

WHEN IS IT THE RIGHT TIME TO CHANGE? A CASE STUDY OF IMPLEMENTING A NEW ACTIVITY IN AN EXISTING BUSINESS RELATIONSHIP

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ABSTRACT

Scholars have argued that past experience in business relationships can impede the implementation of new activities. In this study, we apply a practice-based perspective on time (Orlikowski & Yates, 2002) and examine how time and timing of change of temporal structures in business relationships are related to the implementation of new activities. For that, we assess how both objective and subjective notions of time shape and are shaped by the temporal structure of the relationship, especially when partners engage in new activities. In a participatory study of an existing international business relationship, we found that people inherently relate to the practices that take place in established temporal structures and ignore signs to intervene when the situation demands different actions. We describe and analyze the process of a synchronization, dis-synchronization, and re-synchronization the temporal structure of the relationship in this particular study. Our study suggests that temporal structures remain unchanged until the moment that people are fiercely confronted with disconformities in their relationship. These triggers of change altered the perceptions of the people involved in this relationship and make them more reflexive and aware of the situation and the need to change the temporal structure in order to achieve the desired outcome. We reflect on our findings and suggest managerial implications.

Keywords: Synchronization, Temporal structuring, Change in Strategic Business Relationships, failure

INTRODUCTION

It is widely accepted that dyadic business relationships are embedded in a network, and that their actions shape and are shaped by other actors in the network (Gulati, 1998; Gulati & Singh, 1998; Håkansson & Snehota, 1995). The network context can thus provide opportunities but can also impede change initiatives on the level of the dyad. One example of a change initiative within a dyadic business context can be seen in new business development activities such as mutual product development and/or entering a new market. We understand dyadic business relationships as an agreement between two organizations that are pursuing a joint strategic goal. However, we also note that dyadic business relationships have a few disadvantages in relation to more integrated arrangements such as joint ventures (e.g. Gulati, 1995; Zollo, Reuer, & Singh, 2002). One important disadvantage is that dyadic business relationships conduct their business activities from separate organizations. As a consequence, interdependent activities are performed in different time and space dimensions; this requires proper coordination and interaction mechanisms to govern the activities (Grandori, 1997; Medlin, 2003; Medlin, 2004; Thompson, 1967)

Established business relationships may have found effective ways to coordinate activities; they rely on temporal structures such as timetables, schedules, visit frequencies, response time, social time, interaction time, and routines that are developed and refined during the course of the relationship. Indeed, scholars have argued that routines developed in business relationships facilitate communication and coordination (Zollo et al., 2002) in doing so, they embody retentions of past experiences of what works well for the relationship (Van De Ven & Polley, 1992).

Drawing on past experiences, however, can also impede relationship performance if business relationships evolve (Ring & Van de Ven, 1994) or engage in the implementation of new joint activities (Hoang & Rothaermel, 2010). In this situation, members may easily assume that existing knowledge, values, norms, and experience retained within the relationship can be transposed to the new joint activities, which from a distance appear similar to the existing activities. Thus, while partner experience enables members to deal with space and time issues more effectively and efficiently, prior experience can constrain the implementation of new joint business development activities, and hence undermine the outcome of new joint initiatives.

The purpose of this paper is to explore when and under which circumstances people within business relationships change their practices in a way that enables them to achieve the desired outcome. In investigating this, we apply a practice-based perspective grounded on (Orlikowski & Yates, 2002) notion of temporal structures, which spans the dichotomy between both subjective and objective notions of time. We specifically focus on when existing temporal and interactional structures remain closed or get opened for change, and under which time perceptions among participants within business relationships this takes place. In this context, temporal and interactional structures are understood as both the properties (timetables, interactional time, social time, response time, schedules) and the people that enact these properties to govern the relationship.

We benefit from a participant observation (Czarniawska, 2004) that enables us to examine the internal dynamic of the business relationship process over an eight-month period. One of the participating organizations is located in the Netherlands, and the other in the United States. Both firms decided to extend their relationship by implementing a new joint business opportunity in the commercial aviation industry in

September 2006. At the start of a new activity, both partners relied on their temporal and interactional structures to govern it. Over a short time period, time perceptions changed asymmetrically, resulting in tensions and critical events that imposed on the relationship. The actions that followed from these events in turn, led to new but event-based temporal and interactional structures in which partners provisionally enacted ad-hoc structures to maintain progress. Over time, they began to internalize and stabilize the new practices, including their constitutive temporal and interactional structures.

In our study, we found that the dis-synchronization—a term that we discuss elsewhere—of both objective and subjective perceptions of time among partners can be a source of both retention and change in temporal structures, depending on the amount of tension to which the partners are exposed. We also found that initiatives to change temporal structures in terms of timetables, schedules, visit frequencies, response time, social time, interactional time, etc., emerge through non-deliberate and spontaneous actions performed by participants. It appears that people first have to face occurrences and then enact event-based temporal structures and learn from new practices before they purposefully engage in restructuring the relationship for new activities.

By applying a practice lens on business relationship development, we contribute to other studies of time and interaction in dyadic business relationships (Halinen, 1998; Halinen & Törnroos, 1995; Medlin, 2004) and to broader studies of business relationships' evolution and adaptability (Arino & de la Torre, 1998; Doz, 1996).

We structure the remainder of this article as follows. In the next section, we develop our arguments of the notion of time applied to the context of business relationship development. Then we discuss the case setting, method, and data collection techniques. After briefly introducing our participating firms, we continue with the case description, which is alternated with our analyses. We illustrate our findings in a visual map followed by a reflection on these findings. In the concluding section, we offer managerial consequences and limitations of our study, and discuss avenues for further research on studying time as a socially constructed phenomenon in business relationships.

TIME AND ORGANIZATION

A large number of investigations of the meaning and role of time in management studies and organizational theory take time for granted and self-evident. In such studies, chronological or physical notions of time may be used to indicate the variables that influence, for example, the time to market, lead time, and lifetime of products and organizations, as well as episodic time between punctuated equilibriums (e.g. Van de Ven & Garud, 1994). However, we follow (Lewis & Weigert, 1981 p 432) in their remark that “no study of human organization and interaction would be considered reasonably complete unless it examined their temporal organization.”

Studying time in organizations relates to how time is understood and socially constructed by members in organizations (e.g. Bluedorn & Denhardt, 1988; Butler, 1995; Clark, 1985; Hassard, 1996). Studying the social construction of time and timing in organizations refers to how time is defined in meaningful temporal notions such as events, rites, and routines (Orlikowski & Yates, 2002). Some examples of these notions are casual Fridays, Employee of the Month rewards, and cyclical

notions of time that organizational members are aware of like peak and silly seasons and financial reporting time. In these instances, clock time or calendar time is culturally interpreted, and becomes situated in organizational practices. For instance, people may act differently and shift priorities when they have to report financial statements by the end of the quarter. Thus, the way in which time and its enacted structures are understood in organizations greatly influences organizational cultural norms, values, and practices (Schriber & Gutek, 1987)

Two time concepts usually come into play when studying time in organizations: objective time and subjective time. Objective time appears to exist independent of humanity. It is viewed as abstract, absolute, unitary, invariant, homogenous, linear, mechanical, and quantitative (Orlikowski & Yates, 2002). It is measurable because of having equivalent parts (Starkey, 1989). Subjective time, on the other hand, represents the subjective reality of time (Blyton, 1989).

Subjective notions of time represent the norms and beliefs that people derive from objective time. They are thus socially constructed and bounded to cultural contexts; as a result, they can be subject to multiple interpretations (Huy, 2001). Both objective and subjective notions of time are also represented through other dichotomies, such as clock-time/event-time (Jaques, 1982); Chronos, which measures time in mechanical intervals and Kairos, representing circumstances as a subject (Czarniawska, 2004); and quantitative time, that differentiates time that progresses linearly from qualitative time, which flows discontinuously and nonlinearly, and cannot be manipulated easily (Sztompka, 1993).

If the culturally bounded social construction of time influences organizational practices, how do time perceptions influence organizational practices and their change? As (Hassard, 1996) Hassard (1996) argues, temporal structuring forms the center of organizations, and therefore temporal factors should be of primary concern when organizations are changed. To account for this, scholars have studied how changes in people's experiences and perceptions of time influence organizational change (e.g. Lee & Lee, 2008; Staudenmayer, Tyre, & Perlow, 2002)

A view that studies how time is used in practice is offered by Orlikowski and Yates (2002). Practice-based perspectives of time recognize that both objective and subjective notions of time are realized through people's recurrent practices, as represented by temporal structures. They bridge the opposition between the two notions of time and see temporal structures "as both shaping people's actions and being shaped by such actions" (Orlikowski & Yates, 2002 p 689), a conception that emerged from (DiMaggio & Powell, 1991; Giddens, 1979; 1984; Spender & Grant, 1996) structuration theory. People reify objective notions of time through clocks that never stop ticking and schedules as they exist independent of human action. Consequently, objective notions of time powerfully constrain people's actions. Time is also interpreted subjectively because people maintain, enact, and sometimes change the temporal structures, treating targets and timetables as provisional. Temporal structures in organizations may encompass planning schedules, cyclic events like financial reporting time, and interactional time (i.e., time spent on different projects), but also recurrent rites designated to calendar days, such as weekly management team meetings. Temporal structures are thus culturally defined, and can only be understood through that enacted culture. (Some cultures do not use chronological time, but only enact kairotic notions of time).

Temporal structures in organizations do not exist in isolation. They emerge through a process of synchronization with other temporal structures on different levels. Thus, temporal structures might change through everyday ongoing practices;

organizations, however, cannot enact a new or modify their current temporal structure in isolation, as they are entangled with the context in which they operate. Hence, they are supposed to synchronize their temporal structure in concert with temporal structures of organizations in the network, and industry populations that possess their own, temporally structured, idiosyncratic routines, cycles, and recipes (DiMaggio & Powell, 1991; Spender, 1989). These must be synchronized with the temporal structure of the society at large (Lewis & Weigert, 1981; Sorokin & Merton, 1937).

In this study, we examine a special kind of temporal structure, which is that developed in a business relationship. Business relationships represent a special case because the partners often conduct mutual dependent activities that take place in different space and time dimensions. For this reason, we believe that coordination and interaction are important properties of the temporal structures developed in business relationships. Therefore, we do not only examine temporal structures and the processes of temporal structuring between organizations, but also how their constitutive interaction structures influence and are influenced by the temporal structure. For this, we follow Starkey (1988 p. 100), who emphasizes that “shared concepts of and ways of mutual interaction in time are essential to social order and to the survival of any organization.”

SYNCHRONIZING BUSINESS RELATIONSHIPS

We contend that studying different notions of time in use is especially fruitful for the study of business relationships. This is so because partners act in different space dimensions, which makes coordination of often interdependent actions a challenge. In many instances, there are chains of actions crossing organizational boundaries that are all subject to being temporally coordinated and adjusted according to other organizational and network activities (Håkansson & Snehota, 1995; Medlin, 2003). However, in mature business relationships, partners may have developed reproducible practices that are governed through temporal and interactional structures by which the activities are shaped. Partners benefit by capitalizing on past experience because communication and coordination takes place routinely and is refined during the course of the relationship (Zollo et al., 2002). Over time, partners may have synchronized time in several ways. First, they enact objective notions of time in the relationship, such as planning schedules, response times, and timetables. Next, they might develop subjective notions of time in tandem through interpretative processes. Examples of this are the designated relationship meetings held each three months; the social time spent during these meetings; routines; and the way in which the partners use the objective notions of time in practice, treating them as provisional and alterable. Synchronization of future expectations also takes place in the present. As scholars argue business relationships shape future expectations and interpretations of the subjective past through the present (Medlin, 2004). Both future expectations and interpretation of the past are subject to synchronization. The composition of the present, with all its complexities and events (Hedaa & Tornroos, 2008), as well as the contextual dynamics that presently surround the relationship, relies on learning experiences from the past and future intentions and expectations (Luhmann, 1979; Medlin, 2004). An example of future intentions and expectations is the start of a new activity in which the partners will engage together. Past learning experiences, routines, and existing practices embedded in the temporal and interactional structures developed in business relationships, however, are path dependent (Garud & Karnøe,

2001; Medlin, 2004). and can constrain present actions and new initiatives in business relationships (Hoang & Rothaermel, 2010).

The effects of past experiences may give rise to tensions in business relationships when engaging in new activities, thereby causing synchronization pressures in the present at the level of the relationship. For instance, when engaging in new activities together, it might seem logical for partner A to mobilize organizational resources (like time and skilled people) to assist in present interactions (Havila & Wilkinson, 2002), while partner B does not see any reason to follow suit. In this example, partner A signals a more open-ended temporal structure, while partner B implicitly chooses to maintain a closed temporal structure. Even if partners are aware of changing the temporal structure of their relationship (and adopting different schedules, visits, timetables, interaction time, etc.), they still compete in terms of engaging in other activities at the level of the partner organizations. A relationship activity is just one among other organizational activities. Hence, time and particularly interactional time (Lewis & Weigert, 1981) is scarce (e.g Huy, 2001) and may create tensions among partners when it comes to changing the temporal structure. Time spent on the relationship also depends on the interests in the relationship and the other businesses opportunities arising at the same time (Khanna, Gulati, & Nohria, 1998; Medlin, 2003). Perceived in this way, a relationship activity is just one among other organizational activities and can only be studied in this way. Hence, organizational time and particularly interactional time (Lewis & Weigert, 1981) spent for relationship purposes is also scarce, and depends on both future expectations and past experience.

These examples point toward problems that business partners may encounter during the course of the relationship. Following (Pettigrew, 1990; 1997) we also assume that the course of any business relationship is characterized by nonlinear processes in which events can and do happen, tensions may haphazardly arise, and contradictions appear. Consequently, room for synchronization issues abounds, and these become especially important when partners engage in complex and intricately interdependent actions (Lewis & Weigert, 1981) such as the implementation of new activities. Synchronization in business relationships thus involves a considerable amount of adaptation toward each of the partners' organizational temporal structures, from which new temporal and interactional structures (i.e., the social bonds that are involved in the temporal structure) are enacted and maintained. Through all these dynamics that characterize organizational life, temporal structures or any other structure become labeled as "stabilized-for-now" (Orlikowski & Yates, 2002 p 687). However, depending on the situation, sometimes they remain rather closed and unchanged, while in other situations they become more open-ended.

Below, we develop a conceptual model reflecting the assumptions that we put forward above. We argue that past experience initially encourages people in business relationships to continue to use similar temporal and interactional structures when engaging in new activities. This, in turn, might engender synchronization pressures in the relationship when partners differ on future expectations and their subjective interpretation of the past. Pressures might accrue, leading to events, and two options remain open. The first one is for partners to engage in reinforcing objective notions of time by, for instance, reprioritizing activities and reenacting existing temporal and interactional structures. The other option is for partners to engage in processes of restoring synchronization and reconsidering their recurrent practices, leading to modified or new temporal and interactional structures that are more appropriate to the new activity. New adaptations to temporal structures consist of properties like time

schedules, visit frequencies, and interactional time, and then become reproducible practices that constitute human actions turning into new experiences. The choice between these two options is of course an empirical question. However, it is theoretically important to explain this choice when change in temporal structures occurs in a business relationship; this is precisely the aim of our study.

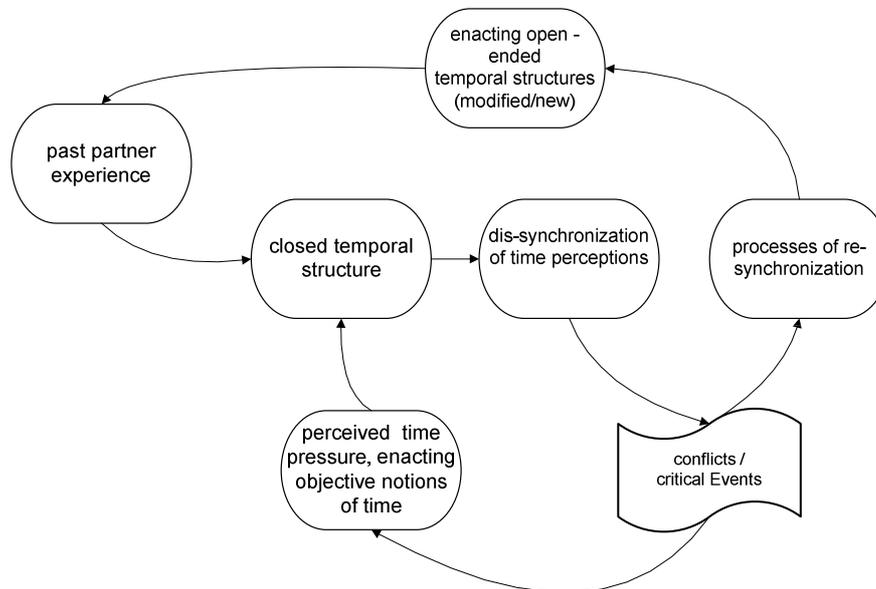


Fig. 1 Conceptual model of change in temporal structures in business relationships.

Following the practice turn in organizational studies (Schatzki, 2005a) we examine in a case study when, and under which conditions, people involved in an established business relationship enact new or modified temporal structures when entering a new joint business activity. We make use of Orlikowski and Yates's (2002) framework of temporal structuring in organizations, here applied to the context of business relationships. While coordination is central in business relationships, we also focus on how temporal structures are shaped and shape interaction structures among actor bonds. We define these interaction patterns as interaction structures. Interaction structures thus reside within temporal structures.

In the next section, we outline our research design, as well as our methods and data collection techniques.

METHODS

In illustrating how change in temporal structures is constrained and enabled in business relationships, we draw from a participant observation study. Participant observation has both advantages and disadvantages (Czarniawska, 2004). One of the advantages it is possible to access rich data and experience site-specific organizational life. On the other hand, "too much material might be as problematic as too little" (Czarniawska, 2004 p784). What remain are many impressions of the process that the first author studied, including field notes from observations and interviews that we possess, for further analyses. Matching these together and putting them in a

chronologically order is a real challenge that requires careful attention and consensus among colleague authors. The whole trajectory took eight months. The business relationship that we were studying started in 1985 and involves two leather tanneries, of which one is located in the United States (New York, 110 employees) and the other in Europe (the Netherlands, 150 employees). Their relationship started with a single activity and grew into, for them, an important relationship. In September 2006, both partners decided to enter the commercial aviation industry to deliver certified leather and repair services for seat covers.

Data collection and processual analysis

The first author was both a participant observer and commercial manager responsible for marketing and sales activities in automotive, railway, and the future aviation activities. The other two colleagues supported him in analyzing the impressions and notes to ensure a consensus.

The data were gathered in two stages and were documented in field notes and files. The purpose of the first stage was to obtain a deeper understanding of the history of the relationship. This information enabled us to understand not only how the existing practices are performed through the temporal structures, but also why they were performed. For this, the first author frequently interviewed participants who were directly involved in the relationship, as well as key persons at both organizations. This exercise provided us with a comprehensive and detailed idea of the temporal structure of this relationship, including the role of recurrent practices like the meeting schedules and agenda and routines that partners developed to handle occurrences like rejections, price negotiations, etc.

The purpose of the second stage of data gathering was to observe, interview, and participate in the change initiatives that took place during the implementation of the new activity. We actively attended meetings and had discussions with key individuals directly and indirectly involved in the process. These key individuals from both organizations were all the management team members, back office, research and development (R&D), and people from the quality department who are directly involved in the relationship.

Beyond the focus on the internal dynamics of this relationship, we also included the contextual surroundings of the new activity. For this, we interviewed purchasing staff members from Lufthansa Technik in Hamburg, Germany; purchase managers and designers at Airbus and ATR in Toulouse, France; and a purchase manager at ATR Toulouse. We also interviewed several engineers and purchasers working for European airlines like the German Lufthansa, Hungarian Malev, and Polish LOT. He also visited cut and sew shops responsible for processing the leather into seat covers. To further advance the understanding of this industry, he visited the Aircraft Interior Show in Hamburg in April 2007, and talked to different individuals who were affiliated in some way with the network of the aviation interior industry.

In analyzing this case, we followed suggestions for conducting longitudinal process research from Pettigrew (1990, 1979), who views conceptualism as a theory of method. This implies that we take account of two interconnected levels of change (vertical and horizontal). The vertical level refers to the interdependencies between higher and lower levels of analysis. In our study, we are sensitive to signals of synchronization pressures emerging both at the level of the organization and within the relationship. We also look at contextual surroundings like external events that are created or emerge independently in the network but impose on the focal process. The

horizontal dimension, on the other hand, refers to the sequential interconnectedness of events and occurrences in historical, present, and future time (Pettigrew, 1990 p. 269).

THE STUDY

The relationship that we examined began 26 years ago. The partners have developed a semi-manufactured leather product for the aviation industry. The Dutch partner produces and delivers this product to the US partner. The US partner finishes the product and distributes the material to the private aviation industry. Today, this activity is important for both organizations because it encompasses a substantial amount of their annual volume. Over the years, they tacitly developed specific routines and experiences to govern their relationship. These include the norms and expectations of with respect to response time and how they handle planning outlooks to schedule material in time. Normally, the partners visit each other every three months to touch base. Such visits normally take one or two days, depending on the travel schedule and flight arrival. The meetings always take place at the tannery and start with discussions about what is happening in the market. This is followed by treating open issues. The meeting normally closes with social time like restaurant visits, etc.

There are five people directly involved in the relationship, and they have developed a thorough understanding about the needs and requirements of this relationship. At the Dutch firm, there is one back office employee and a sales manager directly involved. At the US firm, the operations manager, sales manager, and technical member are the relevant personnel. Questions normally come through the sales department and are transferred to other departments if necessary. Members at both sites often communicate through email and, depending on the question, a response is normally returned within one working day. The activity of the relationship is integrated and synchronized with the mainstream business processes at each organization as much as possible. In daily practice, the orders received from the US partner are processed through an ERP (Enterprise Resource Planning) system extended by a sophisticated planning module to control all the work in progress at the Dutch firm. Planning is very important for leather suppliers and requires careful monitoring because the flow of materials is continuously diverging and converting in the manufacturing process. The logic of the industry is that, whatever one tries to the decrease cycle time of leather production, there is difficulty because the material needs to go through several necessary stages and does not allow for any shortcuts. Regular leather requires six weeks of preparation assuming that nothing goes wrong. One planning mistake, however, can have great consequences for the delivery times of many orders. Being a tannery, the US partner understands this and is able to make long-term projections of their own needs a year in advance. This enables the Dutch firm to select the material and optimize utilization.

Over the years, the partners have built norms and expectations about each other's behaviors and actions. Many of these norms and expectations were tacitly developed, and became institutionalized and sustained in this relationship. The solidly developed temporal structure was maintained by these norms and expectations. The partners' subjective notion of time enables them to plan their activity and conduct activities smoothly. Examples are the planning horizon, quarterly meetings, acceptable response time of one day, and so on. In cases of ad-hoc events, they react sooner than normal, but after such events, like rejections and the production problems that can always occur; they fall back on their existing practice, which is directly governed by the five people sustaining the partnership. These five people represent the interactional structure of the relationship.

Between 2003 and 2006, the owners of each firm conversed several times about closer cooperation between the two companies. One idea was to produce and distribute leather to the commercial aviation industry. The US firm had already had to turn down several inquiries from airlines because it was not able to handle large batches without jeopardizing its small, custom-made production scale. The firm saw strategic opportunities to become a player in this industry but could not do it alone. Outlooks from Boeing, Airbus, and Embraer were pointing at the production of increasing numbers of aircraft, especially for short-haul flights. In fact, these outlooks suggest that the world fleet of aircrafts will double in 20 years; this is creating enormous opportunities for the whole industry. The CEO of the US firm was convinced that its business relationship with the Dutch firm could benefit from these developments.

Initially, the owner of the Dutch firm was not really sure about this because it is so far removed from what they normally do, which is producing and distributing leather to the furniture industry. On the other hand, their home market had been in serious trouble for the past few months because the demand for furniture was declining and competition from Asia was increasing. The Dutch firm's home banks took note of this and required more liabilities to cover outstanding loans. The immediate effects of this were already noticeable and the number of orders was rapidly declining. A few attempts to enter other segments in the furniture industry did not turn out to be successful, and all of these developments put the options available to them in another light. Recently, the owner of the Dutch organization had initiated some cost-cutting programs. Each department manager was asked to come up with clear-cut ideas on how to save money. The first priority was to decrease stock items.

After a few negotiations concerning the scope and strategy of the new activity, including how to deal with profit and losses, the two firms decided to enter into the commercial aviation industry together, despite the Dutch firm's initial reservations. The contract was signed in September 2006. Despite its financial situation, it was necessary for the Dutch firm to raise €300,000 for a special milling drum and laboratory equipment to test aviation leather. The Dutch firm also hired an employee who became responsible for testing and the maintenance of testing equipment.

While the owner of the US partner sees strategic opportunities over a longer time frame, the Dutch owner is, for legitimate reasons, seeking immediate order compensations in the short term. Apparently, time has different meanings for these owners at the start of the new activity. The lack of time perceived by the Dutch owner is leading into a higher prioritization of activities (cost-cutting programs, decreasing stock items). The US partner, on the other hand, considers it to be the right time to make use of the global developments in the aviation industry, and therefore to initiate the new activity. Prioritization caused by time pressure suggests an objective notion of time that is dominant for the Dutch partner, while at the US firm, the meaning of time (the right time to enter the market) is subjective notion.

The difficulty with aviation leather is that it requires a lot of craftsmanship and involves a significant amount of tacit knowledge. In the end, it has to pass several tests to meet aviation standards. The aim of the first meeting was to discuss leather quality and the difficulties associated with producing aviation leather and defining the standard. A few people were involved in this meeting. The US partner was represented by the operation manager, sales manager, and technical manager. The Dutch partner sent the sales commercial manager, R&D manager, and sales manager (first author), and the owner dropped in from time to time. Knowing that the Dutch firm did not have the knowledge to produce aviation leather, the US partner prepared a handbook to overcome at least some of these difficulties. This handbook included the names and product numbers of special chemicals to achieve flame-retardant material. It also provided different descriptions of and manuals for test equipment necessary to conduct several rubbing and tearing tests. In response, the Dutch members discussed their experience with flame-retardant leather, which they had produced a few times in the past for German and Dutch railway companies. However, this was never their core business, and they accepted that production of aviation leather would not be a simple thing to do. It was agreed that the Dutch partner would start to produce samples and inform the US partner if they ran into trouble. The Dutch partner chose to issue a sample order in their system, which normally takes six weeks for completion. They decided to add another two weeks for testing and evaluation before sending it to their US partner for further examination and approval. Thus, the whole procedure required eight weeks. During these eight weeks, the partners engaged in their practices as usual. A few emails and telephone conversations about marketing campaigns took place, but no specific adjustments were made.

Seven weeks after the start of the new activity, the quality department at the Dutch firm reported that the trial order had failed the burn test, as well as a few important quality tests. The US partner was directly informed by telephone about this outcome by the responsible sales manager (first author). They immediately proposed to visit the Netherlands to help the production staff and R&D to analyze the problem. Managers at the Dutch firm responded they were not open to suggestions or any other interference at the time. Instead, the production and R&D manager proposed evaluating the problem internally and preparing new actions. The argument was that that they did not want to change too many variables at one time. The Dutch partner decided to release another trial order with a modified recipe.

This event was no reason for managers of the Dutch firm to call in an ad-hoc team to solve the problem. The attempt by the US firm to visit them and discuss alternative solutions was not accepted. This attempt can be considered an effort or first initiative to enact another temporal structure and increase interactional time, enabling the relationship to progress. At that time, the US partner was not aware of the synchronization pressures that were taking place in the Dutch firm. Here, a new temporal structure emerged in light of all the ongoing prioritizing activities within the Dutch organization. Department managers were called in on an ad-hoc basis or engaged in weekly meetings to present the results of their actions to save money for their departments. Managers prioritized these activities over any other ongoing activity, although the aviation activity was perceived as just one of the tasks in which they were engaged.

After eight weeks of waiting, a newly hired employee at the Dutch firm reported that the results of the second trial were slightly better, but again did not pass the 12-second burn test. This new employee complained that his colleagues did not spend enough time together internally or with the US partner to agree on a solution. He told us:

Nobody knows here [at the Dutch firm] how this new testing equipment works, and also the handbook does not explain much, so the best thing to do is to talk with these people [test center and US partner] and ask them for help.

Instead of following his suggestions, the owner of the Dutch firm responded by raising questions about why the trajectory required so much time. The owner's motives were clear, because the current order book was reflecting a further decline in the furniture industry, and he wanted to see at least some returns on the €300,000 he had paid out as soon as possible. In the meantime, the US partner was also informed about the outcome by the sales department. The US partner was disappointed not to be involved in the second attempt, and stated that communication was now becoming a problem in the relationship. Now they had to wait for at least another eight weeks and were not sure about the outcome. When we interviewed the operation manager at his site during one of our visits to the US, he commented that:

I noticed sometimes that our Dutch partner is quite efficiency-and profit-driven and does not take time to explore a little bit deeper to find solutions. If there are technical questions, I always have to communicate with the sales department. I hope that this will change in the very near future.

The US partner also informed the sales department (first author) of some of the results of their visits to airlines. Some airlines were willing to issue a trial order and the US firm had promised to respond as soon as possible. If they waited too long, the airlines might lose interest and confidence in the offer. Thus, this time they would visit the Dutch partner within one week to determine appropriate actions. We recall a spontaneous reaction of one of the members of the Dutch firm, who said:

It was not just the negative outcomes of the trials that were bothering them, I think, but also the way my colleagues responded, or better yet, did not respond to the support that was offered from their US counterparts, I feel somewhat embarrassed, so now it is time that we really should do something about it or we may lose our partner's interest in working with us.

This time, members of the US firm deliberately attempted to break into the relationship. The routines developed in the past were of no use in the face of the events with which they were currently dealing. Airlines were waiting for answers and they had to wait at least eight more weeks. Thus, the US partners wanted to reduce any uncertainty about the outcome of the third sample order. At this time, the relationship developed an event-based temporal structure characterized by ad-hoc actions and people who temporarily embarked on the activity of this relationship helping to solve the problems. These actions were not immediately supported by the owner of the Dutch company because he feared that employees would lose a lot of time that was earmarked for other activities. His motives were clear: There were many things going on and stakeholders, like the banks, wanted to see progress. Nevertheless, he supported the actions necessary to make the activity work. Members of the Dutch firm collectively began to realize that the time really had come to do something about the problem; otherwise, they might lose the interest of their partner and could even damage their reputation. Despite synchronization pressures at the Dutch firm, people just allocated the time to find solutions and began to interact directly with each other. Implicitly, people were working on a revision of the temporal and interactional structure, albeit on an ad-hoc basis. Internal meetings were organized and people more frequently stepped in to each other's offices and began to exchange information with their US counterparts. People in the Dutch firm also planned visits to the US to see how the production and testing of aviation leather is done in practice. Slowly, the interactional time spent in the relationship increased, and this helped to frame the problem and create a shared understanding.

During this ad-hoc meeting, they went step by step through the process and the rejected sample leather hides were spread on the meeting table. This meeting was attended by the technical and sales manager from the US partner and the R&D and sales manager (first author), an assistant from the R&D department, and the new employee hired for leather testing. We went through virtually the whole leather production process and procedures, and sometimes even physically went to look at conditions on the shop floor.

When the third trial order with the new recipe was issued, people frequently engaged in discussions concerning application of chemicals and testing equipment. After eight weeks, the third trial order passed all the FAR (Federal Aviation Regulations) requirements, but did not meet the internal standards that both partners had defined at the first meeting. Nevertheless, the results were happily communicated to the US partner. They immediately sent the technical and operational manager to the Netherlands to discuss how the product could be further improved in order to meet their own standards. They also wanted to discuss the specification for some trial orders for one of the acquired airlines.

Despite the good progress, the partners faced another event. People working at the raw material dock in the US firm reported that they had rejected 1,000 leather hides (existing activity). These semi-manufactured leather hides did not fulfill the requirements and appeared to be loosely structured; this would influence the quality of the finished hide. The next month, more members became involved in the relationship to help solve this major problem. If they were unable to solve it, then the consequences would be tremendous; there was no question that this would influence the strategic relationship between the firms negatively. Thus, employees were visiting and counter visiting one another, and carefully monitored all the actions and investigations into the cause of the problem. They issued several trial orders but were also constrained by the turnaround time of five weeks to make the semi-manufactured material. Tensions arose and expectations and actions were made more explicit and confirmed through email. People became aware that this was a very crucial moment in the relationship. They realized that if they were unable to solve this problem, their relationship with one another would be in serious danger and face an uncertain future.

Despite better progress in the new activity, another critical event occurred; its significance was perceived in similar ways by both partners. Both partners sensed that their joint future was at risk, and knowing this put enormous pressure on the relationship and the time perceived among participants to solve the problem was very short. This lack of time notion immediately led to the implicit enactment of an event-based temporal structure, represented by new interaction patterns and short cuts in communication between persons. (i.e., no interference of the sales or any other department). People created action lists and timetables, deadlines, etc., for which they would be accountable.

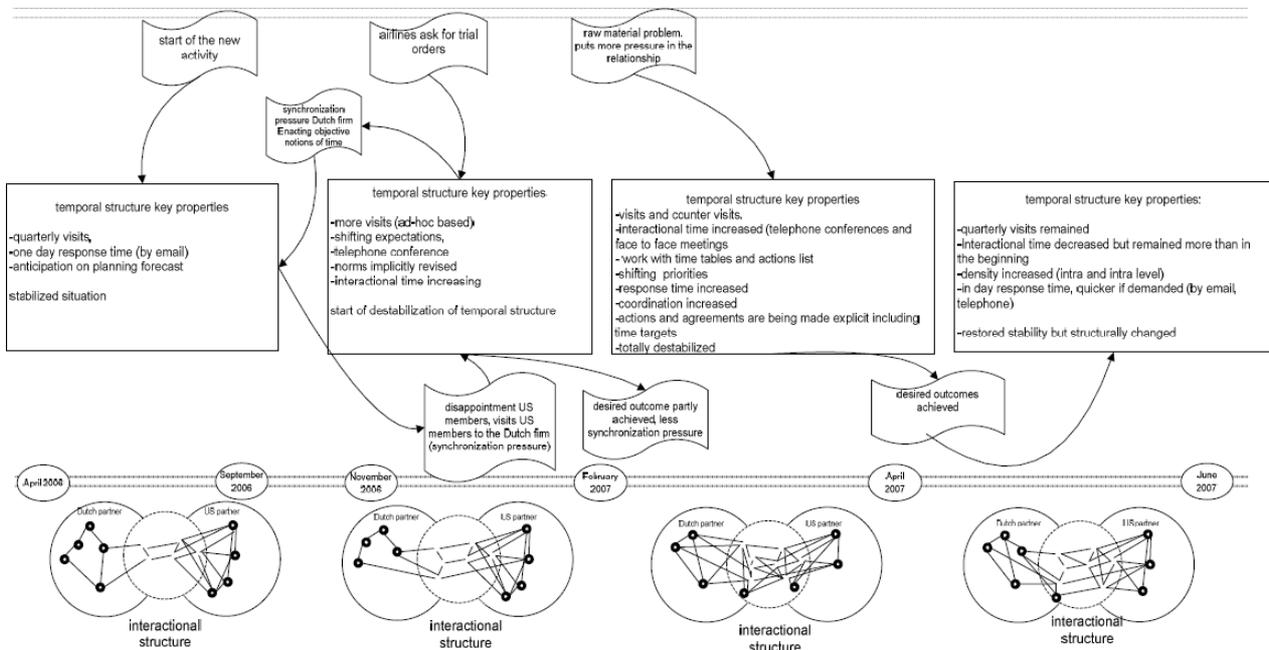
People at the Dutch firm were not used to working in this way or engaging in any additional activities within their organization. It was new for them and, to some of them, the whole situation appeared to be chaotic and unstructured. The owner of the Dutch firm also felt responsible for solving the problem and facilitated the uncontrolled actions, knowing that the consequences would be high if the firm did not succeed. Nevertheless, during that time, the synchronization pressure within the Dutch firm remained unchanged and some people were trying to reenact the older temporal and interactional structure of the relationship; for them, the situation might get completely out of control.

After eight turbulent weeks of frequent visits, email exchanges, and telephone conferences, the partners were able to find the cause of the problem and create a new recipe for the semi-manufactured product. The problem had to do with a chemical composite in the pre-tanning stage. This event caused a breach in the production planning of the US firm, and they had to improvise a lot; however, they could now resume their normal planning. The new aviation activity, on the other hand, still required frequent interactions among members at both firms, as they were engaged in optimizing the samples for the airlines. After eight months from the start of the new activity, both partners were finally able to take the first orders from airlines.

The interactions became less intense and the ad-hoc practices that characterized this period were not used as much, but they had helped in paving the way to fulfill the initial purpose of the new activity. A major development that occurred, however, was that the relationship entered a different temporal structure with a stronger and denser interactional structure.

REFLECTIONS

The visual map (Picture 2) illustrates this empirical process, including the changes within the temporal structure (rectangular boxes middle) and interactional structures (circles below). The rectangular boxes represent the key properties of the emerging temporal structure during the process. They are surrounded by the events that both influenced and were influenced by the temporal structure. Our drawing suggests that people did not immediately change their temporal structures when engaging in new activities. Especially within the Dutch organization, people were exposed to time pressures resulting from ongoing concerns at the level of the Dutch firm. This, in turn, affected the relationship with the US firm and the new activity negatively. The disappointing results produced by the new activity resulted in a re-enforcement of the existing structures. This implies that no additional resources in terms of people and time were assigned to the relationship. As both the temporal and interactional structure remained closed, problems accrued. The US partner began to raise questions and implicitly demand an open-structured approach. We categorize this moment in the process as a mode of dis-synchronization of time conceptions, a process that slowly started at the inception of the new activity in this study. In this mode of dis-synchronization, both partners' interpretative processes slowly changed, and this began to play a crucial role in the progress of the new activity. Dis-synchronization or dysfunction may not automatically be perceived as such. We have noticed in our case that, especially within the Dutch firm, people responded by enacting objective notions of time and prioritized the ongoing efficiency projects happening within the organization over the new activity. Only when problems began to accrue into critical events, and were perceived as seriously affecting the future of the relationship, did people begin to do things differently. As Pettigrew (1990 p 273) argues, events are not critical themselves, "but the underlying



Picture 2: Empirical flow of the emerging temporal and interactional structure

logics that give events meaning and significance.” The underlying logics in this case were that not only might the partners’ new activities be affected, but their existing relationship could also be jeopardized, especially when partners were confronted with problems stemming from their historical activity. It appeared to us that these critical events were necessary for partners to enact event-based temporal structures and temporarily assign people to solve the problems at hand. The time pressure at the Dutch organization remained, but the relationship was prioritized over other activities as a result of re-synchronization processes amongst participants. Here, re-synchronization processes involved both the alignment of future expectations of the relationship and the activities necessary to proceed with present activities. Only through these processes did the Dutch partner become much more open to enacting ad-hoc-based structures and generating a modified structure with constitutive properties at the end of the process.

In analyzing the processes underlying synchronization, dis-synchronization, and eventual re-synchronization and relating them to time and timing to change in temporal and interactional structures in business relationships, we condensed several but equally important key features. Our first observation was that time scarcity or emerging dis-synchronization does not immediately lead to different behavior of people in business relationships. Although people (both management and members) may implicitly notice that new activities require more interactions, more interactional time, faster response times, increased visits, different time schedules etc., these do not automatically emerge, nor are they immediately enacted by management and members. In fact, members and managers may even experience the tensions of dis-synchronization but ignore the need to change the structure of the relationship. This observation was also made by (Van De Ven & Polley, 1992), who found that early process events were ignored by the participants involved in a joint venture. In her study, (Staudenmayer et al., 2002) too found that people do not automatically induce change and enact temporal shifts but tend to ignore problems in the first place. The explanation that we offer here is that people are inherently related to their social practices (Schatzki, 2005b). From this perspective, practices that are performed within temporal and interactional structures cannot be separated from the actors who perform these actions. In other words, practices are not just what actors do, but are rather social sites in which events, entities, and meaning help create one another (Schatzki, 2005b). This view is consistent with more philosophical approaches to the study of human conduct. One of them is based on Martin Heidegger’s being and time (Heidegger, 1978), offered by (Chia & Holt, 2006). These authors suggest that, in performing practices, people interact with each other and make use of the tools available to them. People have internalized the tools and properties of the temporal structure to which they inherently relate, and use the “tools” readily available to them. This is exemplified by the synchronized perceptions of time that the partners developed in the past, including their constitutive structures consisting of planning projections, visit cycles and rites, social and interactional time spend with each other, response times, etc. These properties were all readily at hand and tacitly available to the partners. The reading suggests that this mode of engagement can be typed as dwelling. Though, we do not suggest that people have no intentions or cannot think about doing things otherwise: intentionality here is non-thematic and absorbed in the everyday practical coping with the available tools ready at hand. In our view, what matters here is when people choose to do otherwise and not that they have a choice to do otherwise as suggested by Giddens, (1979). This “when” takes place, as Chia & Holt’s (2006) reading suggest when there is a breakdown or disturbance in the tools

available. In this case, the US partner felt pressured by the airlines acquired to fill trial orders. Almost at the same time, they heard that the second trial order had not succeeded in passing the test. As a result, they responded more resolutely to the Dutch partner than they normally did. This occurrence was responsible for making them reflect on the tools available to the relationship (i.e., their existing methods of governing the new activity were not helpful). From that moment on, people's attention to the situation was provoked by occurrences of failure and threatened, in our case, the original idea of the partners cooperating toward a new activity. The explanation by Chia and Holt (2006) suggests that people engage in an occurrent mode and implies that "thematic representation, deliberate intention and action take over from every day practical coping" (P 642). For that to happen, it was necessary in our case study for the partners to engage in face-to-face discussions that enabled them to transpose their knowledge about how the product should be made in the first place but equally important, how their relationship should be structured to enable a better communication, a process that we labeled as re-synchronization.

In this research we were mainly concerned with the question of when people change temporal structures in business relationship. The choice of people to do otherwise Giddens, (1979), suggest that the role of actors is that they are knowledgably, purposive, adaptive and inventive agents who reflexively monitor their actions. Although Giddens (1979) also suggest that the conduct of reflexive monitoring views intentionality as a process, and "a routine feature of human conduct and does not imply that actors have definite goals consciously held in mind during the course of their activities"(p 56). The argument that we attempt to make here goes a little bit further and says that people do not always stand back as alerted observers in evaluating everyday practice. In other words, the choice to do other wise, kicks in when people are almost literally confronted with the limitations and disfunctions of their practices and constitutive structures. Our research points thus in the direction that action to enact new or modify temporal structures is preceded by a sense of failure or disfunction that alerts people and change their conduct. Or according to Chia & Holt (2006 p 642) reading "*it is failure and not success in the daily performing of a function that alerts our consciousness and attention and causes us to stand back and survey our circumstance*".

DISCUSSION

The point that we attempt to make in this study is that change of business relationship temporal and interactional structures are emergent processes in which people are inherently related to modus operandi and paradoxically, its success depends more on failure and sense of dysfunctionality than on deliberate planning. Others studies suggest however that triggers to change temporal rhythms can be created and can change actor's experience of time (Staudenmayer et al., 2002). We acknowledge that such intentions can create awareness and functions as a symbol of the need to change that, in turn, creates commitment and legitimacy. The question remains however that what should be changed, which resources mobilized and for what reasons? In our view, reasoning comes close to sense-making processes (Weick, 1995). Our observation and explanation suggest that shifting temporal and interactional structures in business relationships precedes failure and a mode of occurrence, a view that is consistent with (Weick, Sutcliffe, & Obstfeld, 2009) p 409 remark that there must be "a shift from the experience of immersion in projects to a sense that the flow of action

has become unintelligible in some way”. Only then a sense of awareness and deliberation to change of practices becomes internalized in the mind of the actors who are about to perform the practices. This questions also whether sense making at the start of the new activity would really make sense during formalization of the new activity, as suggested by others (Vlaar, Van den Bosch, & Volberda, 2006).

We believe that the role for managers involved in business relationship processes differ from more linear views on business relationship development. In fact, with this study, we challenge strategic management scholars who argue that implementation of activities practically flows from policy (Kale, Dyer, & Singh, 2001; Kale & Singh, 2009; Kale, Singh, & Perlmutter, 2000). This view promotes the idea that business relationships can be constructed from the outside. However, similar to Tsoukas & Chia (2002) remark, our study too suggests that temporal structures build itself up from the inside and that its outcome is quite open ended. Despite the appealing idea that managers are in control of processes and exercise deliberate rational planning in shaping these processes, we suggest that their role may shift more into the direction of sensitive facilitators of change. With sensitive facilitators of change we mean that managers should not only strive to pro-actively facilitate change like manipulating temporal rhythms as suggested by (Staudenmayer et al., 2002), which to a certain extend, might work well, but act purposefully when things go wrong. Sensitivity means that managers then become open for allocating and facilitating the right resources (like time, people) which are appropriate for changing the temporal structure and interaction patterns of the relationship.

We contemplate our study as explorative and tentatively in nature and acknowledge that our study has its limitations. One important limitation is that we examined just one empirical setting. Although we benefited from eight months being actively present in this relationship, we do not have material to compare our data to other empirical settings. Our future research agenda then consist of studying the evolution of temporal structures in business relationships in multiple case settings. Nevertheless, we hope that our study promote the idea that it is hard to imagine now that time plays an insignificant role in shaping business relationship processes. Some suggestions for further research are the development of new temporal structures in new business relationships. How and under what conditions are temporal structures (meeting frequencies, time tables, schedules, etc) negotiated? How are relationship specific temporal structures synchronized with other activities within the organization but also with other actors in the network?

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