization management research (Farjoun, 2010; Leana & Barry, 2000; Putnam et al., 2016) and social economics research (Jackson 1999).

Duality and Dialectics

Putnam, Fairhurst, and Banghart (2016) define duality as the “interdependence of opposite in a both/and relationship that is not mutually exclusive or antagonistic” (p. 69). This is the definition used in this study – the opposites being changing and stabilizing processes within a business relationship. The duality view leads us to conceptualize the efforts to enhance positive interplay of the opposites: namely, dialectics. Dialectics refers to “interdependent opposites aligned with forces that push-pull on each other . . . and exist in an ongoing dynamic interplay

as the poles implicate each other” (Putnam et al., 2016, p. 71). This definition places its focus on the unity of opposites and the forces and processes that connect them (Ibid). The focus is on the processes through which business relationships are produced, changed, maintained, and uncoupled (Benson, 1977).

Why should we look at dynamics dualistically? Quinn and Nujella (2017) see a need to “clarify and emphasize” a duality view of the “simultaneous presence” of “mutually codependent” opposites – in our case, changing and stabilizing processes. As mutually codependent, stabilizing processes also enable change processes, as within a relatively stable structure, such as a long-term relationship, greater changes may more easily occur (Farjoun, 2016) than in a less stable structure. The duality view helps to see how anomalies, contradictions, and minor fractions (Farjoun, 2016) in interorganizational interaction processes could influence the direction, outcomes, and continuity of the entities, i.e. the business relationships. Moreover, managers should be able to monitor and tackle the co-existence of changing and stabilizing processes in important relationships (Tsoukas & Pina e Cunha, 2016).

How should we look at dynamics dualistically? Quinn and Nujella (2017) urge scholars make “the invisible currents” visible (p. vii) by empirical studies. However, this is difficult. Compared to studies in organization & management, current business relationship research relies too often on limited data and offers in a thin reading of relationships past and present (Rivera Soderstrom, and Uzzi, 2010) that may result in a narrow view of relationship dynamics. Hence, we argue that if research on business relationships makes better use of duality view and conducts in-depth, micro-level, longitudinal data collection and multimodal analysis. This could open a better understanding of relationship dynamics.

We argue that duality is inherent, and by acknowledging and empirically studying business relationships from a duality perspective, the relationship dynamics will be better understood.

Changing and Stabilizing Processes in Business Relationships

Duality is a perspective where two opposing elements are perceived as interdependent but conceptually distinguishable from each other (Jackson, 1999). Jackson (1999) stresses that the two elements are distinct and do not form one entity. Adopting a duality perspective, the aim of the management changes from seeking a reconciliation of the two opposing elements for shorter or longer periods to coping, accepting, and exploring (‘both-and’) and balancing (or even endorsing) and embracing (‘either-and’) both elements (Li, 2016; Luo & Cheng, 2016; Mattsson & Tidström, 2015). Jackson (1999) suggests that theories can better understand the complexity of “economic institutions” (p. 546) if theories would apply a duality perspective. Applying duality view, Farjoun (2010) connects stability with continuity, which reflects the nature of stability in business relationships. Long-term business relationships are essentially about continuity and, yet, they are changing. Change and stability have two roles: They “can be outcomes, objectives, and performances, as well as underlying mechanisms – processes, practices, and forms” (Farjoun 2010, 203). The duality lens can be used to understand business relationships not as repeated periods of change and stability, but as continuously existing processes and in which the resulting stabilizing practices and processes (e.g. routines) may enable change while others may undermine change.

This study conceptualises an ongoing business relationship as formed by changing and stabilizing processes than produce temporary structures as outcomes. The two elements of change and stability are simultaneously interdependent, oppositional, and complementary (see Jackson, 1999; Farjoun, 2010).

Marketing Research on Dynamic Business Relationships

Rivera, Soderstrom, and Uzzi (2010) review of research on social network dynamics reveals that processual studies on dynamics of inter-organizational relationships are scarce. To explore if the situation has changed, we searched for and reviewed research on dynamic business relationships. At the end stage of the search, we read 58 potential publications of which only eight explicitly focus on relationship dynamics. We found close to no papers that explicitly study dynamics as the co-existence of the changing and stabilizing processes. Four studies view dynamics as change only, and four (Hatani 2016, Huang & Wilkinson 2014, Makkonen Vuori, & Puranen 2016, Salo, Tähtinen, & Ulkuniemi 2009), but only implicitly, include both change and stability.

Hence, we know very little, if anything at all, about dynamics seen as a duality of changing and stabilizing processes in business relationships. There are three implications from this lack of studies explicitly examining the interplay of changing and stabilizing processes in business relationships. When applying a duality view in research, it becomes essential how the timeframe is set, what levels of analysis are chosen, and what the reference point is for what the research examines. Hence, next we will discuss and suggest methodological choices that would enable the application of a duality view when studying dynamic business relationships.

Methodology for Studying Coexisting Changing and Stabilizing Processes

To comprehend the duality of changing and stabilizing processes as well as the aspects that work for or against change and stability (e.g. people, actions, and systems), we present fundamental issues to consider, followed by suitable data collection and analysis methods. Our suggestions primarily stem from organization & management studies that have addressed duality dynamics within organizations and from methodological literature.

Ontology offers a solid ground guiding the subsequent methodological choices, thereby enabling the outcomes and validity of the study (Grix, 2002). Non-linear, non-positivistic research (see Dubois & Gadde, 2014) offers good potential to study dynamics and processes, for example, critical realism (CR). CR considers social phenomena to be processual (Lawson, 2008) and “regards change and stability as ontologically similar, i.e. as ongoing processes transforming or reproducing structures” (Aastrop, 2000, p. 1). Another suggestion is process ontology, either in its weak or strong mode (see Van de Ven & Poole, 2005). In both modes, change and stability are judgements of the observer, not real things (Van de Ven & Poole, 2005).

Practice *theory* (in its various forms) could help in viewing the processes of business relationships from a duality view. According to Sandberg and Tsoukas (2015) the practice theories try to “overcome and move beyond the subjectivism–objectivism divide by showing that embodied human actors, embedded in sociomaterial practices, tacitly draw on the understandings, rules and resources of the practices they partake, in order to undertake situated action, thus reproducing and changing practices over time” (p. 192). A critical principle of practice theory is that it rejects dualism (Feldman & Orlikowski, 2011; Sandberg & Tsoukas, 2015) and advocates duality. Indeed, Håkansson, Ford, Gadde, Snehota, and Waluszewski (2009) and La Rocca, Hoholm, and Mørk (2017) have suggested the application of practice theory to the study of network dynamics and its micro-levels interaction processes to build up our understanding of relationships.

In the problematization, applying an embracing view is useful and can open up meaning to enhance a consciousness of duality (Putnam et al., 2016). Accordingly, being attentive to the

analysed data would mean preserving the dynamic interplay between changing and stabilizing, cultivating a variety of responses and avoiding a premature closure of options. Time is a significant notion in all studies on relationships. By adopting an open view to more varied patterns, including any tensions and contractions and zooming in and out between micro and macro processes would enable the use of a duality view.

The methodology choice could be either abductive (Dubois & Gadde, 2002) or inductive. In both, a longitudinal approach is needed. A longitudinal single-case study approach or organizational ethnography (Long & O'Mahoney, 2010; Marrewijk, 2014) with long data collection or field study periods are suitable methods to capture dynamics. La Rocca et al. (2017) strongly suggest real time ethnography. Ethnography (Van Maanen, 2011) implies a substantive engagement in gathering and interpreting rich, contextually dependent data based on (participant) observation (e.g. living with the people in focus for an extended period). However, considering the time and budget constraints researchers are facing, a rapid, multi-sited ethnography (Halme, Kourula, Lindeman, Kallio, Lima-Toivanen, & Korsunova, 2016) has been developed.

Perhaps the most important criteria for data collection methods is their ability to generate detailed data that allows the micro-processes to be detected (Graetz & Smith, 2008). Participant observation (Spradley, 2016) and shadowing (Czarniawska 2007, 2014) allow to get close to individuals and their practices. Access to use such methods may be possible only if the companies get direct benefits. Action or participatory research (Denzin & Lincoln, 2011) can be performed together with a case company. Performing with the informants rather than observing or shadowing them and using reflective possibilities could well suit explorative studies to reveal new issues in dynamism.

In data analysis methods, the choices are many. One we can suggest, though, is the use of the case narrative (see Makkonen et al., 2012 for further discussion of narrative data analysis).

When considering how much time, effort, and data would need to be collected and comparing that with the pressure we are under to produce articles each year, it is obvious why we see so few of these studies. The best option for conducting such intense and programmatic research would be a large group, but this also means that companies need to trust more than a single researcher. Action research, where the companies would benefit from improved practice of one type or another, could offer potential but could also call for the use of innovative methods.

Conclusions

This study applies out-of-the-box thinking and contributes to current discussions on business relationship dynamics by suggesting a reconceptualization of those dynamics as changing and stabilizing processes and their outcomes. Both change and stability are generated through an actor's behaviour, a process, or an ongoing practice. A business relationship consists of multiple actor levels: the organizations and their internal organizational units as well as the individuals, especially the boundary spanners who interact with the individuals of the partner organization. The behaviour of the levels is not unanimous but may reach towards different goals, intended or unintended. A duality view coupled with a fitting research methodology allows researchers to reveal and understand the complex dynamics within a business relationship.

We based the reconceptualization of business relationship dynamics on the duality view, suggested by Putnam, Fairhurst, Banghart (2016) as a useful option to enhance theory development. We argued that although Putnam et al. (2016) aim to guide theory development

within management studies, it is also useful in marketing, where research has focused on either change or stability and thus produced a partial understanding of business relationship dynamics.

How then can the duality view advance our comprehension of the duality in business relationships? We have argued that studies applying the duality lens both theoretically and empirically, enable us to see how anomalies, contradictions, and minor fractions in dyadic interaction processes may have the power to influence the direction, outcomes, and continuity of those business relationships. The duality view helps us to focus on the micro-processes through which business relationships are produced, developed, changed, stabilized, continued, maintained, and uncoupled. The duality view reorients our thinking about the life of business relationships so that we can get a closer look – view both mundane and dramatic events – bringing more depth to our knowledge. We argued that carefully conducted research applying the duality view brings to light unseen details and builds a more comprehensive understanding of the business relationship dynamics.

The second contribution of this study relates to the methodology guide it offers. The guide aids researchers in the application of the duality view when empirically studying business relationship dynamics. So far, compared to, for example, management research inside organizations, research on business relationships has relied on retrospective and relatively thin data. Such data offers limited potential for understanding micro-actions, practices, processes, and the ongoing dynamics that form business relationships. Thick (i.e. rich) data also requires multimodal analysis: an analysis of not only what people do or say, but in the best case, how they say it, whom they address, and the immediate and prolonged reactions of the targets and people observing the interaction. Thus, multidisciplinary teams of researchers equipped with different disciplinary backgrounds and analytical capabilities would be ideal for this kind of detailed and programmatic study.

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