

A practice-based approach for studying interactions in business relationships

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Abstract

In this paper we reflect on the use of a practice-based approach for studying interactions in business relationships. The rationale for borrowing a “practice lens” from organizational studies is related to the fact that such an approach shares with the IMP the focus on actual practices and their relationships rather on the actors and their actions. Previous studies adopting a practice based approach especially in the health care context have reported interesting insights on dynamics of intra-organizational relationships, which support the idea that a ‘practice turn’ can be useful also when dealing with inter-organizational relationships. Drawing on 10 years of experience of practice-based research we shed light on some of the strengths and challenges one may encounter with this approach and discuss whether and how a practice-based approach can contribute to enhance the understanding of interaction processes in business relationships.

Key-words: interaction, practice, business relationships, methodology

INTRODUCTION

Business relationships between suppliers and customers in B2B markets are important because of their implications not only for how these markets work but also for the performance and development of the individual businesses (Håkansson & Snehota, 1995). Interaction processes across business boundaries play an important role in how mutual adaptations are initiated and carried out, and interaction in business relationships thus stands as the central business process (Håkansson, Ford, Gadde, Snehota, & Waluszewski, 2009). Despite the fact that interaction processes are at the core of research in the IMP tradition, studies that explore, at an inter-personal level, how in practice it happens that actors find a way to effectively collaborate are to date limited. The relative scarcity of such studies may reflect methodological complexities involved in empirical studies of interaction (La Rocca, 2013) since interaction, as interlocking of behaviors and mutual conditioning, is notoriously difficult to observe empirically, and the challenge is to adopt “dynamic models about the process of interaction” (Turner, 1988, p.11).

In this paper we turn the attention to and discuss an approach which is complementary to the approaches to study interaction processes in business relationships commonly used in the IMP research tradition. We will reflect on the use of a practice-based approach (Orlikowski, 2000; Nicolini et al., 2003; Feldman & Orlikowski, 2011; Nicolini, 2012) for studying interactions in business relationships. The rationale for borrowing a “practice lens” from organizational studies is that such an approach shares with the IMP the focus on actual practices and their relationships rather on actors and their actions (Nicolini, 2011). Furthermore, previous studies adopting a practice based approach especially in the health care context (e.g. Mørk et al., 2012) have reported interesting insights on dynamics of intra-organizational relationships, which suggests that a ‘practice turn’ can be useful also when dealing with inter-organizational relationships. We will draw on practice-based research that we have conducted for over 10 years in different contexts in order to shed light on some of the strengths and some of the challenges one may encounter with this approach. In this paper we will discuss whether and how the methodological tools of a practice-based approach can be used in the analysis of inter-organizational business relationships.

The paper is structured as follows. In the next section, we start by reviewing the literature on business relationships and interaction in the IMP tradition focusing on the methodological approaches that have been typically employed so far. In the section that follows, we review the extant literature on the practice-based approach outlining its epistemological and ontological roots and we report on the use of the practice-based approach in empirical setting previously researched by some of the authors. We conclude with a section in which we outline in what ways a “practice turn” can be relevant for studying interaction in business relationships.

STUDYING INTERACTIONS IN BUSINESS RELATIONSHIPS

In the last issue of IMP Journal (vol. 7 issue 13, 2013) there are three papers that deal in different ways with the fundamental assumptions of IMP. In a longitudinal bibliometric review of Industrial Marketing and Purchasing (IMP) Group Conference papers from 1984 to 2012 (Wuehrer & Smejkal, 2013), the authors identify and discuss topical keywords and co-occurrences in 28 years of IMP research. They found that in the period 2006-12 the key concept

is “relationship” mostly linked with “network”, “business”, “customer”, “process” and “company”. Interestingly, what has been found to be less prominent within the flow of IMP conferences is “organization”, “management”, “knowledge”, “time” and “role” (p.151). It suggests the focus of IMP research being the inter-organizational level. In a paper on IMP theory in light of process- and system theories, Olsen (2013) discusses the ontological and epistemological underpinnings of IMP in comparison to Actor Network Theory (ANT) and systems theory and argues that “the fundamental ontological position defining the IMP as an area of theory is the assumption that resources are heterogeneous and only partially knowable, and as a consequence, that relations and interactions are fundamental constituents of the economy” (p. 162). The paper testifies the ‘process thrust of the IMP research’. In the third paper La Rocca (2013) discusses the methodological challenges of approaching actors from an interaction perspective, emphasizing the scope for observing interaction behaviors rather than investigating the declared intents of the interacting parties. It links to a few earlier contributions on research methods in IMP (e.g. Dubois & Gadde, 2002; Dubois & Gibbert, 2010). The three papers probably reflect two common tendencies in the IMP research community. First, to re-assess its ontological position since, differently from what one would expect after almost 30 years research, the ontological and epistemological assumptions of the IMP stream of research are anything but mainstream in the field of marketing and management. Second, there is of course the need of some “refreshing” to keep alive the counterintuitive thinking that has characterized IMP from the very beginning. In this section we aim to outline the ontological and epistemological positions of IMP, both conceptually and methodologically in order to identify – in section four - possible synergies with the practice-based approach (discussed in section 3) that seems to resonate well with the IMP perspective.

The IMP roots

If one starts from the roots of IMP and its path breaking ideas, one of the first thought that comes to the fore is the emphasis on joint behaviors and inter-dependences, between individuals but also between organizations (Snehota, 2014). The focus on what happens between organizations – and among individuals who represent these – has led to the reflection that the idea of autonomous rational actors –who act purposefully, form intent and interpret the context to achieve desired goals - is of limited use in business networks context. The IMP considers relational processes and, in particular, interaction, as the central process in marketing and thus as the central construct in explaining emergence and consequences of business relationships among organizations.

The IMP research argues that a business relationship with its content has three functions: for the relationship itself, for the parties directly involved and for others indirectly involved. The underpinning of the concept of relationship function is empirical. Empirical research shows that what happens in a relationship has consequences for the relationship (e.g. how it will develop); it has consequences for the organizations and actors involved (e.g. economic outcomes for the businesses taking part); and it has consequences for other, indirectly connected parties and relationships (e.g. for the customers of the customer, suppliers of the supplier and so on). The same research shows that what happens in a relationship can be influenced by what happens in the indirectly connected relationships, in the organizations that are part of the relationship and in

the relationship itself (Håkansson & Snehota, 1995). The interdependence and connectedness of business relationships (Cook & Emerson, 1984), in the sense that what happens in one affects what happens in another business relationship (directly connected through one of the parties or indirectly connected through more than one party), has led to formulating the concept of business network as a set of interdependent relationships.

The analysis of inter-organizational business relationships required the development of concepts that could capture the complexity and permit the differentiation and classification of the variety of these relationships in terms of their content and function. Research in the IMP tradition has developed a conceptual framework – the Activity-Resource-Actor (ARA) model - to deal with analysis of business relationships and their consequences (Håkansson, 1982; Håkansson & Snehota, 1995; Ford Gadde, Håkansson, & Snehota, 2011; Håkansson et al., 2009). The idea is that in order to understand the development of a particular business organization, its activities, resources and actors, we have to look at how the three layers are connected to those of other businesses. Interaction in business relationships can be analyzed by examining the overall pattern of interaction between the two businesses in the various layers (Håkansson et al., 2009) and also at a more micro level of various partial processes that pertain to the single layers, and how specific products, organizational units, activity flows, and even individuals interact within the framework of the overall relationship. These interaction processes in inter-organizational business relationships are important for relationship dynamics, for how the parties to relationships develop, and ultimately for the dynamics of business networks.

Given the focus on inter-organizational relationships that tend to be rather complex entities involving interfacing of resources constellations and activity patterns in business relationships between two business organizations, it is not surprising that the IMP research has been emphasizing the ‘materiality’ of inter-organizational business relationships referring to the “heaviness of business relationships” (Håkansson & Waluszewski, 2002). The importance of the ‘material aspects’ in customer supplier relationships is what inspired also the ARA framework. The importance of resource and activity dimensions in explaining the emergence and development of business relationships and the dynamics of business networks is highlighted in the IMP research. The materiality of business relationships, the importance of the resource and activity dimensions, has an important impact on the respective interaction practices of actors in business relationships.

The focus of the IMP research on inter-organizational business relationships has also led to acknowledging explicitly two levels of the ‘actor’ concept and distinguishing between organizations as actors and the individual actors as agents for the organizations involved in inter-organizational relationships. Admitting the need to consider actors at the two levels and the attempts to conceptualize the actorship at both organizational and individual level and to connect the two has been landmark of the IMP research stream. In fact, for the IMP stream of research the complexity and materiality of inter-organizational relationships is at the origin of the peculiar relational dynamics, peculiar features of the business markets and of the interaction processes in the relationships. The notion of ‘organizational actors’ (organizations as actors) in interactive relationships between organizations has been rarely discussed outside the IMP. The argument that the material dimensions of relationships (resource and activity) are important in interpreting the opportunities and constraints and mean heavy structural constraints on the direction of

practices, has been very much present in the IMP research. As a consequence, while in other streams of research the actor dimension is of major concern, in the IMP framework the actor dimension of relationships is considered but one of the three explanatory dimensions in business relationships and not clearly the dominant one.

Interaction in business relationships concerns the resources, individuals and activities performed. Interaction involves costs for the interacting businesses and also important potential benefits that cannot be obtained without interaction. Since all companies simultaneously interact with many others, each dyadic relationship affects other relationships. The consequence is a network of connections across many organizational boundaries. Therefore, interaction is much more than an 'exchange mechanism'; it is the means through which companies systematically relate by combining activities and resources, and it is through interaction that the benefits derived from the flow of these resources and activities are spread widely in a network.

Watering the IMP roots

The methodological roots of IMP lie in rather large scale surveys collecting data on 1000 buyers and sellers (Håkansson, 1982; Håkansson & Snehota, 2002) to examine the content of inter-organizational business relationships. The initial survey has been followed by a wide number of studies that we would call case research that is dominant in industrial marketing studies (Easton, 2000), and is carried out using a variety of methodological tools, addressing a multitude of aspect related to the impact of the relationships on organizations. Numerous studies in the IMP stream of research have been inspired by what has been called the "abductive approach to case research" (Dubois & Gadde, 2002). Case study is the most common approach in the IMP (Halinen & Mainela, 2013) probably because, in light of its specifications (Easton, 1995, Eisenhardt, 1989; Yin, 1989), case study method has been identified as the most suitable for the study of business networks (Halinen & Törnroos, 2005). While there is a large number of studies that examine interaction processes and their consequences in relation to the resource and activity layers of business relationships, studies that have dealt with the actor layer of business relationships, particularly in relation to the individual behaviors in interaction, are less frequent. Yet, the interaction behavior of individuals when they meet to jointly address and resolve various issues representing the two businesses is a very special facet of interaction in business relationships (Guercini, La Rocca, Runfola & Snehota, 2014). When individual actors meet and interact, they make commitments on how to cope with various issues regarding mutual adaptations of the two businesses in terms of resources and activities. The question arises how in practice it happens that actors find a way to (more or less) effectively collaborate? And how the actual behaviors in interaction affect relationship development?

The question of linking interaction to outcomes has been addressed but less systematically and the reasons might lie in the methodological complexities involved in empirical studies of interaction. An "interaction approach" such as the one espoused by the IMP (Håkansson, 1982) entails certain rules on how to approach actors: "choosing interaction in business relationships as the context of acting means that actors are identified as those who are perceived as actors by interacting counterparts" (La Rocca, 2013: 174). Furthermore, the heterogeneity assumption, central in the IMP studies, is easily neglected for the difficulties to find useful instruments to

analyze and report on this aspect. In terms of temporal orientation, IMP studies seem to make a little use of real-time and interaction-related data and to rely more on historical reconstructions (Halinen & Mainela, 2013). The most common approach in the recent studies appears to be interviewing which is partly in contrast with a landmark in the IMP tradition to avoid relying on actors declared intentions and cognitive “re-elaborations” and rather to focus on observing and registering *what actors do*.

THE PRACTICED-BASED APPROACH

In recent years there has been an increasing interest in practice-based approaches in domains such as marketing, consumption, institutional studies, accounting, strategy, learning, routines, innovation and so forth (Nicolini, 2012: 12). Corradi et al. (2010) draw upon Fujimora’s (1988) metaphor of a bandwagon to describe how different areas come together in the pursuit of the same goals. The starting point for practice-based studies (PBS) is often seen as “The practice turn in contemporary theory” (Schatzki et al., 2001). Meanwhile, practice as the study object has long traditions in both sociology and philosophy so Gherardi (2006), Miettinen et al. (2009) and Nicolini (2012) underscore that what we are experiencing now is, in fact, more of a ‘practice return’.

In the following we will briefly describe the historical roots of practice-based approaches. We will then turn to four current streams of research within PBS, and in particular look at two of them that we find most relevant for this paper. Thereafter we describe some methodological principles from PBS experienced in our own research.

The first tradition identified by Nicolini et al. (2003) is the Marxist tradition which challenged the neglect of practice in much of the philosophical literature at the time. This tradition is important because it avoids focusing on cognitive aspects and the tendency to make knowledge an entity by rather emphasizing how knowing is related to doing. In the Marxist epistemology practice has a key role. In fact, Nicolini et al. (2003: 9) highlight that from a Marxist standpoint “we only know that which becomes the subject of our practice: thought and world are always connected through human activity”. Researchers should examine “praxis, understood as what persons say, imagine, conceive, and produce, and think while attempting to carry out these activities” (ibid: 7). The second tradition that has enhanced our understanding of practice is phenomenology. Activities like “work, learning, innovation, negotiation, conflict over goals and their interpretations, are all co-present in practice” (Nicolini et al., 2003: 7-9). The third tradition is represented by Wittgenstein who shows that language is a practical accomplishment, and argue that “participation in practice entails taking part in a professional language game, mastering the rules and being able to use them” (Nicolini et al., 2003: 11). Further, influential sociologists like Bourdieu, Garfinkel and Giddens have all produced important research of practice.

Practice-based approaches

Resonating Gherardi (2006: 4) we would like to emphasize that “practices per se are conceptually distinct from the people who practice them. They are available to be done,

performed, and practiced in social contexts”. Since practices are the unit of analysis in PBS, the object of study is not confined to individuals, single organizations, fields or populations. As Nicolini (2012) underscore, practices will be encountered as connected to other practices even though we may discuss them in isolation. In fact practices “...do not respect boundaries, because they connect things, people, and events that are distant and only partially congruent, because they allow the coexistence of old and new, because they are able to deal with change and disorder while explaining persistence and order ...”, (Nicolini et al., 2003: 28).

When we look at more recent research on practice, we find that we do not have one all-encompassing practice-based theory, but rather several streams of research that together contribute to theorizing practice (Gherardi, 2000; 2006; 2009; Nicolini et al., 2003). There are in particular four streams of research that have been important within PBS: The first tradition is the cultural and aesthetic approach, in which culture is studied to increase our understanding of how practices are produced and reproduced. Practices are highly context-dependent collective endeavours (Nicolini et al., 2003; Gherardi, 2006; Nicolini, 2012). Activity theory, the second tradition, comes from Marxists traditions, and therefore underscores how practices are situated and mediated through artefacts. The relationship between practice and objects, and how activity systems carry with them long histories have therefore been central in this stream of research (Nicolini et al., 2012).

The third tradition is situated learning theory, which was developed as a critique of traditional individualistic approaches to learning (Lave & Wenger, 1991; Brown & Duguid, 1991; 2000). This approach emphasizes how learning is located and situated within everyday work practices. Central to this perspective is the notion of ‘communities of practice’ which are defined as: “a set of relations among persons, activity, and world, over time and in relation with other tangential and overlapping communities of practice” (Lave & Wenger, 1991:98). Members in communities of practice share common understandings, and newcomers to the community are gradually gaining membership through a process described as legitimate peripheral participation. This refers to how these members are legitimate members of the community, but without having full access to all areas (hence the term ‘peripheral’). Lave and Wenger (1991) show several historical examples of how practice was learned through apprenticeship. Several studies have shown that radical innovation often occurs in the interstices between different communities, whereas more incremental changes in current practices occur within the existing communities. It is therefore important that these communities negotiate and collaborate in attempts to stabilize new practices, and hence power and politics are therefore an important aspect of being part of these communities. After all the newcomers in these communities may over time take over the roles of the masters, and in innovation it may not even be sure that it is clear who the master and the apprentice are (Mørk et al., 2010). It has also been suggested that collaborating locally across these communities can be very challenging, while in larger networks of practice spanning inter-organizational boundaries (Brown & Duguid, 2001) with practitioners sharing the same practices are easier.

The last tradition identified by Gherardi (2000; 2006) and Nicolini et al. (2003) is ‘actor network theory’ or ‘sociology of translation’ (Callon, 1986; Latour, 1987; 1988; Law, 1994). This tradition has its roots in science and technology studies, and emphasizes how practices are to be seen as associations, or assemblages of different elements, human and non-human, shaping each

other. It is also social, as it is embodying social relations, intentions and competencies. To make such heterogeneous networks hold together, to stabilize them, means hard work. In principle, things could have been otherwise – in another time and place, and “stability is not an attribute, but an outcome” (Nicolini et al., 2003: 21).

These four streams of research, according to Nicolini et al. (2003) and Gherardi (2000; 2006), have several things in common: First, they have a contingent and process-oriented stance, thereby moving us from a ‘sociology of nouns’ to a ‘sociology of verbs’ (Law, 1994). Hence, words like “learning, organising, belonging, understanding and knowing” are often used (Nicolini et al., 2003: 21). Second, the terms that they apply brings our attention to how practices are social accomplishments. Third, non-human artefacts and historical conditions are given prominence by emphasizing how practices are socially, culturally and historically situated (ibid). They also focus on the role of the spatio-temporal localized nature of practices. Fundamental aspects of practice include paradoxes, tensions, inconsistencies, and incoherencies (ibid: 23). Practice-based approaches are therefore different in that they force us to rethink the role of agents and individuals, they foreground the importance of objects and the body, and interests and power are seen as important parts of everything we do (Nicolini, 2012: 6).

We would however like to foreground that Nicolini (2012) draws an important distinction between the weak and the strong program within PBS. In the weak program has brought our attention to what people actually do through ethnographic studies, and produced rich descriptions about details of everyday work. Meanwhile, Nicolini (2012: 13) argues that such an approach may have somewhat limited value, and we end up asking ourselves “so what”. “It sheds little light on the meaning of the work that goes into it, what makes it possible, why it is the way it is, and how it contributes to, or interferes with, the production of organizational life” (ibid: 13). In contrast the strong program in practice-based studies goes much further by attempting to explain what goes on in practices rather than just describing them. The “practice idiom is an ontological choice, a recognition of the primacy of practice in social matters, as well as the adoption of the idea that practices (in one way or another) are fundamental to the production, reproduction, and transformation of social and organizational matters” (ibid: 13-14). The strong program therefore necessitates a methodological approach that draws upon observations and techniques that enable us to study practice as it happens.

Nicolini (2012: 217) therefore suggests an approach that can be described as a package or toolkit of theory and methods that will enable us to “follow the practices”. This approach has to be coherent where the methodological choices have to come out of the ontological assumptions. This means that: “Studying practices through surveys or interviews alone is unacceptable. These methods are, in fact, as unsuitable for studying work practices as they are unfaithful to the processual ontology that underpin the ethnographic of practice approach. Studying practice-building exclusively by post-hoc verbal accounts is, therefore, an oxymoron” (Nicolini, 2012: 217-218).

It is through taking such an approach that we can be able to “zoom in” on the details of the practical accomplishments of a practice as it is situated historically, locally and culturally. We will however also need to expand the scope of observations so that we are able to “zoom out” in order to “trail the connections between practices and their products” (ibid: 219). By zooming in

on practice we are better able to understand what people are saying and doing, what they are trying to do, how these practices flow in time and with what effect (ibid: 221). Yet, we also need to be zooming out to be able to account for how the here and now practices are connected to other practices, and “how configurations, assemblages, bundles, and confederations of practices are kept together”, and “how does the practice under consideration contribute to the “wider picture” (ibid: 230). Moreover, we would like to understand contingencies and how these practices could have been different.

Practicing the practice-based approach

The authors of this paper have been involved in several research projects on innovation in health care in the period 2000-2014, and in these projects we have attempted to take a practice-based approach, and drawn on extensive observations over several years in order to develop a better understanding of the cases we followed. We have in other words been concerned with following the ‘strong program’ of PBS, and attempted to account for not only the human elements, but also the non-human. This is exemplified with the study presented in Mørk et al. (2012) that describes how a medical R&D department, the Intervention Centre, developed in the period 1996-2011, and where we had followed this department through a combination of observations, interviews and document analysis from 1998-2011. In the paper we also zoomed in on this special hospital department to better understand how practices there had evolved over time, while also zooming out to be able to account for how the local practices strongly related to events, practices and actors elsewhere. We also explicitly focus on inter-organizational collaboration, and the importance of boundary organizing, i.e. the specific practices that were involved for working across different types of boundaries in order for the centre to accomplish their tasks.

In another paper (Mørk et al., 2010) we describe two innovation projects that were related minimally invasive surgery was established through close inter-organizational collaboration. In both of these projects they needed to include competencies and resources from several organizations in order to develop the new medical practices. To study how this happened we have also here drawn upon a combination of observations, interviews and document analysis, and also used “interview to the double” (Nicolini, 2012) to develop a better understanding of the practices that were involved. The same goes for Mørk et al. (2006; 2008) where we focus on some of the challenges with establishing new cross-disciplinary practices locally since the involved communities of practice also always will be part of “epistemic cultures” (Knorr Cetina, 1999) that have links externally, and which have important implications for what they see as valid ways of constructing new knowledge and new practices.

In the last two-three years we have been involved in several other innovation projects that also enable us to not only study locally how new practices are developed, but also how they have strong inter-organizational links that to a large extent define how they should be performed. Analytical approach with zooming in and zooming out on practice (Nicolini, 2009; 2012) has been a useful way to approach the empirical material.

THE SCOPE OF THE PRACTICE LENS FOR STUDYING BUSINESS INTERACTIONS

The practice based approach within organization studies has to date shown little/scant attention to the economic aspects of various practices in organizations and there has been limited concern for specificities of business organizations. There are few theoretical considerations of economic aspects of practices and very few empirical studies address economic practices apart a few STS inspired studies (Callon, 1999; Knorr Cetina, 2001; Beunza & Stark, 2004; MacKenzie, 2006). This is somewhat curious/surprising since in many (perhaps most) of the organizations under inquiry in various PBS (e.g. hospitals, construction projects, manufacturing units) the economic and financial aspects are important dimensions, be these public, private or non-profit. It could be a sign of what David Stark (2009) called the Mertonian ‘settlement’ between sociology and economy that ensued the historical division of work between economists and sociology, too often leading to economic aspects being left out of sociological analysis and vice versa. In fact, it has also been argued that the market is organized as actors selectively relate to each other and that the development of the relationships and associated interaction (Fliegstein, 2001) and as a consequence what is going on in the market cannot be reduced to an economic dimension in the narrow sense (Granovetter, 1985).

More recently, however, there have been several studies inspired and based on the practice based approach, in particular the actor-network-theory, dealing with market- and marketing practices (e.g Araujo, 2007; Araujo, Kjellberg, & Spencer, 2008; Kjellberg & Helgesson, 2007). These studies have been published in business marketing journals (and books) sometimes by researchers related to the IMP tradition, but have not been focused on practices in inter-organizational business relationships but rather on markets in general, often consumer markets (La Rocca et al., 2014).

In this paper we explore the scope for the practice-based approach for studying inter-organizational business relationships and in particular the interaction processes in these. A practice lens appears to be rather well suited for explaining interaction processes in business relationships as these are always situated (historically, socially, culturally and materially) and the methodological approaches that characterize PBS enable us to produce rich descriptions of both organizational and inter-organizational practices and interactions. Methodologically, it is through detailed observations, interviews and document analysis rather than through just relying on surveys or interviews that we can better understand why certain practices are happening and developing the way they are (Nicolini, 2012).

We admit, however, that our suggestion is not trivial. To study the inter-organizing of business, i.e. interaction in and the *organizing* of inter-organizational relationships and networks, is likely to lead to somewhat different research questions as well as interpretations of the cases under investigation. It is also likely to involve some methodological issues such as development of the practice based approach. Applying the methodology of a practice based approach to studies of inter-organizational interaction processes is non-trivial also from a theoretical viewpoint; there are at least three issues on which there seems to be interesting potential contributions for further studies of business interaction but that represent also some challenges: (1) conceptualizing interaction in business relationships as practice, (2) adopting a variable ontology of interaction, and (3) accepting a variable ontology of actors, that we will discuss in this section. The section

ends with a discussion of a few limitations of using a practice lens for studying business interaction.

Conceptualizing interaction in business relationships as practice

The conception of practice in the PBS as activities that persons “say, imagine, conceive, and produce, and think while attempting to carry out these activities” (Nicolini et al., 2003: 7) can be applied to interaction in business relationships. However, the bulk of past IMP research has stressed that interaction in relationships between two businesses (economic organizations) has not only the actor dimension but also resource and activity dimensions. The stance of the past IMP research is thus rather close to the stance of the actor network theory where the material dimension of interaction is not only taken as a possibility but is emphasized for its importance (e.g. Håkansson et al., 2009). There is little doubt however that the activities and arrangements in the inter-organizational business relationships are outcomes of collective practices. Within IMP inter-organizational interdependences is at the core of the perspective, and have been examined in relation to the knowing and learning of actors, in relation to resource combinations (embeddedness) and intertwining of activity patterns in the two organizations (businesses) that are parties to the relationship. Conceptualizing business interactions as ‘practices’ implies a stronger focus on the identification, description and classification of ‘modes of interaction’. We suggest this to be a promising avenue, as it would allow for (1) systematic analysis and comparison of interaction practices across relationships and networks; (2) analysis of how the ‘doing’ of interaction relates to matters of knowledge/competence, patterning of interaction over time, and the socio-material embedding/stabilization of interaction; (3) uncovering of how the settlement of organizational paradoxes and of conflicting interests are practical accomplishments, including temporal and spatial ordering.

It is important to note, however, that a practice lens does not imply the kind of over-optimistic ascribing of agency to individual or organizational actors that is all too common within some management disciplines. Practices are to be shared among practitioners, based on formal and informal knowledge that are often distributed through ‘networks of practice’ (i.e. formal and informal associations of practitioners) and have to be negotiated and situated to the particular practices at hand, or even (re-)created, if we follow the argument of Orlikowski (2002).

Applying PBS to inter-organizational relationships is bound to highlight the role and importance of the “actor dimension” in inter-organizational business relationships and how it relates to the resource- and activity dimensions. It is likely to require zooming-in on business relationships (to use the language of the practice based approach) and zooming-out on inter-organizational practices compared to the traditional PBS. On the first issue it entails including the economic aspects of (organizational) practices and the role of the material dimensions (resources and activities) in the formation of economic consequences. On the second issue it is likely to involve ‘zooming out’ from the traditional focus of PBS on singular local sites to interdependences that exist among organizational practices across organizational boundaries.

Variable ontology of interaction

Even though the role of “social exchange” in business relationships has been acknowledged early in the IMP research, the main thrust has been on technological and economic variables and outcomes. Adopting the practice lens could facilitate inclusion of the informal and/or interpersonal interaction, and of the social aspects of interpersonal interaction in business relationships. The emphasis on social aspects could be a change compared to the past emphasis on business aspects of business relationships in the IMP research and could help to connect and integrate the scattered empirical evidence of the role and importance of the “non-economic” variables in business relationships that abounds in the past IMP research.

A related issue is that IMP has a limited set of organization roles available for analysis, mainly ‘suppliers’ and ‘customers’. In PBS and other more sociological organization studies, there is a range of (mostly empirically derived) roles, related to a varied set of activities, responsibilities and competencies, available. It could compensate the focus on ‘business interaction’ and the relatively weak interest in the social, socio-cognitive and psychological facets of the actor-dimension in business interaction.

It remains an open issue how the PBS’ focus on the ‘doings’ and ‘saying’ and their strong dismissal of ‘repositories’ of knowledge might need to be dealt with. Practice inspired studies of market practices (e.g. Araujo, 1998) and innovation (Hoholm & Olsen, 2012; Håkansson & Waluszewski, 2007) have highlighted the socio-material dimensions in business in general and in inter-organizations business relationships in particular.

Variable ontology of actors

In much of the IMP research it is implied that formal organizations (businesses / companies) are actors in business relationships but it is generally acknowledged that when individuals interact they are agents for the formal organizations. Some of the IMP research tends to distinguish mostly two levels of actors – the individual and organizational levels. IMP research could benefit from adopting the practice lens and drawing on past PBS that has typically avoided talking about ‘levels’ and analyzed actors as socio-material constellations enabling action/agency (ref. e.g. Nicolini et al., 2003). Indeed, PBS typically relates to informal organizing such as communities of practices, networks of practices, practices, and various constellations/groups of relevance to the particular study (Lave & Wenger, 1991; Brown & Duguid, 1991; Gherardi & Nicolini, 2002). In actor-network theory ‘programmes of action’ are performed and granted influence in/through the expansion of socio-material constellations across individuals, groups and organizations. On this topic the PBS seems to fit rather well with the recent attempts in IMP research to see actor as aggregation of elements (resources, humans, etc.) enabling capacity for action and the ensuing claim that in interaction in relationships between businesses the formal boundaries are less important in defining the image of actors which is to be dealt with as an emergent and variable entity that always is relationship specific (La Rocca, 2013). We argue that this is particularly useful if we want to understand the agency in business interaction, whether in processes of product innovation (Hoholm, 2011), in changing power dynamics in industrial networks (Olsen et al., 2014), or other.

Hence, taking on the practice lens entails for IMP adopting variable ontology of actors and avoiding the dichotomy of individuals or organizations. It is likely to present a challenge to explore the socio-cognitive aspects of behaviors in interaction (e.g. Guercini et al., 2014).

Limitations of using a practice lens for studying business interaction

To employ a practice based approach to the study of business interaction is not trivial. We see potential limitations and challenges related to three issues. (1) To study practice through ethnographic methods may lead to too narrow and too local studies. To lose sight of the extendedness of business networks would easily lead to misleading interpretations regarding business interaction. PBS has been criticized for this kind of ‘myopia’, and Nicolini (2009) stresses the need to ‘zoom out’. Following from this, (2) there is a clear risk of losing track of the indirect effects of interaction, as well as the interdependencies of economically and materially extended networks that are typically dominant in business interaction. Moreover, (3) practice based studies, and the preference for ethnography, are typically very time-consuming, and even more so when practices are distributed across business relationships and networks (Hoholm & Araujo, 2011). Even though we can zoom out it may be hard to mobilize the needed resources to follow trails over longer period of time, as well as across multiple sites, with observations, interviews and so forth.

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