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Umbrella Agreements as Commitment Framing Devices

"… look here it says…but, well …. it's just not in the spirit of the contract"

ABSTRACT

This paper conceptualizes umbrella agreements as commitment framing devices. We define the concept of commitments as undertakings through which actors agree or accede to future actions. Our concept of commitments differs from the affective-behavioural form of intra and inter-organizational commitment, widely discussed in the organizational and B2B buyer behaviour literature, and argues that they are inter-cognitive achievements. Commitments are labile and predominantly loosely specified in one or more crucial dimensions. They are highly precarious, affording no ease or assurance in any dimension. We develop a conceptualisation of umbrella agreements as framing devices that enable the effective shaping and sustaining of commitments in the face of a) manifold rationality b) recursive time c) multilateral exchange that characterises inter-organizational interaction. It is the inherent precariousness of managerial commitments, and hence that of the inter-organizational webs into which they are woven, that makes umbrella agreements useful framing devices for their shaping and sustaining. It is, perhaps, their prime purpose.

Keywords: Agreement, commitment, framing, inter-organisational relationships

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Introduction

Commitments can be seen as everyday agreements that actors make in their interaction with other actors, no matter whether they are individuals or companies, friends or neighbours. Actors make commitments in a multiplicity of institutional settings such as society, business, politics, games or even leisure activities in order to shape or maintain an arrangement. In this paper we deal with inter-organizational arrangements

We define a commitment as an undertaking through which an actor agrees or accedes to a future action (Lenney and Easton, 2007).

"That's fine. It will be ready for you by Friday"

An umbrella agreement is a frame that guides future interactions and has the power to shape and sustain both inter and intra-organizational commitments. (Mouzas, 2006; Mouzas and Ford, 2006; Mouzas and Furmston, 2008).

Our concept of commitments differs from the affective-behavioural form of intra-organizational commitment that a manager may have towards his / her organization or job, so widely discussed in the organization behaviour literature (Meyer and Allen 1997, Mowday et al 1979, Randall 1987, Brickman 1987, Locke et al 1988). Nor is it the same as the inter-organizational affective-behavioural form of commitment discussed in the marketing literature (Morgan and Hunt 1994, Cullen et al. 2000, Noble and Mokwa 1999). In these form, commitment is often seen as a psychological attachment that reflects the relative strength of an actor's identification or involvement in an undertaking.

"I cannot see me working for any other organisation"

The stronger the actor's commitment, the stronger is his or her belief in the undertaking and willingness to exert considerable effort (Kiesler, 1971). These conceptualisations provide valuable affective-behavioural constructs but do not deliver insights into the phenomenon of inter-cognitive achievement of agreement among actors.

We distinguish our conception of commitments by employing the plural form. This reinforces the notion that they are extremely common in all social milieu. Our notion of commitments builds on the perspective on collaborative work developed by Flores, Winograd and their co-workers (Flores and Ludlow 1981, Winograd and Flores, 1986) and upon work by researchers in the field of distributed artificial intelligence systems (Singh 1999, Castelfranchi 1995). In Winograd and Flores (1986), the authors conceived of organizations as "networks of commitments", and managerial work as the

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"articulation and activation" of this network. However being systems developers, not organization theorists, they failed to develop the concept in a way which would allow its empirical content and theoretical power to be exercised.

Commitments are not actions, nor necessarily even the sort of pledge which completely binds. They may be but are not necessarily explicit, irrevocable, publically made or voluntary. These commitments are the deceptively simple everyday promises that are made, crafted, solicited, conduced and fulfilled by actors, especially those in organisations. They are inter-cognitive agreements, by which we mean that they exist primarily in the minds of the actors involved, though there may be signs and signifiers such as emails, post it notes or task lists in Outlook. They are labile and, usually, loosely specified in one or more crucial dimensions. Iit is this inherent precariousness of commitments, and hence that of the inter-organizational webs into which they are woven, with which umbrella agreements attempt to deal.

While this is primarily a conceptual paper it is based on research in a number of organisations as well as the managerial experience of all 3 authors. The quotations used to illustrate particular aspects of commitments are mostly based upon recorded conversations but often edited to make the sense clear.

Firstly we further elaborate our conception of commitments, their forms and character, and thence the conception of inter-organisational arrangements as webs of commitments. The processes of inter-organizational agreement/accession are briefly discussed and we then move on to examine the conceptualisation of umbrella agreements as framing devices for these processes.

What are commitments?

Commitments are everyday things, and all social actors are involved in them. As individuals we make commitments to our friends, family, neighbours, and club members, even strangers if the culture of our society expects or demands it. We also make commitments within social institutions like business organisations, armies, football crowds and also in inter-organisational relationships, the focus of this paper.

Commitments are, more explicitly, undertakings through which someone agrees, or accedes, to endeavour to do, or forbear to do, 'something', an action of some kind. For example

> "Yes. I will get that new specification to you by Friday"

These undertakings are simply agreements or pledges to undertake to do something in the future. Fulfilments of commitments are almost always temporally and spatially dislocated from when and where they were created. They can be agreed to willingly, or simply acceded to with some reluctance, against an actor's will.

> "OK! But I don't think this product will quite work the way you want it to"

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The actors concerned will normally endeavour to fulfil the commitment but may not be able to do so.

<p align="center">"I tried but they wouldn't agree"</p>

Not doing something is also an action so forbearance can also be a commitment.

<p align="center">"I won't bring that issue up again at the inter-company logistics meeting"</p>

.In buyer – seller situations commitments include not only those made by sellers to buyers and vice versa but also commitments made within the selling and buying organisations that allow exchange processes to be agreed and fulfilled.

Commitments serve as coordinative mechanisms that help realize the purposes of social actors. All human systems have goals whether planned or emergent. To achieve those goals social actors must work together and in doing so they both accept commitments themselves and conduce them in others.

Put another way, commitments are normative stocks. At any point in time they provide a prescriptive cage which guides and empowers, but also constrains social actors in their institutions.

Forms of Commitments

'What, Who, When and How' represent the four central dimensions in which commitments are specified. All commitments must have at least the first two of these dimensions. The 'what' refers to the 'content' of a commitment e.g.

'we'll take the retailers logo off the 'available-at' tag that's been put on the 'Zest' Adshel poster'

and the 'how', its mode of fulfilment e.g.

<p align="center">'I'll talk to the customer tonight and the agency first thing tomorrow'.</p>

Certain forms of commitment content predominate. Commitments to:

➢ Execute a physical act e.g. 'I'll talk to Adam'

➢ Execute a cognitive act e.g. 'OK, I'll think about it'

➢ Prioritise / sequence e.g. 'I will kill this off first"

➢ Focus attention e.g. 'I will need to watch the numbers carefully '

➢ Exhibit a certain behaviour e.g. 'not quite the way I see it, but I'll support you'

➢ Allocate resources; for example:

    ➢ Financial e.g. 'Zeb OK!!..I'll authorise the Zest ad' spend'

    ➢ Physical e.g. ' Let them have that stock'

    ➢ Man-hours e.g.' I'll put Sandi on it full time'

➢ Endeavour to achieve a projected outcome or goal

    e.g. 'I'll do whatever it takes to get the product there''.

<p align="center">4</p>

All commitments have the last two forms of content, being in essence resource deployments, of a certain kind, to achieve a certain outcome. In this sense commitments give access to what might be termed second-order resources.

This final purposive characteristic is crucial as all commitments are commitments to endeavour / attempt to take action of a certain form; they are not obligations, nor should they be conflated with the resulting 'actions' of commitment fulfilment. Hence, in essence, all commitments are intrinsically goal commitments, but with differing extents and degrees of specification in the 'how' dimension. The purpose of a commitment, its inherent objective, represents, one might say, its 'spirit'.

The Character of Commitments

Unlike most other resources, commitments are labile and since they exist in the ether of social relationships they have an essentially ephemeral character. Some of their inherently labile character is due to the imprecision of their specification. For example "I'll sort the problem out somehow".

This imprecision, this looseness as we term it, is a fundamental property of commitments as it is rare that their constituent task(s) can be comprehensively or rigorously specified in all their dimensions, not least because, as Isenberg comments: *"..like the proverbial manual for riding a bicycle, an action plan can never be entirely spelled out, because there is always another level of operational specificity"* (Isenberg 1986 p259). As a result, determining the meaning of 'commitment descriptions', that is their interpretation in specific situations, is an important component of organisational conduct.

Commitments may also be more or less conditional, for example;

"If you get me this order I will certainly go ahead with that other project".

Also, social actors may be more or less committed to commitments, for example, in the form

"I'll do what I can".

Some of this lack of enthusiasm is due to the recognition that changing circumstances may render commitments null and void, for example,

"Sorry; the fire at the factory means we won't be able to make the product on time?"

Very often commitments change en route to their fulfilment even if the commitment context is stable, particularly as commitments are accepted with differing degrees of commitment, so to speak:

"...just fed up of people agreeing then doing exactly the opposite...I'm gonna get some kind of electrocution system....."

As the ANT theorists term it, this token "is in many hands (and) everyone shapes it according to their different projects… faithful transmission…becomes a single unusual case among many, more likely,

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others" (Latour 1986 p268). In this sense commitments, as well as being loose, possess differing 'strengths' and degrees of authenticity.

The accidental, or deliberately malicious, lack of fulfilment of commitments contributes to the vulnerability of collective endeavour. However, most of the commitment lability that managers face derives from the 'changes of mind', 'changes of situation', 'unexpected outcomes' and the unintended consequences inherent in the turbulent *wicked problem littered weak situations'* (Lenney 2006) in which they are embedded.

".. in most realistic scenarios agents are situated in time-varying contexts – the external world may change, another agent may attempt to interact with it, and so on. Therefore in many cases an agent's beliefs will alter between the making of a commitment and it actually performing the associated processing – in fact the longer the time between these 2 events the greater the likelihood of change occurring….commitments may need to be reviewed" (Jennings 1986)

Commitments, given the predominant 'looseness' of their specification, their mutation through multiple re-interpretation and differing strength, are, as a result, inherently precarious. They get things done but not necessarily exactly as required or in the ways expected or agreed.

Means – Ends Pyramids

Commitments in and between organisations are closely related to and involved with both goals, and actions to achieve those goals. Indeed commitments are the vehicles through which goals are realised. However goals can be more or less specific. Organisations have rather general goals such as "getting closer to our key customers". These can be formally stated and enacted or emergent goals. Such high level goals, more generally ends, have to be devolved into a series of lower levels goals until those goals become actionable, which are designated as means.

Getting "closer" to our key customers

↓

Inviting key customers to trade exhibitions

Figure X

In the diagram above the former statement is the end and the latter, one of the means for its achievement. Since there is usually more than one means for any end, the resultant structure is pyramid like and so we call it a means – ends pyramid.

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In reality such pyramids contain both normative and positive elements at the same time. They are normative because the ends will strongly influence the means but not solely determine them, except in extreme cases. On the other hand means can influence an end. In the above example this would mean that inviting key customers to trade exhibitions could reveal that customers don't want close relationships and so the means could change the end.

While the ends will change relatively slowly, most means will be in a state of constant flux. The more micro level the means the more likely it is that this will be the case. In the example given above the means statement still needs to be specified in terms of the actions to be taken; for example in terms of which trade shows, with what products, collecting what data, with what measures of performance, measured how often, by whom, reporting it to whom, in what way, with what kinds of recommendations. Any of these parameters can and may be adjusted at any time especially since the actions depend on what is happening external to the organisation.

In addition some ends require that a set of means are coordinated in order to achieve a particular end. In the example given above, the end itself, inviting customers to trade exhibitions, would require a great amount of coordination among many organisational actors, at the same or similar levels in the organisation. The processes by which they would do so are by no means obvious since there are many and varied interests represented and involved. This reinforces the salience of the means – ends pyramid metaphor.

The original means-ends model is, of course, couched in terms of actions but the vehicles by which these actions take place are commitments. Hence each means-ends pyramid implies a parallel and conjoined cone of commitments to help ensure that those involved take the required actions. The diagram below illustrates the role of a "cone of commitments" within the means –ends pyramid

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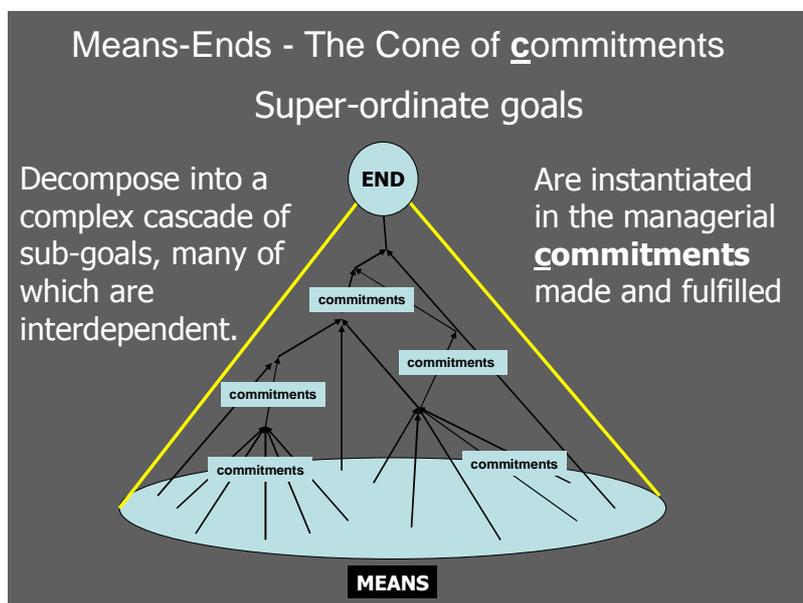
Commitments act as the vehicles that help to ensure a measure of both vertical and horizontal coordination of means – ends pyramids. Vertical coordination requires that ends are delegated to actors so that the requisite means are employed. Horizontal coordination ensures that means at the "same" level work together to achieve a particular end.

Such commitments are the property of individual actors. Individuals are positioned within a set of commitments, those that they have accepted or acquired and those they have captured from others particularly those that transcend organisational boundaries. Commitments are, hence, a medium that links social actors.

Actors can be seen as nodes within a web of commitments that covers whole collective social structures. This web of commitments provides a normative structure that drives and guides actions in both the short and long term. It is necessarily intricate and multidimensional in nature. Yet the actors who work with and within them generally do so with great proficiency and with little acknowledgement of the web's existence. Since it is almost impossible to create measures that provide control over the processes of interpretation and implementation the end result is that what actors commit to may not be exactly what other powerful actors had envisioned.


Framing Devices

Since the realisation of ends is recognised to be problematic, organisations typically use various framing devices to help organise and control the processes of ends means accomplishment. Such devices include mission statements, strategies, plans, projects, organisational structures (such as Key Account Management systems), managerial initiatives and control systems. They can be any form of organisational routine which can act as a place where ends are devised and provide ways of transformed them into means. These devices help to interpret, instantiate and action means to achieve ends.

The outputs from the processes of the employment of framing devices are necessarily commitments of various kinds. Some will be rather specific, others will be more general involving other framing devices to get to a level of commitments that can be crafted and fulfilled rather more readily.

However means ends chains do not always operate from the top down. Sometimes activities that would normally be seen as means create opportunities to reconsider the ends that they are supposed to be achieving. Moreover organisational actors normally question plans and strategies, and modify them; most particularly and crucially at an inter-organizational interface. Both opportunities and threats may call for actions that fall outside the previous visions that managers in the organisations had previously espoused.

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Interorganisational Relationships as Commitment Webs

Individual means–ends chains extend beyond organisations into other organisations, connecting an organisation to its suppliers, customers etc. Thus commitment webs terms are truly boundary less, with inter-organisational commitments connecting one firm's commitment cone with that of another firm and so on.
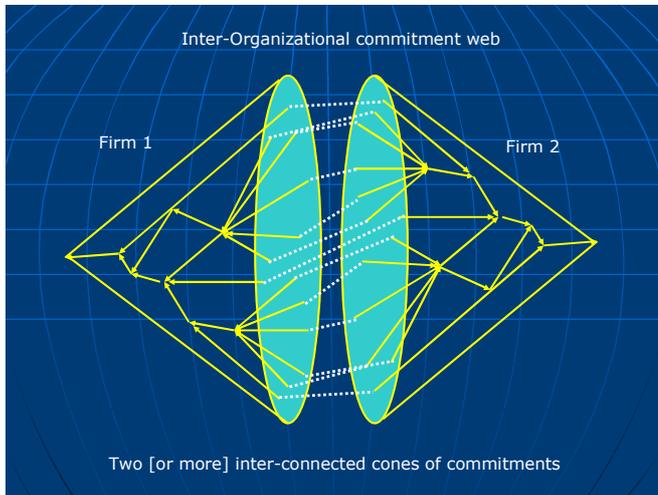
The constituent commitments of inter and intra-organizational commitment webs can be, and very often are, tightly coupled, not least in the temporal dimension:

"global went off their timeline again...everything kinda feeds off advertising 'n what global are doing..y'know..if you're not clear on that then that will knock back on everything else that you do...how do we get right and ready all the relevant materials to do a compelling account presentation for the sell-in that's due if we haven't got... well everything....there's a real knock-on effect"

Even if the scope and degree of specification of the individual commitments constituting a particular part of a web are reasonably comprehensive and tight, the overall scope and degree of specification of a web of commitment is most often somewhat 'loose', even when the commitment web falls predominantly within the same firm. This is a result, one might say, of the commitment web equivalent of 'engineering-tolerance stack-up':

"..there's been a load of confusion (Jim)..it's not turned out the way we envisaged.. basically now it's too late to fix anyway, we've got to use what's approved not what (Customer F) wants now..they should be here on Friday, if we get them back you will be able to use them...but (Simon) isn't in 'til

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Friday now so can't ...don't know when (Customer C) coming back on it now anyway so can't hang it together now, (Paul) may know…but the (Xs) are due in on the fifteenth!"

These precarious webs of commitments represent the substance of Strauss et al's 'negotiated order' (1963). When they are effective, they are effective not because their constituent commitments are reliable in the traditional sense (c.f. Sull, 2003), but because they are constantly sustained; that is monitored, maintained and modulated, by the actors involved, in a perpetual recursive process. This process comprises several stages by which actors craft, monitor, maintain and modulate commitments. This does not imply that all everyday commitments necessary go through all these stages, nor does it imply a simplistic sequential causality.

Figure 1 The Recursive Process of Shaping and Sustaining Commitments
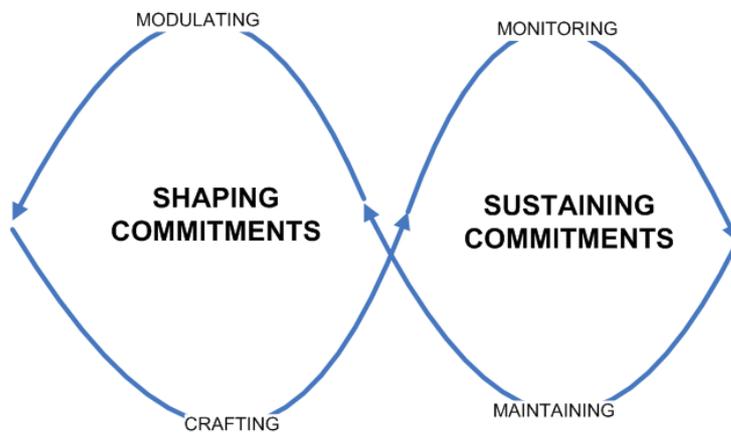
The intrinsically poor durability of commitments previously highlighted would, at first sight, appear to be a wholly negative attribute of commitments. This is not surprising given the fundamental place of fulfilled commitments in the achievement of collective inter-organizational endeavour. However, the inherent unreliability that derives from this labile character is clearly the reverse-side of the prized attributes of flexibility and responsiveness. Commitment unreliability is the norm and the flip-side of their strength – their 'responsive modulate-ability' in the face of changing perspectives and contexts.

Consider the following inter-organisational situations.

"Activity was due to start middle of July, that's what we'd told the retailers,... but then there was feedback from the factory...there were problems.. wouldn't hit… 'til end July...all the media had been booked so..."

"even though it was all agreed....short of actually physically going out and putting it into every store ourselves there's no way you can guarantee it's gonna happen!"

It is strikingly clear that in many inter-organizational situations the achieved result of action taken, and even the action itself, differs substantially from that which was envisaged at its initiation. As Boden characteristically describes:

"What 'looks good' or practical or desirable at T1 often looks different a few days or weeks later, in the light of intervening information and events." (Boden1994 p191). And as Clegg et al comment:

"Most managerial policies spawn a set of unintended consequences, not only because of… complexity, but also because of the imperfections of language as a means of communication" (Clegg et al, 2002 p491).

Consider, for example, the following comments from a senior marketing manager:

"...we originally said we were gonna put their (retailer's) logo on the advertising.. but we became less keen because as it ended up it was part of a bigger brand campaign and we had to back-track a little bit...we counterbalanced it with a real positive.. we've sited the 'six-sheets' (posters) outside their sites.."

"..I'll try to bail us out of the second lot of product.. if I can.. this is another one where they'd probably have ordered just 200 but when we get in a room with the customer everyone gets excited and it goes to 1500..and everyone was right up for it at the time.. then now all of a sudden!..."

Modulation is a critical stage in this iterative process as it can, at times, represent a re-crafting of large parts of a commitment web:

".. managed to get their MD to say yes, to sign off two and half million pounds…got our Euro-Marketing Director to say yes… so we all said yes... by the Monday they had to find a £1 million saving..."

Negotiating Commitments

Relationships between organisations are clearly somewhat different from those within organisations. In the latter case, membership of the organisation results in the creation of a set of obligations. Of course, as suggested earlier, there is always a measure of freedom within organisations for an individual to interpret objectives and prescriptions rather broadly. This is because it is simply impossible, except in terms of the most mundane organisational tasks, to completely specify what behaviours should be exhibited by those involved in and specific roles.

It follows that interorganisational commitments webs are likely to be somewhat different from their organisational counterparts. Most obviously, buyers and sellers almost always have the option to opt out of the relationship. However adaptations and relationship specific investments that result from fulfilled commitments can lock partners into a situation when breaking up becomes almost unthinkable. However in the majority of cases there is freedom to manoeuvre and to negotiate continually the nature of the commitments that are being made. An important driver of the need for

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flexibility is the fact that there are, because of the involvement of two quasi independent actors, now two sources of variability in both means and ends which have to be coped with within the relationship.

Interorganisational webs of commitments are, like their organisational counterparts, always changing in detail if not necessarily in terms of their generic forms. For example any new order lodged with a supplier will set off a wave of commitments between and within both organisations. Such commitments may not be very different from those created in similar previous situations but different enough that they cannot necessarily be totally routinised. However there will always be more complex issues which have to be resolved between buyers and sellers, such as the renegotiation of prices or the development of a new product or service, so that new broader kinds of commitments need to be entered into and agreed.

Agreeing or acceding to day to day commitments can be seen to imply that exchanges among companies are voluntary, but this does not mean that organisational actors are always satisfied with all aspects of their arrangements with others. Companies may accept costs and conditions today in return for promised or potential future benefits. Of course, the availability of options can also be crucial. Companies will usually agree to an exchange only if the exchange is not worse than their perceived alternatives. For these reasons, it is often argued that interorganisational exchanges which are not based on genuine agreement, i.e. not based on authentic commitments, are not sustainable (Raiffa, 1982, Sebenius, 1992; Mouzas and Ford, 2006).

Moreover there are at least three reasons why such agreements are difficult to negotiate; the manifold rationality, recursive time and multilateral exchange characteristics of business interaction. These conceptual characteristics are drawn from previous work within the IMP tradition (Ford and Håkansson 2006, Mouzas and Ford 2006)

Actors' rationality is manifold (or varied), in the sense that it emphasizes certain aspects of an interaction that are important for individual actors while it diverts attention from other issues that might be important for other actors. Consider inter-organisational situations where parties fail to move to a final contractual agreement such as the completion of a sale, merger or acquisition of a company. Undertakings such as mergers or acquisitions are often called off as the two parties apply divergent rationalities on how the deal should work in practice. While the two parties may have agreed to proceed to an integration of their businesses, they have neglected to articulate and manifest their shared understanding of the "spirit of deal" (Fortgang, Lax and Sebenius 2003). Moreover, individual managers, such as the heads of certain business units, may have had personal rationale that differ from that which is "right" for their company (Webster and Wind 1972). A typical manifold rationality is manifested in the distinction between 'instrumental rationality' and 'value rationality' as analysed by Max Weber (1956). Value rationality is often guided by the consequences or ends of

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the process, whereas instrumental rationality is usually concerned with the means. Framing and articulating another actor's underlying logic seems to be critical to achieving effective inter-organisational arrangements (Perrow 1999, Elster, 2000).

Institutionalized patterns of inter-organizational interaction such as routines, annual or periodic negotiations, business reviews, summits, staff meetings, or task reviews are manifestations of 'recursive' or 'recurrent' time. Moreover they also provide examples of framing devices. Examination of these inter-organisational events casts doubt on conventional views of time as a linear process. Recursive time invites us to understand time in terms of recurrent practices and to look at the inter-cognitive achievement of concordance among actors as an indeterminate result of these practices. Consider, for example, the annual manufacturer-retailer talks that usually take place during September and December, the periodic business reviews that are scheduled quarterly or the staff meetings organized monthly.

The inter-cognitive achievement of consensus is an outcome of heedful give-and-take processes at numerous different levels. For example, business negotiations usually comprise several exchanges at several levels as well as a plethora of inter-organisational information-gathering activities, sometimes with third parties such as professional or public bodies such as trade associations or patent offices. In this way, multilateral exchanges invariably introduce complexity and lack of transparency into the whole interaction process. Furthermore, exchanges can be task-specific as identified above as well as non-task-specific, for example, informal gathering and networking. Actors' willingness to move beyond existing task-specific exchanges and to engage in thoughtful interactions is critical to their ability to embrace new options and develop alternative perspectives of their surrounding network (Mouzas et al. 2008). Inter-organisational framing devices that link exchanges between various organizational levels and encourage coordination will thereby increase the thoughtfulness of these multilateral exchanges.

Understanding the role of agreeing or acceding to inter-organisational arrangements also requires a fundamental insight into the significance of property rights or entitlements which specify the substance of rights that actors may possess, acquire or transfer in their interactions with other actors (Coase, 1960, Demsetz 1966). One of the enduring puzzles in understanding business relationships involves the question why there is disagreement. Farber and Bazerman's (1987) work on the causes of disagreements provides a number of alternative explanations. Actors may have divergent expectations, hold asymmetric information, be uncertain about the structure of their interaction with others or whether a deal is possible and might have locked themselves in other irreversible commitments. The importance of agreeing or acceding draws our attention to the significance of inter-cognitive articulation as well manifestation, and the crucial nature of the aforesaid contextual factors in the shaping and sustaining of inter-organizational commitments.

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Research strongly suggests that that it is impossible for companies and individuals to define all the terms of a complex agreement. The underlying reason behind this inability is related to the existence of barriers which often make it nearly impossible for interacting firms to articulate important terms of their agreements in complete and explicit commercial arrangements (Hart and Moore, 1988; Schwartz, 1992). Such barriers to a final and complete agreement usually include information asymmetries (Akerlof 1970) as well as transaction costs such as unforeseen contingencies and the various costs of writing, enforcing contracts, and renegotiating contracts (Tirole 1986, 1999).

However, notwithstanding the intrinsic inability of incipient collaborators to comprehensively and fully express all the terms of a complex agreement, actors are usually capable of agreeing or acceding, in principle, or provisionally, to a number of basic rules and principles that 'frame' the future shaping and sustaining of commitments. Umbrella agreements are one form of such devices.

What are umbrella agreements?

Actors may attempt to remove the inherent barriers to contracting, as described above, by means of umbrella agreements. An umbrella agreement between related parties is not concerned with immediate exchange selection processes or decisions. Instead an umbrella agreement is a joint consent which explicitly spells out a framework of principles with the aim of providing guidance for future agreements (Mouzas 2006, Mouzas and Ford 2006). An umbrella agreement can also be described as a 'framework agreement', 'umbrella contract' or a 'framework contract' (Crone 1993, Collins 1999, Mouzas and Furmston 2008). If a complete agreement involves waiting for the occurrence of contextual contingencies, businesses may consider the option of drafting contingent agreements (Bazerman and Gillespie 1999). The problem with such contingent agreements is that they deal solely with risks and not uncertainty. Uncertainty is not the same as risk because risks can be calculated, while uncertainty has a rather amorphous topology so that actors cannot assign any probabilities. (Duncan 1972, Downey, Hellriegel and Slogum 1975). Even in situations that are seemingly certain, actors' interests or relationships can dramatically change. For this reason, actors need to balance the need for certainty and calculability in their undertakings with the need to remain sufficiently flexible to embrace new or emerging opportunities.

Thomas Schelling (1960) observed that actors achieve much better agreements in their undertakings when they are able to rely upon focal points. These focal points are usually mutually perceived expectations, shared appreciations, preoccupations or obsessions and sensitivities to certain issues or aspects (Schelling 1960, Sudgen 1995). The interesting point about umbrella agreements is that they are jointly created and decided between the parties. In this way, umbrella agreements transform focal points embedded in customs and norms into an explicit commitment frames. Umbrella agreements thus guide the interaction between actors and translate the consequences of fulfilling or breaching

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exchange promises. In this way, umbrella agreements provide a frame within which managers can shape and sustain commitments.

Umbrella Agreements as Robust Commitments

Given the turbulence, indeterminacy and complexity of the organizational and business milieu, it is in the 'purposive spirit' of accepted commitments, not in the detail of their specification that one needs ones collaborators to act. In our terms, 'reliable' inter-firm commitments are those where their specification is just detailed enough to enable coordination, but soft enough to enable flexibility. We term these robust commitments. It is this hard-soft character of robust inter-firm commitments that umbrella agreements attempt to propagate, enable and, for that purpose, to mirror, in the character of their construction. From this perspective, umbrella agreements can themselves be viewed as attempted robust commitments; commitments to a 'frame' that constrains, but one that also enables the requisite degree of interpretation and room for manoeuvre for the responsive shaping and sustaining of the inter-organizational commitment web.

Commitments are both the progenitors and descendants of institutions (Singh 1999). As Mangham points out, even the sustaining of rules, procedures and processes "… are not automatic occurrences but rather must be worked out and sustained by the repeated acts of participants" (1979 p74). This perspective highlights the institutional setting of exchange relationships. Norms, rules and routines, for example, are methodological prototypes, most often being latent commitment webs, evolved through experience and captured in various forms of inscription. Initiating and establishing norms, rules and routines would thus trigger a cascade of commitments; although there is often no absolute certainty that the institutional setting would be sufficient to execute the embedded task as specified or intended by the involved actors. Umbrella agreements among actors transform existing rules and processes which are embedded in customs and business practices into an articulated agreeing or acceding to perform an act. Hence, the crafting, maintaining, monitoring and modulating of these agreements, even of those supposedly institutionalised webs of commitments that constitute 'business processes', is a perpetual activity.

Conclusions and Research Implications

In this paper we have attempted to advance theory in respect of the relationships between buyers and sellers in B2B markets. In particular we have examined the relationship between a macro level relationship framing device, umbrella contracts, and the micro-level processes and structures of interorganisational webs of commitments. This attempt at integration was not decided upon arbitrarily. Both are implicated in the issue of the day to day management of buyer- seller relationships and both deal, or attempt to deal, with the problems of the stochastic nature of such

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situations. It is the inherent precariousness of commitments, and hence that of the inter-organizational webs into which they are woven, and their necessary perpetual maintenance and modulation with which umbrella agreements attempt to deal.

On the one hand umbrella contracts attempt to provide a broad framework within which the day to day operations of buyer-seller relationships can operate. On the other, our model of webs of commitments suggests how such relationships actually work in practice constituted by webs of relatively labile, temporary and specific commitments but which exist within rather more stable, longer term but less specifically designated commitments. And it is at this point that the two conceptual frameworks meet. Umbrella contracts represent normative framing devices that seek to provide a structure within which exchanges can take place. Webs of commitment are the positive, actual structures and processes that govern those exchanges.

Conceptualising umbrella agreements as framing devices for the shaping and sustaining of commitments allows us to see the mechanisms through which various devices deal with manifold rationalities and multi-lateral exchange, and hence potentially enable and 'future-proof' the necessary responsive reliability of inter-organizational collaboration.

Six possible research themes suggest themselves. Firstly, our conceptualisation suggests that in inter-organisational relationships the phenomenon of agreement is often not a snapshot at the moment that a commitment is made or a contract is concluded. Agreement is rather an inherently dynamic and stratified inter-cognitive process that deserves more attention.

Secondly research needs to include the existence of barriers to agreements. Such research is extremely useful as a number of inter-organisational phenomena are characterised by conflicts and disputes even in situations where it is apparently more advantageous to have a jointly decided upon action.

Thirdly we would be interested to try to understand the importance of inter-cognitive express-ability. Agreeing or acceding to an undertaking is an inter-cognitive achievement if it is expressly articulated and inscribed.

Fourthly, we know very little about what happens when commitments are breached. What are the consequences of commitment breaches and how do companies cope with them?

Fifthly, the present study shows that commitments are rather ephemeral and flexible in character and form. Nonetheless, inter-organisational relationships are inextricably linked with each other and, therefore, we need to gain a better understanding about the dynamics of commitments and their repercussions in wider webs of relationships. Sixthly study could be extended to look at how other framing devices such as KAM systems, regular reviews, annual or periodic negotiations, business reviews, summits, staff meetings, or task reviews affect and are affected by patterns of commitments

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Commitments research has a major advantage over research with other foci. It is relatively easy to find out what current relationship involving commitments actors are committed to since it is precisely those things that govern their everyday behaviour and which are embodied in their to do lists, Outlook tasks lists and mental prioritising. Working up the means- ends chain will present a somewhat more difficult task since it will usually involve multiple actors and less precise commitments descriptions but clearly it can be done. In this way it should be possible to map out parts of the commitment web at any point in time and examine the role of various other framing devices.

More generally research which seeks to uncover patterns of commitments can provide a new and powerful explanatory concept. It can help to explain at least how certain events occurred and, at a sufficiently high level in the means ends pyramid, why.

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