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There is a long-lasting discussion on the manageability of networks within the IMP research. In this context, a basic question appears: are companies able to manage networks or can they only cope within a network?

The aim of the paper is to demonstrate the pluralist nature of relationships within a network of reltionships in the internationalisation process.

Keywords:
International business, internationalisation process, networks, relationship plurality,

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Introduction

In both domestic and international markets, companies form networks of various relationships. Research conducted for many years as part of the IMP Group confirms that a company is not totally isolated, and that it always constitutes an element of a relationship network (Håkansson, Ford, 2002). It should be noted, however, that the above research into relationships focused mainly on a detailed analysis of a specific type of relationships between buyer and seller, a type characterised, among other things, by both parties' active role in relationship building, and their intention to create a close relationship and adapt (sometimes considerably) each other's resources with a view to establishing, consolidating and maintaining their relationship (Ford, 2004). Additionally, an in-depth analysis was carried out of the process of creating and developing relationships in time; reasons for and methods of their initiation were analysed to a somewhat lesser extent. In this context, the question arises whether there exists one mechanism underlying the creation and the working of relationships; in particular, whether relationships are always voluntary, an effect of a harmonious cooperation between business entities.

The authors' research project consisted of conceptual, quantitative (mail survey), and qualitative (case studies) phases. The results of all three phases will be presented in the present paper, with a special focus on a recent case study analysis (see Table 1).

Table 1. Phases of the research project on company behaviour in the internationalisation process (network approach)*

Phase of the research project	Outcomes
Conceptual phase (2006)	4 types of company behaviour in the internationalistaion process
Quantitative phase – mail survey (2007)	Empiric verification of 4 types of company behaviour in the internationalistaion process
Qualitative phase (2008)	7 case studies development and analysis on company behaviour in the internationalistaion process

*The research project titled "Company behaviour in the internationalisation process (network approach)", was conducted by the Department of International Marketing of Poznań University of Economics, and financed by Poland's Ministry of Science and Higher Education.

The aim of the paper is to demonstrate the pluralist nature of relationships. Using the results of their research project, including the recent example of seven companies, the authors analyse in detail the mechanism of creating relationships in the company internationalisation process.

This paper discusses the relationships between the main actors of the purchasing process – i.e., between buyer and seller – analysed in the context of the internationalisation process. It concerns, therefore, relationships between entities based in various countries. This may have an impact both on the way the relationships are established and on the character of these relationships.

The article analyses not only "basic relationships" between buyer and seller but also the seller's relations with other major entities of the international environment (suppliers, competitors, etc.).

The discussion is carried out at a certain level of generalisation. Both in their research and in the present paper, the authors, while they agree that numerous episodes create a general picture of relationships, tried to identify the basic nature of the relationships rather than concentrate on the analysis of particular episodes (Ford, 1988).

In the research presented here, it was assumed that in the internationalisation process a company can demonstrate a plurality of behaviour. It was also underlined that it is important to relate different companies' behaviours to their performance.

Behavioural aspects of the internationalisation process

The internationalisation process can be described by a set of different dimensions (Berghe, 2003). The research presented here focuses on attitudes and behaviours as well as performance aspects of the internationalisation process rather than on the timing of entry, the extent of internationalisation or management and governance.

Taking into consideration the key features of the proposed models of internationalisation, it is possible to split them into four different theories: the Uppsala model (influential feature: experiential knowledge), the eclectic paradigm (influential feature: cost of transaction), industrial networks (influential feature: interaction), and the business strategy (influential features: opportunity, resources and managerial philosophy) (Whitelock, 2002).

Behavioural aspects can be found in all the four above-mentioned internationalisation models and approaches. However, the Uppsala model and the industrial network approach are directly linked with the behavioural theory. The Uppsala model assumed that a company's internationalisation behaviour is determined by its experiential knowledge; this is why firms develop their activities over time (in an incremental fashion), based on their knowledge development (Johanson and Vahlne, 1977).

On the other hand, the eclectic paradigm underlined relationships between company international behaviour (specifically its FDI operations) and transaction costs (Dunning, 1988). Internationalisation decisions are made in this case in a rational manner, based on an analysis of transaction costs. This approach can (at least partly) explain the company's vertical integration decisions and inclination to set up its own overseas structures, including, for instance, the establishment of a manufacturing subsidiary (Erramilli, Rao 1993) or to rely on cooperation with independent overseas entities (Dunning, 1998). In other words, transaction costs can either influence company behaviour in the internationalisation process towards self-dependence and a tendency to limit the number of cooperation links or force it to develop a number of cooperation links within the internationalisation process in order to have access to overseas markets.

Both the Uppsala model and the eclectic paradigm perceived a company's internationalisation behaviour as an autonomous phenomenon. They assumed that the company (i.e., its decision-makers) determines itself the internationalisation process. In contrast, many researchers have found that company behaviour in the internationalisation process is influenced by the market (Cunningham, 1986) and industry specificity (Fonfara, 1989), as well as by other entities of the international environment (e.g. competitors) (Turnbull, 1987). Additionally, it has been stressed (Johanson and Mattsson, 1988) that to understand a company internationalisation process it is necessary to identify and study its network of relationships with all entities, including customers, distributors, suppliers and competitors. This assumption was a core of numerous studies conducted by the International Marketing and Purchasing (IMP) Group within the industrial network approach.

Finally, the last group of views on the company internationalisation process concentrates on the idea of pragmatism (Welford and Prescott, 1994). The business strategy approach exposed the fact that company internationalisation is a result of its decision-making process. International expansion strategies are established on the basis of the evaluation of overseas markets and company resources (Root, 1978). It is stressed that besides such company factors as size, international trading history, and export orientation (Turnbull, Ellwood, 1986) also its managerial philosophy (Reid, 1983) should be taken into consideration to explain and understand the internationalisation process. As a rule, a company internationalisation process has a formal character here, and it is precisely set up within an overall company strategy.

The approaches to internationalisation discussed above represent different inputs of behavioural aspects. Definitely, the Uppsala model – incorporated (Johanson and Vahlne, 1990) into the industrial network approach in an attempt to explain company behaviour on the basis of the company's experiential knowledge (Vahlne, Johanson, 2002) and its relationships with entities of the international environment (customers, suppliers, competitors) - is most appropriate for further behavioural studies of the internationalisation process. However, other approaches can also be an interesting inspiration for the analysis of company behaviour in the internationalisation process, specifically of the formal character of the internationalisation process (the business strategy approach), and the collaborative versus self-dependent attitude to the company internationalisation process (the eclectic paradigm).

A number of publications have used the network approach in order to explain the reasons for and methods of company internationalisation. Johanson and Mattsson (1988) assumed that the network is a key factor in a company's development and is crucial in achieving its long-term goals. Both a company and the level of its market internationalisation influence the company's internationalisation process and its behaviour, according to the modes called the early starter, the late starter, the lonely international, and the international among others. It was also stressed that the internationalisation process is a result of interactions between a company (internal actors) and the network of relationships with customers, competitors, suppliers, consultants and other entities of the international environment (external actors) (Blankenburg, 1995). Additionally, Håkansson and Johanson (1992), who studied the nature of relationships in international business, showed that cooperation links are of a rather formal character and that the degree of formality can differ in various countries. This view is supported by other research exposing the influence of a cultural context on formal versus informal relationships with overseas entities (Mazet, Salle, Spencer, 1995). However, it can be underlined that a positive influence of informal contacts (or social links) on a company's network of relationships (Håkansson, Snehota, 1997) and their importance within the company internationalisation process is quite visible (Fonfara, 2004, Jansson, 2007).

Overviewing the above models and approaches to internationalisation, it is possible to identify a set of characteristics describing company behaviour in the internationalisation process (see Table 2). They were used to develop a typology of company behaviour in the internationalistaion process within the conceptual phase of the research project.

Table 2. Main characteristics describing company behaviour in the internationalisation process.

Characteristics	Theory
Development of long-lasting relationships and interaction with entities of the international environment	Industrial network
Creation of informal ties with entities of the international environment	Industrial network
Development of formal own organisational structures	Eclectic paradigm
Development of cooperation with numerous independent entities	Industrial network
Building a formal internationalisation strategy	Business strategy
Development of a network of relationships perceived as an objective process	Industrial network

Source: Fonfara, 2008

Plurality of company behaviour in the internationalisation process

In the conceptual stage of the research project, four different types of company behaviour in the internationalisation process were proposed (Fonfara, 2008). They were identified on the basis of three pairs of alternative characteristics describing company behaviour in the internationalisation process, namely:

- formal vs. spontaneous character of the internationalisation process,
- openness vs. closedness to cooperation in the internationalisation process,
- active vs. passive role of the company in creating a network of relationships in the internationalisation process.

The formal character of internationalisation implies that the internationalisation process (when, how and why to enter foreign markets) is formally prepared and accepted by the company as part of its strategic and operational plans. It is assumed that decisions concerning internationalisation are based on formally conducted research and analysis designed to examine the specificity of foreign markets.

The process of company internationalisation can be spontaneous. It takes place ad hoc, depending on available, often occasional, opportunities. In this case, there is no formal or thorough research into or analysis of foreign markets; what predominates is informal sources of information on foreign markets. Additionally, as part of spontaneous internationalisation, there often appear numerous instances of subjective internationalisation decisions dependent on company decision-makers' personal, unjustified preferences and temperaments. For example, this may apply to some people's propensity to take higher-risk decisions to enter a local market, their ambition ("a colleague operates in international markets"), fondness for a foreign country (the decision-maker's country of origin), or personal contacts (occasional meetings, business trips, etc.).

Openness to cooperation means treating cooperation in the internationalisation process as an essential element of a given company's business operations; performing regular and professional activities (often based on formal research) in order to find cooperation partners; choosing action options in international markets where cooperation with foreign partners is required; trying to develop offshoring- or subcontracting-type relations. On the other hand, being closed to cooperation means trying to act by oneself. Only very important and justified reasons (e.g. lack of competence) force such a company to start cooperating with outside entities. We often deal in such cases with the "one-man band" syndrome, a fear of losing independence or having one's trade or technological secrets found out by potential cooperators. We can also see here negotiation and communication skills inadequate for developing relations with foreign entities.

In order to actively create a network of relationships, the company consciously and purposefully seeks and chooses partners to join resources and thus gain competitive advantage. Relationships established in this way usually have a formal character and take the form of a strategic business network.

An autonomous process of relationship creation occurs when relations between the company and various entities of the international environment come into existence objectively as the result of continuous interaction among members of a given network. A system of relationships is created independently of the network-members' will, has an informal character, and does not result from decisions to create a specific structure or network leadership.

As a result of a modelling process four types of company behaviour in the internationalisation process were selected (see Table 3.)

Table 3. Four types of company behaviour in the internationalisation process

Type	Description	Characteristics of the behaviour
Type A - Active	creates a network of broad formal contacts and cooperation with entities of the international environment.	openness to cooperation, formal internationalisation process, active creation of a network of relationships.
Type B - Submissive	openly and willingly submits itself to the objective process of incorporation into a network of relationships with entities of the international environment	openness to cooperation, spontaneous internationalisation process, passive approach to the creation of a network of relationships
Type C - Independent	through formal decisions tries to avoid being "caught" in a network of relationships, and deliberately reduces to a minimum its closer formal contacts with and dependence on entities of the international environment; in practice, it tries to engage independently in as wide a scope of activity as possible	closedness to cooperation, formal internationalisation process.
Type D – Distrustful realist	is aware of the inevitability of relationships with entities of the international environment, but tries to reduce their scope to a necessary minimum; however, owing to its competence, it is often forced to submit to the "power of the network", especially to its experience and resources	closedness to cooperation, spontaneous internationalisation process, passive approach to the creation of a network of relationships

There are always some simplifications and assumptions linked with a modelling process. In the present research, for instance, an alternative nature of selected characteristics of company behaviour has been assumed (for instance, openness vs. closedness to cooperation). In practice, of course, it may happen that a company in some contacts is more open and in others more closed. However, while discussing selected options at a certain level of generalisation within a modelling process, it is necessary to focus on the main tendency rather than on specific ad hoc episodes.

A mail survey of 2,000 companies based in Poland was conducted to verify empirically the four types of company behaviour in the internationalisation process and to look in depth at the plurality of company relationships (Fonfara, 2008). The researchers used a questionnaire distributed by post and, in the majority of questions, used a Likert scale to measure the phenomena covered by the questionnaire. An address list of 2,000 companies based in Poland was prepared on the basis of a database obtained from Kompass Poland. The sample was randomly selected. Because of mail-delivery problems (unknown addressee, company liquidation, etc.), the questionnaire reached 1,950 companies. By the end of December 2007, 272 respondents had sent their replies, which means the response rate was approximately 14%. To examine the deviation error resulting from the lack of answers, the questionnaires received earlier were compared with those received later. No major differences were found between the answers given by the first and the last group of respondents.

In the case-study phase of the research, a group of 100 companies were randomly selected from the above-mentioned Kompass Poland mailing list. Ten companies agreed to

take part in the case-study research; seven of them consented to the publication of its results. A standardised questionnaire was used during interviews with top managers of selected comapanies (presidents, managing directors).

The research confirms the occurrence of all the proposed types of company behaviour in the internationalisation process.
Among the companies investigated, the dominant ones were “Active” (Type A) – 46.7% and “Independent” (Type C) – 38.7%. Considerably fewer firms behaved like “Realists” (Type D) – 9.3%. Only 5.3% of the respondents chose Type B behaviour (“Submissive”).

It could be noted that all the companies surveyed – irrespective of the type of behaviour in the internationalisation process – constitute part of a business network. However, while in the case of Type A companies this means an active creation of a network of relationships with the international environment, in the other cases we deal with a greater (Type B and Type D) or lesser (Type C) submission to the power and objective character of network relationships.

The research carried out shows clearly that openness to cooperation – accompanied by the formalisation of the internationalisation process and an active creation of relationships with entities of the international environment – most frequently enables companies to achieve better performance compared with the competition. It should be emphasised that this type of behaviour is the most common among the companies under research. This behaviour is typical of Type A companies, who are fully aware of the significance of their external resources (a network of relationships with entities of the international environment) in the process of gaining competitive advantage. This option of company behaviour can be linked with the strategic network approach discussed earlier. To some extent, it combines ideas of cooperation and interaction (industrial network approach), and formalisation of the internationalisation process (business strategy approach).

Somewhat unexpectedly, Type C (closed to cooperation) is characterised by highly effective activities in foreign markets. It is also numerously represented among the companies investigated. It is supposed that these companies build competitive advantage in foreign markets on the basis of their internal resources and traditional marketing tools such as product quality, promotion, or price. Preliminary case studies indicate that within the group of companies of Type C an important part can be played by the growth and development of the company structure in a formal way through vertical integration, company takeovers, etc. Companies of Type C can, at least partly, behave according to the cost-of-transaction principle, building their own structures if this is justified with a relevant financial analysis.

In the case of Type B companies, it should be noted that despite their openness to cooperation, the companies take a passive approach to the creation of relationships with foreign entities. At the same time, their activities in overseas markets are usually spontaneous in nature. The number of Type B companies identified in the research project proved to be relatively low. The aggregated measures of Type B companies’ performance – covering their profits, sales volumes, market shares and ROI – are similar, and in the case of profit and ROI – significantly poorer than those of the competitors.

Type D companies, similarly to those of Type B, are less numerously represented in the research discussed, and achieve considerably poorer results than those of their closest competitors. This applies both to the aggregated measure of performance and to its particular components (profit, ROI, sales volume, and market share). What this suggests is a clearly lesser capability to achieve competitive advantage in an overseas market on the part of companies characterised by closedness to international cooperation and a passive and spontaneous approach to the internationalisation process.

Plurality of relationships and types of company bahaviour

The plurality of relationships may result from various factors. Discussions held within the IMP Group (Håkansson 1986; Johanson & Mattson, 1987; Håkansson & Snechota, 1997; Håkansson & Ford, 2002; Ford, 2004) and the conceptual and quantitative phases of the research project led to a more detailed analysis of the plurality of relationships in the context

of company internationalisation. The aim of such an in-depth analysis was to create a framework for case-study development within the qualitative phase of the research project. It was assumed that significant factors influencing the plurality of relationships are the method of network development, the entity's status within the network, the type of entity, the approach to network development, and the environment (see Fig.1).

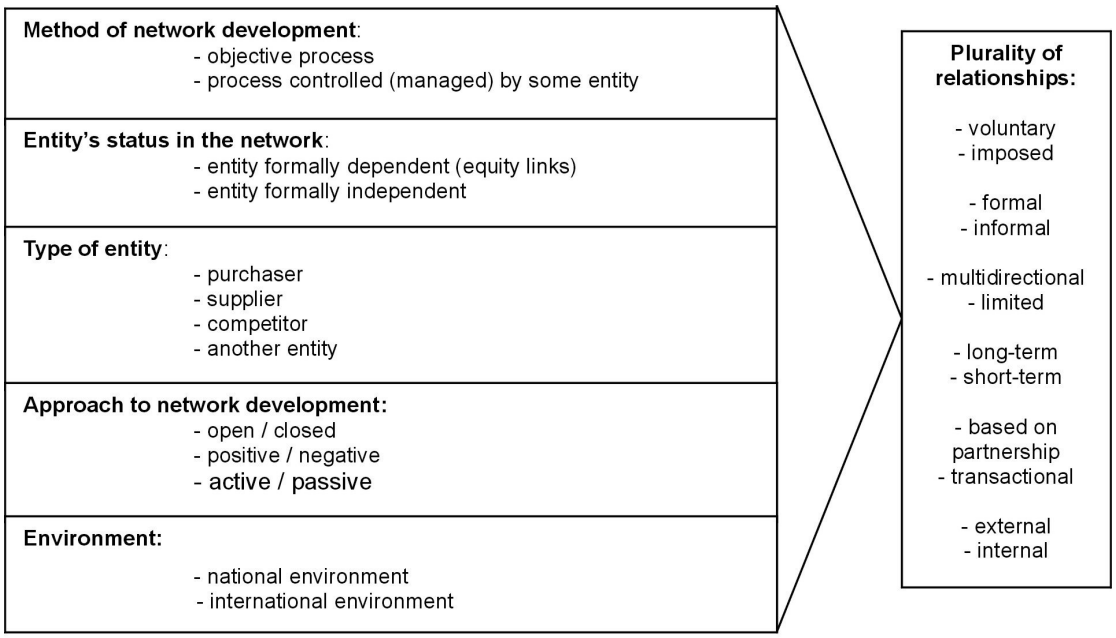

Figure 1. Factors influencing the plurality of relationships

Owing to discussions taking place and the international context of the relationships analysed in the paper, the influence of the international environment and of the method of network development on the nature of relationships takes on a special significance.

In research conducted by the IMP Group, two different views on the creation and working of relationship networks are clearly visible. Within the mainstream of IMP Group research, it is assumed that a network of relationships, which is of an objective character, develops to some extent independently through numerous contacts and ties with independent entities (Håkansson, 1982). The concept of network strategy appears here in the sense of a position in the network rather than a formalised plan imposed on a particular company – a network participant (Johanson, Mattsson, 1987). According to this approach, strategy is a question of not control but of the influence of key resources, especially knowledge, on the network. It is emphasised at the same time that no company manages or "owns" the network. Therefore, the power of influence within the network (Ford, Gadde, Håkansson, Snechota, 2003) results from control over key resources and the skill of influencing the decisions of other network participants (Thorelli, 1986). Often, a company can passively or even unconsciously become an element of the network as a result of interaction (Håkansson, Snechota, 1997). Therefore, researchers interested in networks primarily as emergent structures argue that networks, as complex, adaptive systems in which all members are simultaneously and continuously pursuing their individual goals, cannot be managed by any single actor. At best, individual firms can only try to "cope" within the network (Håkansson, Ford, 2002); (Ford, Håkansson, 2006).

A different position from that of the mainstream of IMP Group research is represented by researchers who believe that within a network, as a rule, there is one main entity (focal company) which creates and manages the so-called network strategy (Campbell, Wilson, 1996). The network leader pursues the strategy, creates relationships and deliberately selects partners (Jarillo, 1988). Therefore, according to the strategic approach, the strategic

network created on the leader's initiative has a more formal character than the business network described as part of the IMP Group research. It is worth emphasising, however, that also in the case of the strategic approach it is assumed that the network is created among independent entities (Jarillo, 1995). Nevertheless, it is quite visible that researchers interested in "a strategic approach to networks" underline the fact that networks can have distinct actors, "hubs" or "focal firms", which are able to exert considerable coordination on a strategic net – that is, to manage them to a relatively great extent (Järvensivu, T., Mőller, K., 2008); (Mőller, K., Rajala, A., 2007).

The two positions presented here in fact reflect the plurality of actually existing relationships. It can be stated, therefore, that they are compatible with each other, rather than contradictory.

The international environment has a major influence on a company's strategy and its relationships on the international market. There are different factors related to the international aspect of company activities determining the differences in company behaviour on particular foreign markets. It is generally believed that because of differences in the legal, economic, social and cultural environments it is necessary to adapt one's strategy to unique world regions and markets. Owing to their specificity, business entities operating on them behave in various ways, depending on the environment. The differences may, to a large extent, result in a variety of approaches to creating relationships between entities. The effect is a plurality of relationships in company activity on various overseas markets.

The majority of discussions on the internationalisation process touch on the problem of the distance and differences between local and overseas markets. When analysing the Uppsala model (Johanson & Vahlne, 1977), we should take note of the concept of "psychic distance" introduced by its authors. They use this distance – which results from cultural, linguistic, geographical and business-practice related differences – to explain the need for a gradual involvement in overseas markets. According to this theory, companies find it easier to break into markets which are similar to their local markets in terms of the above criteria. Entering more psychically distant markets takes time and requires far more complicated procedures. The problem of distance may undoubtedly affect not only the speed and the course of the internationalisation process but also the shape of relationships with foreign entities.

Also other studies on the international context of company activity and on relationships developed in overseas markets clearly show a significant influence of the international environment. It is emphasised that relationships established in an international market are characterised by a lower frequency of contacts (Håkanson, 1986), a shorter duration (Spencer, Wilkinson & Young, 1996), and a significantly greater social distance between entities (Johanson & Hallen, 1989). The studies also point to the important role of personal and informal contacts between entrepreneurs (Coviello & Munroe, 1995; Coviello & Martin, 1999; Friman, 2002; Harris & Wheeler, 2005; Westphal, Boivie & Chng, 2006), which are undoubtedly influenced by cultural factors related – among other things – to openness to other cultures, the significance and character of personal relationships, and language barriers.

It seems that companies are at present much less apprehensive about geographical distance or distance related to market diversification in terms of technology and law. In their activities, however, they still attach great importance to cultural aspects, which constitute a basis for establishing proper relationships with various entities in overseas markets. The significance of cultural differences in international activity has become a basis for a great number of studies conducted on a world scale. Researchers point to a clear diversification of particular regions (Schwartz, 1999) and countries (Hofstede, 2001) in terms of many cultural factors. They point to a different approach to such aspects as, for example, value perception, traditions, universalism (Trompenaars & Hampden-Turner, 1997; Schwartz, 1992), attitude to time (Trompenaars & Hampden-Turner, 1997; Hofstede, 2001), hierarchy of power, individualism and collectivism (Hofstede, 2001). Such diverse behaviours will also have a considerable influence on relationships between people, and then between organisations representing different cultures.

Plurality of relationships – 7 case studies

Before starting case-study development and analysis, various sets of relationships (see Figure 1) were assigned to the above types of company behaviour in the internationalisation process (see Table 4).

Table 4. Plurality of relationships and types of company behaviour

Type of company bahaviour	Relationship plurality
Type A "Active"	- voluntary - formal - multidirectional - long-term, based on partnership - external
Type B "Submissive"	- voluntary - informal - limited - long-term/short-term - external
Type C "Independent"	- imposed - formal - limited - long-term - internal
Type D "Distrustful realist"	- imposed - informal - limited - short-term - internal

Among the kinds of relationship typical of Type A ("Active") companies, we should highlight first of all the voluntary and multidirectional links resulting from an open and active approach to establishing relationship networks. An important part is played by long-term relationships based on partnership. It is assumed that Type A companies' relationships have a formal character (which is a consequence of the formalisation of the internationalisation process) and are established with external, independent entities.

Type C ("Independent") companies usually develop relationships of an internal nature, within their own international organisational structures. The relationships have a formal character, usually supported by equity links. Such a set of relationships results from the reluctance to open to cooperation with external entities and from a high level of formalisation of the company's activity. These companies are interested in long-term cooperation, though not necessarily based on partnership relations (traditional approach, control rather than trust). Relationships existing as part of formal, internal links – especially in the case of particular subsidiaries based in various markets – have the features of relationships imposed by a central management system. Such companies are somehow "forced" to cooperate with other branches of the concern (e.g., in the case of specialisation and the exchange of unique goods and services provided by only one particular subsidiary).

As for Type B ("Submissive") companies, their relationships with foreign entities are usually voluntary. These companies – on the one hand open to cooperation but on the other passive towards the creation of relationship networks – attach more importance to single short-term relationships (transactional approach). This results also in a limited number of entities, usually external, with which such companies cooperate.

The relationships typical of Type D ("Distrustful Realist") companies have a limited scope. Owing to these companies' closedness to cooperation and passive approach towards relationship development, the relationships are imposed by other entities and often characterised by short-termism. Type D companies are more willing to cooperate with other entities within internal organisational structures, and are based on personal and informal contacts.

Taking into consideration the above typology of company behaviour in the internationalisation process and classification of relationships, we carried out a detailed analysis of companies representing various types of behaviour. In the discussion below, we refer to seven case studies which deepen and supplement the previous stages of the research project (Fonfara, 2008). Among the companies investigated, two represent Type A ("Active), three – Type C ("Independent"); two companies have dominant features typical of Type B ("Submissive"). Owing to the low number of respondents, the authors of the case study were not able to contact firms representing Type D ("Distrustful realist"). Six of the companies under research were Poland-based subsidiaries of international groups and concerns. One is a local company which can be classified as a representative of small and medium-sized enterprises. The industries represented by the companies analysed are: construction, machinery manufacturing, food production, farmaceuticals industry, IT industry, and chemical industry. The interviews were based on a standardised questionnaire. The enclosed questions concern the following areas: company characteristics (company size, ownership of the company, industry, etc.), internationalisation process (internationalisation degree, motives, forms, background for internationalistaion decisions, etc.), international cooperation (the degree of openness to international cooperation, motives, choice of business partners, cooperation conditions, etc.), creation of international networks (the role of the company in the international network, characteristics of relationships within international networks, etc.)

Case 1. Wavin Metalplast-Buk (Type A)

The company is part of an international concern operarting globally in what is generally referred to as the construction sector. An analysis of all aspects of the internationalisation process indicates that the firm can be treated as a representative of Type A. More detailed research provided a basis for evaluating the relationships established in the internationalisation process. In terms of cooperation with overseas markets, the company demonstrates a very open and active approach. The result is a large number of relationships maintained with various entities. Even though the company is part of an international concern, it has considerable autonomy in creating relationships in overseas markets. In consequence, the company's partners are not only the group's subsidiaries but also independent, external entities.

Cooperation at Wavin Metalplast-Buk takes place at two basic levels – as part of projects carried out inside the group, and with external entities. In the former case, cooperation usually involves participation in what is referred to as European projects. These consist in concentrating the manufacture of some specialist products in one particular plant. The products are sent from the plant to the group's other firms and sold on local markets. Cooperation of this type is relatively highly standardised, and follows the group's general procedures designed for this type of projects.

Other entities with which the company cooperates are first of all its suppliers. The company purchases the vast majority of raw materials abroad. What seems particularly significant is the relationships with the suppliers of those raw materials which, from the company's point of view, are strategic. Relations established as part of such purchases are often supervised by the concern's head office with a view to obtaining the optimum terms of delivery. As far as the other purchases are concerned, Wavin Metalplast-Buk independently develops relationships with its suppliers, and the group only has a list of recommended suppliers. For the company, the key qualities of its partners are reliability, loyalty and stability. Hence the significance attached by the company to a long-term perspective and cooperation based on partnership.

The summary of the relationships typical for the company under study is presented in Table 5.

Table 5. Wavin Metalplast-Buk (Type A) - relationships summary

Relationships characteristics	Company relationships
Voluntary	✓
Imposed	
Formal	✓
Informal	
Multidirectional	✓
Limited	
Short-term	
Long-term	✓
Based on partnership	✓
Internal	✓
External	✓

Case 2. Strauss Cafe Poland (Type A)

Strauss Cafe Poland, part of an international capital group operating in the coffee-production segment of the food industry, is a Type A company. The numerous entities it cooperates with in overseas markets include suppliers (access to machinery and equipment, technologies, packaging) as well as the group's other entities and headquarters (exchange of information, transfer of knowledge and technologies, access to capital). Thanks to its strategy of constant growth, the company is open to further cooperation, also with new foreign entities. It continuously seeks new solutions which could facilitate the process of end-product preparation. The company is also open to proposals from other entities. The relationships developed by the company are multidirectional, characterised both by internal links with other entities which constitute the international group and by links with independent external companies. Because of the company's large degree of openness, the relationships are multidirectional and voluntary. Cooperation with all the entities is definitely long-term. To make the relationship long-lasting, reliable partners are selected. Thanks to this approach, both parties are able to constantly improve their cooperation on equal terms. At the same time, it should be emphasised that regardless of the entity with which the company establishes a relationship, the latter has a formal character. Informal contacts only supplement or, in some cases, only start a formalised cooperation.

The summary of the relationships typical for the company under study is presented in Table 6.

Table 6. Strauss Café Poland (Type A) - relationships summary

Relationships characteristics	Company relationships
Voluntary	✓
Imposed	
Formal	✓
Informal	
Multidirectional	✓
Limited	
Short-term	
Long-term	✓
Based on partnership	✓
Internal	✓
External	✓

Case 3. Trepko (Type C)

The company, part of an international capital group, manufactures packaging machines for the food industry. In terms of the identified behaviour types, it is a company of Type C. In its activity in overseas markets, the company tries to rely mainly on its own competencies as well as the company's and the group's structure. The result is a mainly internal nature of its relationships. A very important part in the company's activity is played by its cooperation with the other companies owned by the group. Since the concern's structure is based on particular companies' specialisation in the manufacture of certain products and on the division of sales competencies for particular regions, this cooperation is absolutely crucial for the efficient working of both particular entities and the group as a whole. Relationships with the group's other entities concern first of all the flow of products manufactured locally but sold in regions other than the one under the company's charge. What is also very significant is the transfer of knowledge and employees, who are moved from one firm to another.

Internal relationships are also related to supply policy, which is highly centralised within the whole group. Thanks to this centralisation, the concern derives a number of benefits related to the scale of purchases, better terms of delivery, and a stronger negotiating position. Because of this, the company's cooperation with suppliers is restricted to entities selected and indicated at group level. Only in relation to certain purchases does Trepko enjoy some degree of autonomy.

Trepko cooperates also with external entities, mainly its clients. The company concentrates on both servicing its regular customers and continuously seeking new ones, also within industries it has not operated in so far. Some of the main aims of establishing contact with potential foreign partners are to develop new products, to service new industries, and to have access to new markets for the whole group. As a rule, the company does not develop any significant relations with its competitors, even though in the case of some markets this type of cooperation within an industry is established.

All the relationships developed by Trepko are long-term. The company tries to establish with various entities bilateral relationships based on partnership, deliberately participating in existing and naturally developing networks. At the same time, Trepko's relationships have a formalised character, precluding the possibility of establishing accidental and spontaneous relations.

The summary of the relationships typical for the company investigated is presented in Table 7.

Table 7. Trepko (Type C) - relationships summary

Relationships characteristics	Company relationships
Voluntary	
Imposed	✓
Formal	✓
Informal	
Multidirectional	
Limited	✓
Short-term	
Long-term	✓
Based on partnership	✓
Internal	✓
External	

Case 4. GlaxoSmithKline Pharmaceuticals (Type C)

The company is a pharmaceuticals manufacturer owned by GlaxoSmithKline, one of the leading international firms in the industry. In terms of the identified behaviour types, GlaxoSmithKline Pharmaceuticals is a Type C company. An analysis of its behaviour suggests a very significant influence of industry determinants on cooperation with other entities and on relationship development. Highly advanced technologies, an extremely significant role of expensive research and development, and patent protection of developed products result in relatively high cautiousness and reservations about the development of relationships with external companies. In effect, the company's relationships are predominantly internal links within the concern's organisational structure. In addition, the relationships are superimposed and highly centralised. Decisions to get involved in operations in overseas markets are always initiated by the headquarters. The headquarters also determine the scope of involvement and the type of relationship maintained with foreign entities. Particular subsidiaries, including GlaxoSmithKline's Polish subsidiary, only adapt their strategy to the group's principal goals. All the relationships resulting from international expansion have a formal character. GlaxoSmithKline Pharmaceuticals is closely related to the concern's other subsidiaries worldwide. It is both the recepient of some products and the supplier of selected drugs and IT services for the whole concern.

Owing to the concentration on relationships created within the internal organisational structures of the group, relationships with external entities are limited and infrequent. Research and development, manufacturing, packaging and distribution are carried out by particular subsidiaries of GlaxoSmithKline, and are closely controlled by the headquarters. For obvious reasons, any cooperation with competitors is excluded.

In its activity in international markets, GlaxoSmithKline Pharmaceuticals establishes a vast majority of its relationships within the concern's own structures. The nature and specificity of the industry result in a very small number of relationships with external entities (suppliers, purchasers, competitors, etc.). GlaxoSmithKline Pharmaceuticals perceives itself as an element of an extensive relationship network which has, however, only an internal character. This highly innovative company constantly participates in information exchange and knowledge transfer between various subsidiaries of the concern.

To sum up, it should be pointed out that there is a high degree of the industry's specificity as well as a high level of centralisation and formalisation of the whole concern's activity, all of which has a major influence on the company's relationships. The relationships maintained by GlaxoSmithKline Pharmaceuticals are presented in Table 8.

Table 8. GlaxoSmithKline Pharmaceuticals (Type C) - relationships summary

Relationships characteristics	Company relationships
Voluntary	
Imposed	✓
Formal	✓
Informal	
Multidirectional	
Limited	✓
Short-term	
Long-term	✓
Based on partnership	
Internal	✓
External	

Case 5. Hochland Polska (Type C)

The company, a manufacturer of food products, is part of an international corporation. Using the adopted classification, Hochland Polska is a Type C company. It cooperates with a small number of foreign customers and suppliers. As a rule, these are entities bound by long-term contracts with the concern's headquarters. An example is a packaging manufacturer supplying its products to several subsidiaries based in various countries. Since the company focuses its activity mainly on the local market, it is not heavily involved in relationships with external entities.

Relationships within an internal network are as a rule formalised and based on long-term contracts. This results from a generally adopted strategy which is based on formal relationships. At the same time, it should be emphasised that the most important decisions (which include those determining the type and character of relationships with other entities) are taken by the concern's headquarters (high level of centralisation of the decision-making process).

Relationships with external suppliers are limited and short-term, the only exception being relationships with the suppliers of unique, hardly available products – in such cases the contracts are long-term. However, external network relationships are not perceived by the company as a source of competitive advantage. The company believes that it is an important element of an internal relationship network, developed within the concern's own structures.

The summary of the relationships typical for the company investigated is presented in Table 9.

Table 9. Hochland Polska (Type C) - relationships summary

Relationships characteristics	Company relationships
Voluntary	
Imposed	✓
Formal	✓
Informal	
Multidirectional	
Limited	✓
Short-term	
Long-term	✓
Based on partnership	
Internal	✓
External	

Case 6. PSO (Type B)

This is a small service firm, whose mission is to create "multilingual knowledge bases" for translating documents and making information available. The bases are developed for various industries and languages (e.g., a knowledge base for the automotive industry in German). The firm employs translators as well as DTP and IT specialists. Using the typology of behaviour in the internationalisation process, the company can be classified as Type B.

Theoretically, all its activities in overseas markets are part of the firm's strategy. In practice, however, its expansion-related activities so far have been spontaneous and have resulted from informal relations with other entities (mostly customers). What is more, the relations have usually been initiated by other entities. The firm restricts its cooperation to the selected few customers (the main recipient is a large international concern). The cooperation is long-term and based on partnership. Because of PSO's size (a small firm), its relatively small bargaining power, limited number of customers, and relatively large degree of dependence, the firm's close relationships based on partnership are becoming a basis for its market success. PSO's relationships can be described as voluntary, limited to a small number of external partners.

In its relationships, the firm very often uses informal contact. This applies both to the customers mentioned above and to suppliers, with whom the firm has established a long-standing relationship based on partnership and mutual trust.

The relationships developed by the firm are presented in Table 10.

Table 10. PSO (Type B) - relationships summary

Relationships characteristics	Company relationships
Voluntary	✓
Imposed	
Formal	
Informal	✓
Multidirectional	
Limited	✓
Short-term	
Long-term	✓
Based on partnership	
Internal	
External	✓

Case 7. CHN Polska (Type C)

CHN, part of an international group, is a manufacturing company which also sells products supplied by other subsidiaries of the concern. Because of the way the concern works (including an increasingly decentralised decision-making process) CHN Polska's relationships are characteristic of both Type C and Type B of company behaviour in the internationalisation process.

In this case, international cooperation is based on two types of links. First of all, they concern relationships with other companies of an internal, international network. The relationships are formalised and not directly dependent on CHN Polska's decisions. The relationships can be described as imposed, formalised and internal. At the same time, the company tries to actively create direct relations – often supported by personal and informal contact – with external suppliers (e.g., of raw materials). In spite of being part of an international concern, the company tries to be open to other kinds of cooperation. Within its capabilities and competence, it seeks new and attractive suppliers, and in some cases also customers, who can thus enrich the concern's portfolio of buyers. This type or relationship can be defined as voluntary, external, and to a large extent non-formalised.

The summary of the relationships typical for the company investigated is presented in Table 11.

Table 11. Hochland Polska (Type C) - relationships summary

Relationships characteristics	Company relationships
Voluntary	✓ (if external)
Imposed	✓ (if internal)
Formal	✓
Informal	✓
Multidirectional	
Limited	
Short-term	
Long-term	✓
Based on partnership	
Internal	✓
External	✓

Conclusions

The research presented in this paper suggests that relationships between companies are very diverse. The authors carried out a detailed analysis of relations established by companies in the internationalisation process. This may be why some research results have a more specific character, resulting from the foreign environment's influence on the possibility of developing relationships and their types. It seems, however, that some of the authors' conclusions are universal since they apply to relationships between companies in general, regardless of whether the analysis concerns the influence of a foreign or a domestic environment.

It should be indicated that in addition to relationships established between independent entities (which are the subject of numerous studies within the IMP Group), there are entities which are dependent on "relationship and network initiators". This is because companies do not always develop relationships voluntarily or achieve a win-win situation. As the research shows, relationships may be superimposed by a dominant entity, either internal (e.g., the headquarters) or external (e.g. an independent supplier or purchaser). Links between companies develop not only through external relations, but often through internal ones. The latter can be found within the frequently complex relationship networks of corporations or groups of firms, etc.

The research results, including the case studies carried out, suggest that the development of relationship networks can be spontaneous, as an effect of the objective process of establishing transactional contacts between various entities. Most frequently, however, the relationship-building process is initiated by an entity or group of entities, and it is them that, in a sense, assume control of a given relationship network. In consequence, they impose a specific way of doing things on both formally independent and dependent entities.

The research clearly demonstrates that in the internationalisation process, apart from the foreign environment, it is the process of creating relationship networks by companies that has a decisive impact on the plurality of relationships. It develops in various ways, according to the identified types of company behaviour in the internationalisation process. The first group of companies wants to become part of a network and thus actively supports its creation. Companies of another type do not want to be "caught in the net", but since they have no other option, they have to accept their place in the network and their relations with other entities. Finally, there are companies which do not accept the objective character of the network and, instead of creating relationships with independent entities, they build their own structure of network relationships.

In practice, of course, the sets of relationships presented in the paper need not always correspond exactly with the identified types of company behaviour in the internationalisation process. Owing to the plurality of ways in which companies operate, the process may differ more or less significantly from the identified and generally presented options of company behaviour. Additionally, changes in the way various entities operate and the dynamic of changes in their relationship networks may indicate that the companies are going through a process of transformation, and are moving from one type of company behaviour to another. For instance, increased centralisation within an internal network will gradually reduce the possibility of subsidiaries developing external relations. On the other hand, changing a company's strategy and opening to cooperation with external entities will stimulate – in the course of the strategy implementation process – a gradual development of long-term relations based on partnership, and will restrict short-term and transactional relations.

The authors' intention was to examine empirically various types of relationships between entities and to determine the actual state of things. The research project also featured a normative aspect related to the evaluation of various types of behaviour from the angle of results achieved by companies. It can be clearly seen that relationships typical of Type A and Type C companies more often than other types of behaviour lead to much better results than those of the competitors.

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