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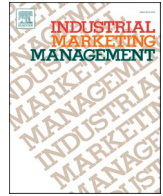
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Development of business-to-business relationships in turbulent environments

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ABSTRACT

This research examines business relationship structure, formation, development, and maintenance where the socio-political and economic environment for both exchange partners is highly turbulent. Based on multiple case-study data from 33 firms located in the Middle East, we find that turbulent environments create perceptions of uncertainty, dependence, vulnerability, urgency, and crises, leading to the formation of interimistic relationships different from those found within non-turbulent environments. These relationships are characterised by a constant search for new partners and the maintenance of a diverse portfolio of relationships. Relationships typically develop rapidly comprising three phases where a unique dynamic and structure is apparent. Dominant relationship characteristics include competence-based trust alongside control, high levels of instantaneous commitment, informal and rapid adaptation, frequent informal communication, and significant and ongoing efforts at strengthening social bonds with existing and potential partners.

1. Introduction

Primarily developed within stable and Westernised contexts, the resource based view of the firm identifies the significance of firm access to financial, physical, legal, human, organisational, relational and informational resources in order to create competitive advantage (Morgan and Hunt, 1994; Pfeffer and Salancik, 1978). However, as business environments become more disruptive and turbulent, the role of relationships increase in significance, given their contribution to sense making, facilitating resource mobilisation, enabling coping mechanisms, and enhancing adaptability to emerging situations (Emery and Trist, 1965; Sheffi, 2015; Wilkinson, 2010). Understanding relationship management in turbulent environments is fundamental to the survival and success of firms operating within such conditions. However, current research within this arena has tended to focus on particular forms of disruption such as technological innovation and natural disasters (Aarikka-Stenroos and Ritala, 2017; Falkenreck and Wagner, 2017; Stevenson et al., 2014; Zhang, Bai, and Gu, 2018). Further research that encompasses other forms of disruption (e.g., socio-political disruptions) would expand our understanding of the resource-based view of relationships through the identification of resources, competencies and capabilities that may be leveraged to address the challenges

posed by turbulent environments.

The influence of environmental forces on business relationships is well documented within the B-to-B marketing literature (Håkansson, 1982; Håkansson and Waluszewski, 2013; Möller, Nenonen, and Storbacka, 2020). Changes in the environment affect both the structure and development of relationships (Biggemann, 2010; Hussain, Jing, Junaid, Shi, and Baig, 2020). However, existing research does not address situations where all parties may simultaneously face ongoing turbulent environments, such as those in less developed countries, characterised by a lack of resources, weakened infrastructure, political uncertainty, economic and political sanctions, disruption of trade, and a lack of regulatory and democratic transparency. Within such environments, relationships may not develop through the chronological stages frequently cited in the existing literature (Dwyer, Schurr, and Oh, 1987; Ford, 1980; Ojansivu, Hermes, and Laari-Salmela, 2020; Wilson, 1995).

Similarly, social exchange theory (SET) and transaction cost economics (TCE) that are frequently used to describe business relationships, may not fully capture the management of relationships within turbulent environments or the extreme conditions where a speedy exchange of resources is required (Lambe, Wittmann, and Spekman, 2001). Both SET and TCE rely on the notion of gradual relational development in relatively stable environmental conditions (Anderson and Narus, 1984;

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Blau, 1964; Dwyer et al., 1987; Emerson, 1976; Homans, 1961; Thibaut and Kelly, 1959). In doing so, they fall short in their ability to explain how relationships develop and are managed by firms within turbulent environments. Under such conditions, parties are more vulnerable and rapid responses and speedy access to resources necessitates fast and close cooperation between two or more parties that know little about each other.

Constant change and disruption increase business uncertainty and the potential for opportunistic behaviours. This influences managers' perceptions of risk, frequently resulting in behavioural adaptation that suits the uncertain and risky conditions. Consequently, it may be anticipated that the selection, assessment, maintenance, and management of business relationships within turbulent environments will vary from those previously researched within more stable contexts. This research aims to address this void through examining: 1) if and how turbulent environments influence the development of relationships; and 2) what form of relational structures emerge in environments characterised by high levels of socio-political and economic turbulence.

Drawing on case-based research, we studied 33 business cases focusing on relationship development and management within the turbulent environment of the Middle East. Our results identify a form of relationship development and management that enhances our understanding of previously proposed models of relationship management. This study also identifies management perceptions formed within turbulent environments and explains how these drive managers' actions that shape relationship dynamics and structure. In doing so, these findings expand current knowledge on business relationships beyond the scope of more traditional perspectives such as SET and TCE by proposing a unique interimistic form of relationship for turbulent conditions. The results also augment the RBV of the firm by encompassing conditions of turbulence and the necessity to leverage particular resources, competencies, and capabilities to swiftly develop and maintain relationships in order to mitigate threats and crisis situations and survive within turbulent conditions.

2. Background

2.1. Relationship development and structure

Firms select and commit to exchange partners that offer higher social and economic benefits, which Walter, Müller, Helfert, and Ritter (2003) categorise as direct or indirect. Direct benefits consist of cost reductions, quality improvements, volume increases, and safeguards against contingencies in supply and demand. Indirect benefits may encompass marketing activities that contribute to a firm's connectivity, scouting, exchanging of technical or market-related information about the environment, innovation development, and social support functions which help engender positive working environments and social bonding (Lambe, Spekman, and Hunt, 2000). To achieve optimum levels of cooperation, the extant literature suggests that relationships evolve over time and pass chronologically through a number of pre-determined phases (e.g., Dwyer et al., 1987). Potential partners initially become aware of one another, explore possibilities of collaboration, make comparisons with alternative potential partners, and finally select their exchange partner. In the initial phases, partners engage in relatively minor interactions to test and explore one-another and establish relational boundaries. Once initial orders are exchanged and fulfilled, cooperation increases, norms of exchange develop, and hence the value of the relationship increases for both parties. Over time, trust and relationship commitment as well as the interdependency of parties increases. Through mutual investment, relationship maintenance becomes a priority for both parties (Dwyer et al., 1987; Ford, 1980; Lambe et al., 2000; Wilson, 1995). While there is general consensus on how relationships develop, research in this area has widely ignored the role of the external environment and environmental disruption on such development.

Relationships are subject to continual change and adaptation within the environment that surrounds each exchange (Håkansson and Waluszewski, 2013). Thus, parties' interactions, relationship structure, and the processes of relationship management evolve in response to these external changes (Wilkinson, 2010). Relationships may experience periods of inactivity in which exchanges of goods and services cease. These are also referred to as dormant stages and despite their importance, little is known about the causes or characteristics of such stages (e.g., Havila and Wilkinson, 2002). While inactivity may lead to relationship dissolution, a number of authors (e.g., Batonda and Perry, 2003) argue that there is still the potential for reactivation. Polonsky, Gupta, Beldona, and Hyman (2010) suggest there are two factors that lead to reactivating a relationship; the perceived value derived from the relationship and the quality of existing social bonds. Similarly, Havila and Wilkinson (2002) identified that social bonds play a crucial role in the exchange of information between firms during inactive stages. Such inactive stages may be particularly relevant to relationships in turbulent environments, as environmental disruption may result in prolonged periods of no activity between firms.

Relationships develop through interaction with partners experiencing varying levels of trust, commitment, interdependence, bonding, distance, and communication exchange (Biggemann, 2010; Håkansson, Ford, Gadde, Snehota, and Waluszewski, 2009; Hallén and Sandström, 1991). While such relational variables continuously change, they reflect the structure of a relationship at a particular point in time (Olkkonen, Tikkanen, and Alajoutsijärvi, 2000). However, there is consensus within the literature that the key features of trust, commitment, bonding and interdependence will increase over time while distance will reduce. Hence, in close, enduring and cooperative relationships, the structure encompasses high levels of interdependence, trust, commitment, bonding, quality communication, and low levels of distance (Ford, 1980; Lambe et al., 2001; Ulaga and Eggert, 2006; Zaefarian, Henneberg, and Naudé, 2013).

For the purposes of this research, the term 'Relationship Development' (Dwyer et al., 1987; Ford, 1980) refers to any progress and change in a relationship or interactions between partners. Hence, relationship development may include selecting partners, forming relationships, the maintenance and dissolution of relationships, or inactivity associated with relationships. We also use the term 'Relationship Structure' (Olkkonen et al., 2000) to refer to the composition and quality of relational features such as trust, commitment, interdependence, bonding, distance and communication.

2.2. The firm and its environment

Any significant change in the environment of the firm may disrupt the firm's activities and require rapid decision making and subsequent action to ensure continued performance (Hartmann and Lussier, 2020). Such external disruptions encompass natural disasters (e.g., Stevenson et al., 2014), competitive innovation (e.g., Vargo, Wieland, and Akaka, 2015; Wessel and Christensen, 2012), emergent technologies such as the Internet of Things (e.g., Falkenreck and Wagner, 2017) ecosystem disruptions, socio-political and economic factors (e.g., Aarikka-Stenroos and Ritala, 2017) and pandemics such as Covid-19 (e.g., Hartmann and Lussier, 2020; Mora Cortez and Johnston, 2020; Zafari, Biggemann, and Garry, 2020). Despite such disruptions having a propensity to exacerbate decision making difficulties, their impact on firms has been surprisingly under-researched. Our focus is on in-depth examination of the consequences of disruptions caused by socio-political and economic factors (dominant in less developed countries) and their consequences for inter-firm behaviours. We utilise the categorisation of the environment offered by Möller et al. (2020), which suggests a nested multi-layered environment surrounding a firm. In their categorisation, there are four layers to the environment of a firm namely Actor (micro), Focal ecosystem (lower meso), Business field (upper meso), and finally Set system (macro layer). While the layers involve various systems, they are

inter-related and influence one another. According to this definition, the outer most layer is the macro layer or social-economic-technological system comprising technological, economic, political, cultural and institutional systems at global, regional and national levels.

Turbulence is defined as external environmental conditions, mostly at the macro layer, that are characterised as continuous, abrupt, sudden, influential, and unpredictable external changes at such a scale that a firm's core functions are impacted (Selsky, Goes, and Babüroğlu, 2007; Syrett and Devine, 2012) resulting in a situation that is difficult for an individual firm to make sense of and manage. Emery and Trist (1965) argue that turbulence is a characteristic of the contextual environment (upper meso level in Möller and friends' views) within which social actors interact and trigger unpredictable changes. This perspective is also reflective of the interaction and network approach that views firms as interconnected and interactive actors embedded in the environment in which they operate (Anderson, Håkansson, and Johanson, 1994; Håkansson, 1982). Drawing on Möller et al. (2020) approach to the environment and the above definition of turbulence, we adopt the following definition of turbulence for this research:

Environmental turbulence refers to any unpredictable change in the macro, upper layer or lower layer of the environment that may lead to a sudden change at a scale that firm's function and survival is threatened. Most of the disruptions reported in this research are rooted in the macro layer although they may lead to changes within upper and meso layers. It should also be noted that due to the nature of the context of this research, technological turbulence was nominal.

Different contextual factors interact to foster environmental changes that converge to create, complexity, uncertainty, and turbulence. These include economic conditions such as exchange and interest rate fluctuations, technological advances, socio-political issues, for example, international relationships, and new laws and regulations (Emery, 2012). To date, research has primarily focused on turbulence created within a task orientated environment such as that driven by technological and competitive factors (Selsky et al., 2007). Meanwhile, turbulent environments impacted by other significant factors such as socio-political and economic disruption, comprising both the upper meso and macro layers as described by Möller et al. (2020), particularly in less developed countries where such disruptions are dominant, are yet to be studied in any depth (Zafari et al., 2020). At environmental micro level, turbulence might emerge as a consequence of one party's opportunistic behaviour, that does not correspond with the expectations of the other party within the structure of relationship. Similarly, it is unclear how such forces are made sense of by managers and how resultant managerial perceptions are formed and drive firm behaviour.

2.2.1. Business relationships in turbulent environments

In turbulent environments, firms are faced with unpredictable external change which, unless certain cognitive and behavioural capabilities are developed, may lead to a crisis situation. A crisis involves a major unanticipated external event which threatens a firm's survival and leaves the firm with limited time and resources to respond (Hermann, 1963). Therefore, if a firm is able to develop the capability to anticipate external events early on and when there still is time to react, it may have a higher chance of survival. Research on firms that work in crisis-prone and changing contexts shows that to avoid crisis situations and survive, firms need to continuously identify weak signals of change and make sense of what the meaning and implications of such a change is before acting upon it. Such sensemaking capability helps the firm prepare and react to environmental turbulence (Hartmann and Lussier, 2020; Williams, Gruber, Sutcliffe, Shepherd, and Zhao, 2017). Emery and Trist (1965) argue that for the firm to survive in turbulent conditions, it should have the ability to manage its interactions with various external parties in order to comprehend the environment, access resources, respond to change, and adapt. This is because other firms may improve a firm's overall capability to deal with the environment by improving the way the environment is perceived and acted upon. Hence, such

interactions can influence the strategic behaviour of firms including the management of their relationships (Bourgeois III, 1980; Håkansson and Waluszewski, 2013). Hence, while it is acknowledged that relationship management is context dependent (Håkansson and Waluszewski, 2013), only limited research has examined the structure and dynamic of relationships within particular contexts such as those created by turbulent environments (e.g., Blomqvist, 2002; Frazier, Maltz, Antia, and Rindfleisch, 2009).

The relative importance of collaborative relationships increases in situations where firms face continuous turbulence and find themselves in crises situations. This is because relationships and partnerships help firms remain resilient and adaptive to change (Robson and Farquhar, 2021; Scholten and Schilder, 2015). Investments in nurturing and developing cooperative relationships are therefore key to building resilience against disruption (Tukamuhabwa, Stevenson, Busby, and Zorzini, 2015; Wieland and Wallenburg, 2013). The recent Covid-19 pandemic is an exemplar of this insofar as strengthening relationships with partners has proven to support the efficient management of crises (Cortez and Johnston, 2020; Obal and Gao, 2020). Furthermore, while considering a crisis as an opportunity, Nenonen and Storbacka (2020) suggest that collaborations and interdependence between exchange partners are necessary in developing successful market strategies during periods of crises.

The limited research that exists on disruption and crisis management within B2B literature suggests that some dimensions of relationship structure, including high quality frequent communication (Cortez and Johnston, 2020; Robson and Farquhar, 2021; Scholten and Schilder, 2015; Wieland and Wallenburg, 2013), information sharing (Brandon-Jones, Squire, Autry, and Petersen, 2014), trust, and commitment (Chowdhury and Quaddus, 2016; Min and Mentzer, 2004; Zafari et al., 2020) all contribute to building resilience against disruption. Similarly, Johnson, Elliott, and Drake (2013) emphasise the importance of social bonds in developing resilience whilst Sheth (2020) argues that the relationship between account managers of B2B firms is key to managing a crisis. Indeed, Sharma, Rangarajan, and Paesbrughe (2020) suggest that businesses should focus on recruiting and training an adaptive salesforce capable of managing crises and generating trust, as well as managing conflicts and solving problems. Given this, Cortez and Johnston (2020) propose that the intensification of interactions between actors and the decentralisation of decision making may also contribute positively to the management of a crisis. Finally, while highlighting the critical role of B2B relationships during a crisis, Obal and Gao (2020) suggest firms should periodically audit their relationships and their potential value during a period of crisis. This enables firms to adapt their relationship portfolio in respect to the contextual factors that surround the exchange.

Although relationships are deemed important resources in managing crises, the structural elements of a relationship and its role in managing a crisis and building resilience have not been explored in any depth by business-to-business or organisational researchers (Van Der Vegt, Essens, Wahlström, and George, 2015; Williams et al., 2017). While an idealised development and structure of relationships within non-turbulent environments has been identified, an in-depth understanding of these within turbulent environments is scant. For instance, it is not yet clear what kind of structure would be ideal or which dimensions of a relationship are more critical within turbulent environments. Moreover, it is unclear how relationships develop within turbulent environments and the extent to which they correspond with existing knowledge of less turbulent environments (Powers and Reagan, 2007; Wilkinson, 2010).

Drawing on transaction cost economics and social exchange theory, Lambe et al. (2000) have proposed a form of relationship they label 'interimistic'. An interimistic relationship's lifespan is short while certain characteristics such as interdependence and coordination are high and emerge earlier in the relationship because of the need to complete a task under time-pressure. Additionally, firms forced to form interimistic relationships use proxies for trust such as reputation, in

order to shorten the time for relationship development. While the notion of interimistic relationships has already been proposed, empirical findings of such relationships are still scant. Within turbulent conditions, it may be anticipated that interimistic relationships exist. Thus, this research aims to explore the existence, nature and structure of such relationships and the extent to which they mirror or contrast with current knowledge about relationships developed within more stable environments.

3. Methodology

This research utilised a qualitative case study approach drawing on data collected from 33 cases based in the United Arab Emirates (UAE) and Iran to explore relationship development and management within turbulent environments. Case studies are particularly effective at examining business-to-business relationships since they illuminate and capture the dynamics of a phenomenon within a specific context (Halinen and Törnroos, 2005; Järvensivu and Törnroos, 2010). Theoretical sampling was adopted and comprised of businesses within the Middle East (ME) region that both the Global Economic Prospects Report (Worldbank, 2019a) and the Ease of Doing Business Report (Worldbank, 2019b) rank as ‘low’ compared to developed western countries in terms of the characteristics of its business environment. These characteristics encompass ongoing wars, regulatory and political flux, tensions between countries in the region, high economic uncertainty, low levels of investment confidence and high levels of corruption (Worldbank, 2019a, 2019b). The dependence of some countries on incomes from oil coupled with fluctuating oil prices has been a key contributor to turbulence and uncertainty particularly in the Persian Gulf (Wilson, 2013). The UAE is considered to be a comparatively modern and open business hub within the ME region, whilst Iran is perceived as a more constrained and closed economy (Worldbank, 2019a). The two countries were selected for the study as they both have various degrees of internal turbulence whilst being located in a highly turbulent region (See Section 4.1.).

In-depth semi-structured interviews (Denzin and Lincoln, 2005; Yin, 2003) lasting between 45 min and two hours were conducted with boundary managers and/or senior managers involved in the management of relationships. Interview-data were triangulated by reviewing documents and conducting observations within participant organizations when it was necessary to clarify or add to topics interviewees had discussed. For example, when a participant mentioned that she communicated with customers ‘briefly but frequently’, examples of written communications were requested along with observing a phone call with a customer in addition to the interview. Additionally, when required, follow-up interviews via telephone were conducted to clarify certain aspects of the discussions. Details of the respondents, interviews and other methods used are provided in Table 1.

Respondents were asked to outline and elaborate on the challenges posed by the environment they were operating in and the way business relationships contributed to firm survival. They were also asked to describe their management of relationships and what they considered to be the features of an ideal and a problematic relationship. All interviews were tape-recorded, transcribed, coded and analysed with the aid of Atlas-ti software. Data were coded using hermeneutics and thematic analysis (Miles, Huberman, and Saldana, 2013). Codes were initially obtained from theory, but a number of codes emerged from data as shown in *Italics* in Fig. 1. Based on thirty codes, six categories and three themes emerged. Categories consisted of Environmental Factors that drive turbulence, key managerial perceptions, Turbulence related Behaviours identified in the data, Relationship Structure and Relationship dynamics related to the Development of relationships as well as Relationship Outcomes. The definition of codes, categories and themes can be found in Appendix A. Finally, the causal relationships were analysed with three themes emerging (Coffey and Atkinson, 1996): Drivers of Managerial Behaviours, Management of Relationships in Turbulent Environments; and Continuous Evaluation of Relationships.

As will be outlined in the results section, we also examined the causal relationships between codes and themes in order to understand the influence of turbulence and crisis on dominant relationship behaviours and how such behaviours lead to the development and management of relationships.

4. Results

In presenting our results, we initially outline the dominant characteristics of environmental turbulence and then the respective managerial perceptions driving behaviours. Subsequently, we present key attributes of relationship development and structure.

4.1. The environmental turbulence

Various external factors at a global, regional, and/or local environmental level can emerge as environmental disruptors (See Table 2).

In conducting day-to-day business within turbulent environments, managers faced high levels of ongoing uncertainty and increased risks. One purchase manager reported how regulatory changes continuously resulted in delays in the delivery of raw materials creating significant difficulties during the production process. This led to continual changes in suppliers and/or products, inconsistencies in product quality and customer complaints. Other external factors ranging from political unrest to late customer payments impacted expansion plans. The resultant tensions and conflict between suppliers and customers had a detrimental effect on relationships. For example, significant currency fluctuations not only created high levels of uncertainty but prompted some suppliers to participate in opportunistic behaviours:

When the value of our currency drops considerably against the dollar, for me who has a meeting with a supplier, it means a lot. I go to his office with an issued cheque, but he does not show up because the price may be 50% higher now and he does not want to sell his product anymore. He is hoping to sell it at a higher price ... (IR29).

Both countries participating in the research experienced similar local environmental challenges including regulatory uncertainty and change, fraud, inefficiencies of the judiciary system, and an overreliance on oil. However, the UAE as a modern business hub of the region was particularly impacted by regional disruptions. For example, whilst currency fluctuations were not particularly a concern at the local level (because of the local currency being pegged to the USD), fluctuations within the region still affected businesses in UAE. In contrast, Iran had already been experiencing high levels of turbulence from local and regional disruptions prompted by currency fluctuations and international sanctions. Despite these differences, significant similarities in relationship management by businesses within these two countries were identified. This is attributable to the high level of trade and dependence between the UAE and Iran at the time the data was collected. Another reason for the high level of turbulence in UAE was its elevated levels of exposure to other turbulent business markets in the region such as Iraq or Africa despite the relatively stable local business environment.

4.2. Key perceptions driving behaviours

Continual turbulence and previous crisis management episodes evoked a number of perceptions among respondents which influenced their management of relationships. Each perception was engendered by a particular set of characteristics within the environment which impacted the dynamics, development, and structure of relationships. This is summarised in Table 3 where the dominant perceptions are listed along with reasons for such perception formation and their influence on the structure and dynamics of relationships.

4.2.1. Uncertainty about future dependencies

More than half of firms reported perceptions of over dependence on

Table 1
Sample and methods of data collection.

| Firm ^a | Activity | Exposure regional (MEA) | Role of the KEY Informant(s) | No of interviews | Pages of transcripts/duration of interview (combined) | Other methods |
|-------------------|--|-------------------------|--|------------------|---|--|
| U1 | Manufacturing steel parts, industrial colorants/distributor of chemicals | Local and international | GM | 2 | 22pages-132 min | Documents |
| U2 | Manufacturing coatings and paints | Local and regional | GM and owner | 1 | 10pages-72 min | Observation Documents |
| U3 | Manufacturing industrial coating | Local and regional | Purchase manager | 1 | 10pages/76 min | Documents Discussion with a supplier |
| U4 | Construction (cement products) | Local and regional | Operations manager | 1 | 9 pages/65 min | Observation Discussion with a supplier |
| U5 | Manufacturing products and providing services to oil and gas industry | Local and international | General manager | 1 | 10 pages/70 min | Documents |
| U6 | Branch of a Norwegian company selling specialized clouds and solutions for oil and gas | Local and international | GM | 1 | 14 pages/102 min | Observation |
| U7 | Industrial printing | Local and regional | GM | 1 | 10 pages/65 min | Observation Discussion with the sales manager |
| U8 | Group of companies, manufacturing, hospitality, finance | Local and regional | MD | 2 | 18 pages/112 min | Documents |
| U9 | Manufacturing perfume | Local and international | Purchase manager | 1 | 14 pages/95 min | Observation Discussion with a competitor |
| U10 | Manufacturing technologically advanced recycled packaging | Local and international | GM | 2 | 12 pages/82 min | Observation/ documents |
| U11 | Paint manufacturing and chemical trading | Local and regional | MD | 2 | 14 pages/93 min | Documents |
| U12 | Manufacture of industrial inks | Local and regional | GM | 2 | 17 pages/109 min | Observation Discussion with a supplier |
| U13 | Manufacturing cosmetics/personal care | Local and International | GM | 1 | 14 pages/99 min | – |
| U14 | Pipelines and installation for jet fuel (airports) | Local and international | GM | 2 | 15 pages/105 min | Discussion with a salesperson |
| U15 | Local import and distribution of construction and household products | Local and international | GM | 1 | 11 pages/77 min | Documents |
| U16 | Construction material, steel products | Local and regional | Purchase manager | 1 | 10 pages/65 min | Documents |
| U17 | Chemicals and colorants | Local and international | Sales manager | 1 | 11 pages/73 min | Documents Observation |
| IR18 | Production of ink and packaging | Local and international | MD | 1 | 13 pages/85 min | Observation |
| IR19 | Medical equipment manufacturer | Local and regional | Operation's manager/Supplier | 1 | 10 pages/6 min | Documents |
| IR20 | Manufacturing edible oil | Local and regional | Purchase manager | 2 | 18 pages/110 min | Observation Documents |
| IR21 | Telecommunication facilities-manufacturing | Local and international | Sales manager | 1 | 13 pages/87 min | Observation |
| IR22 | Rubber manufacturer | Local and regional | Sales executives Sales executive Consultants | 1 1 3 | 21 pages/125 min | Observation Documents |
| IR23 | Manufacturing poultry products | Local and regional | MD Sales manager Consultant | 1 1 1 | 22 pages/130 min | Observation Documents |
| IR24 | Printing and packaging manufacturer | Local and regional | Managing Director Customer | 1 1 | 18 pages/115 min | Observation |
| IR25 | Recycled petrochemicals | Local and regional | Sales manager | 1 | 10 pages/62 min | Documents |
| IR26 | Resin manufacturing | Local and regional | GM Business manager Sales manager | 2 1 1 | 15 pages/80 min | Observation Documents |
| IR27 | Production of detergents and industrial consultancy | Local and international | Managing Director | 1 | 8 pages/61 min | Documents |
| IR28 | Flavor manufacturing | Local and international | Sales manager | 1 | 10 pages/65 min | Documents |
| IR29 | Distribution of construction material | Local and international | Managing director | 1 | 9 pages/64 min | Observation |
| IR30 | Manufacturing and distribution of personal care | Local and international | Strategy manager | 1 | 9 pages/61 min | Observation |
| IR31 | Tile manufacturer | Local and regional | Purchase manager | 1 | 9 pages/62 min | – |
| IR32 | Chemicals (manufacturing and trading) | Local and international | Division director | 2 | 18 pages/111 min | |

(continued on next page)

Table 1 (continued)

| Firm ^a | Activity | Exposure regional (MEA) | Role of the KEY Informant(s) | No of interviews | Pages of transcripts/duration of interview (combined) | Other methods |
|-------------------|------------------------|-------------------------|------------------------------|------------------|---|--|
| IR33 | Manufacturing minerals | Local and international | Sales Manager MD | 1 1 | 17 pages/110 min | Documents Discussion with a salesperson Observation Documents Discussion with a customer |

^a Firm with names starting with U were based in the UAE and the ones starting with IR were based in Iran.

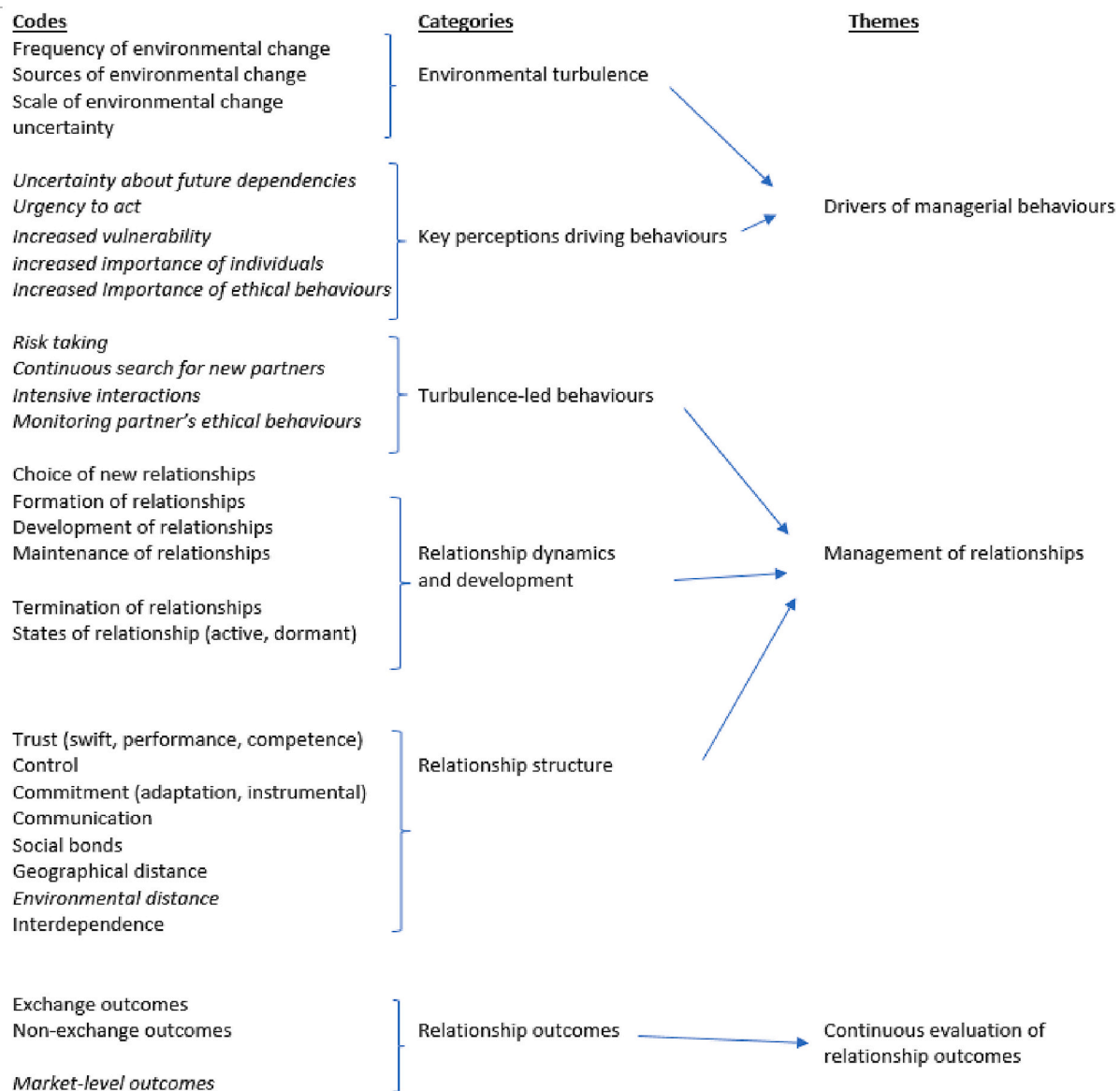


Fig. 1. Developed codes, categories and themes (Italics have emerged from data).

exchange partners due to ongoing unavailability of resources, increased prices, and other contingencies. There was uncertainty about how environmental developments would influence markets, resource availability and power dynamics. High levels of current uncertainty were further exacerbated by increasing turbulence, creating concerns about future market dynamics and forcing firms to attempt to predict which suppliers would actually have the resources that they may require. Consequently, firms felt dependent on all potential exchange partners as

they were uncertain which ones would survive and which ones would become more enterprising and hence valuable in mitigating future challenges. IR20 states:

Sometimes you are in a better situation and sometimes they are. You should understand the situation. Because nobody knows what will happen next day in this country. Sometimes you should find a way to compromise together. Losing each other is not useful for either of the

Table 2
Environmental factors faced by firms at local, regional and global level.

| Level | Main environmental challenges creating disruption for businesses |
|----------------|--|
| Global | Scarcity of raw materials |
| | Volatility of oil prices |
| | Political tensions |
| | Changes in technology |
| | Changes in global prices |
| | Uncertainty about business costs |
| Regional | Unskilled and temporary workforce |
| | Instability of demand when exporting to Africa and ME |
| | Industry cartels |
| | Wars in the Middle East region |
| | Tensions between governments in the region |
| | Favouritism/corruption |
| | Sudden changes in regulations |
| | Inefficient/corrupt judicial system |
| | Lack of transparency in regulations |
| | Liquidity issues |
| Local/National | Fraud |
| | Government controls |
| | Governmental inefficiency in controlling smuggling |
| | Lack of statistics/information |
| | Inefficient industry structures |
| | Over-reliance on natural resources such as oil |
| | Currency fluctuations |
| | Monopolies and cartels |
| | Inefficiency/unavailability of banking facilities |
| | Economic stagnation |
| | International sanctions |
| | Inefficient infrastructure |

parties. You never know what will happen in future, we all may need each other so we need to treat them well (IR20).

To hedge against turbulence and uncertainty, firms continuously strove to develop a diverse portfolio of distant and close relationships, seeking out new partners, stress-testing existing relationships and keeping all relationships active. This also led to continuous monitoring and adjustments of exposure to individual relationships as the environmental conditions changed. Finally, information exchange became a key priority while interacting with all partners regardless of their status.

4.2.2. Urgency to act

Unanticipated changes in the environment together with a scarcity of resources and time to address these frequently tested relationships between firms:

70–80% of what we do here is management of crisis (IR26).

Twenty-three firms felt the need to react quickly to changes so they could seize limited opportunities or mitigate threats. This necessitated relational behaviours which appeared to be rushed, risky, and occasionally based on heuristics. It also led to high levels of interaction and inputs into relationships, even in early stages of relationship development, to ensure rapid responses and mobilisation of resources between organizations when required. Such high levels of interaction and inputs led to the swift development of relationships. Moreover, a high emphasis on frequent and quality communication, quick adaptation and strong social bonds between empowered boundary personnel were dominant in most cases. All of these were with the aim of ensuring rapid decision making and an increase in the speed of response to environmental change.

4.2.3. Increased vulnerability

Data showed various factors contributed to feelings of vulnerability including: 1) an anticipation of significant but unpredictable change for which resources may not be accessible to mitigate, 2) observing other businesses fail as a result of external turbulence, 3) an inability to influence the source of turbulence attributable to its complexity and the uncertainty that surrounded the broader environment, 4) being highly

dependent on other firms which were also vulnerable themselves, 5) an expectation that other firms' motives, intentions, and capabilities may alter following a change in the environment. One manager articulated on the continuous threats faced:

You come to work in the morning, and you cannot sell your product any more or you cannot find the raw material you need to buy, or its price has increased considerably and sometimes no one dares to import it anymore (IR28).

Firms' strategies to reduce vulnerability encompassed: 1) maintaining a minimal level of interaction with all partners so as to communicate and manage vulnerabilities and threats, 2) prioritising frequent communication with key partners and individuals to ensure threats were identified, discussed, and evaluated, 3) ensuring there was monitoring and control alongside trust at all times to anticipate any changes in partners' capabilities and motives.

4.2.4. Increased importance of individuals

Nearly all participants relied on individual contacts within turbulent environments. One sales manager commented:

This is a unique market where everything is formed around individuals and not systems... I quickly shift to work with you if you move to another organization. Business relationships are formed around individuals. I don't know the new person so prefer to stick with the ones I know. With the new person I need to spend another five years to know him (IR22)

Firms preferred to start a new relationship or even switch from one firm to another when they had identified specific individuals who they perceived as being able to facilitate and speed up business processes. This was particularly the case where individuals were perceived as being good communicators, were able to increase the speed of resource mobilisation and adaptation, and who generally prioritised their relationship over others. Related to this, as quick decision making was required, individuals in relationship management roles were highly empowered and authorised to make decisions independently and quickly.

4.2.5. Increased importance of ethical behaviours

The temporal nature of the environment coupled with amplified perceptions of vulnerabilities associated with relationships, increased the significance of the perceived ethics and values of exchange partners at the individual level both in new and established relationships. When selecting a partner, firms were initially concerned about motives and intentions. Managers emphasized that making sense of these together with attempting to ascertain the ethics and values of partners was more important within turbulent environments as the changing environment provided increased opportunities for fraud, corruption and other deviant behaviours that could go unnoticed or unpunished due to an ineffectual judicial system. Consequently, managers would use their network of contacts within an industry to gather intelligence and form a judgement as to how ethically a potential partner had behaved towards others within that industry.

However, with long-standing relationships, firms could still experience unfavorable and unfair partner behaviours such as sudden cancellation of orders or increased prices, an exercise of power and opportunistic behaviours. Even existing exchange partners who had acted ethically for a prolonged period of time could be motivated to act in an opportunistic and unethical manner because the nature of the environment created opportunities for them to do so. As highlighted by one sales manager, his customers constantly monitor his actions in the market:

If my customer feels that I am doing something that harms the sector in long-run, they call me and question me and may stop buying from me (IR22).

Table 3

Key perceptions and their influence on dynamics and structure of relationships.

| Key perceptions | Definition | Outcome of perception on behaviours and dynamics of relationships | Outcomes of perception on relationship structure |
|--|---|--|---|
| Uncertainty about future dependencies | Continuous disruption over time had resulted in uncertainty about who might own resources in the future. | <ul style="list-style-type: none"> -Continuous search for new partners -Maintaining minimum levels of interaction with all potential exchange partners -A Dormant phase but with high levels of interaction -Continuous monitoring and adjustment of exposure to each relationship | <ul style="list-style-type: none"> -High levels of commitment with all potential exchange partners in all stages of relationship - An active and diverse portfolio of customer and supplier relationships |
| Urgency to act | Previous experiences of disruption, have resulted in feelings of urgency and the need to act quickly to address threats raised by crises so as to ensure short windows of opportunity are leveraged. | <ul style="list-style-type: none"> -Prioritising exchange of market information -Risk taking through rapid responses to environmental events as they arise -Prioritising speed in interactions leading to the quick formation and development of relationships | <ul style="list-style-type: none"> -Swift formation of trust between new actors based on reputation - Focus on competence to form trust - Control in all stages of a relationship as party's competence is not fully known - Informal and rapid adaptation -High levels of input to ensure speed of reaction. -Intense and frequent communication and negotiation to avoid and manage crisis and leverage opportunities -Empowering boundary personnel to ensure rapid decision making so as to increase speed of response |
| Increased vulnerability | Continuous and unpredictable disruptions led to business failures among exchange partners and hence evoked feelings of vulnerability both in doing business and managing relationships | <ul style="list-style-type: none"> -Intense interactions with various individuals in the exchange partner's company to ensure threats are informed and managed -Prioritising information exchange to become aware of emerging threats so they can be managed. -Ongoing searches for new partners whilst maintaining minimum levels of interaction with current and potential partners at all stages of relationship development | <ul style="list-style-type: none"> - High levels of dependence on current and potential partners -Frequent and ongoing communication with various individuals. -Control and monitoring of relationships informed by partners and other third parties -High levels of interdependence -High geographical distance and low environmental distance |
| Increased importance of individuals | -Actor experience in crises demonstrates boundary individuals are highly empowered within turbulent environment and can facilitate swift trust, frequent communication, commitment enable rapid adaptation and flexibility. | - Intense interactions with various individuals with high level of inputs | -Strong social bonds with various individuals in the exchange partner's organization. |
| Increased importance of ethical behaviours | -Significant opportunities for firms to act unethically in ways that may be undetectable led to firms paying particular attention to ethical behaviours as early signs of potential relational problems | -Monitoring ethical standards and behaviours of firms in terms of their actions towards their partners and within the industry as a whole | <ul style="list-style-type: none"> -Favoring relationships with parties that prioritise ethical behaviours in the market -Frequent communication to ensure early signs of unethical behaviours in the market are detected. |

Consequently, firms were continually questioning how long the other party would adhere to ethical behaviours given increasing environmental pressures. For example, one sales manager (IR23) outlined an incident where a customer had fabricated a complaint about a consignment they had recently received. After investigation, the sales manager concluded that the customer had falsely complained so as to delay payment whilst the investigation was conducted because they had cash flow issues. The supplier deemed such behaviour as opportunistic and unethical and subsequently limited its supply to that particular customer. Firms preferred to deal with parties that had a reputation of working ethically in the market. In parallel, once an exchange commenced, they ensured frequent interactions, control and communication all of which helped them detect early signs of unethical behaviour.

4.3. Turbulence-led behaviours

The perceptions listed above led to certain dominant behaviours in managers who work under turbulent conditions. These behaviours included high level of risk-taking, continuous search for further options, intense and lumpy interactions with all stakeholders, and constantly monitoring the market and the industry, and were reflected in various aspects of the management of inter-firm relationships as elaborated

below.

4.3.1. Risk taking

High level of risk taking during the decision-making stage was a dominant behaviour identified in turbulent environments. As managers felt the urgency to act and struggled to reduce the uncertainty and firm's vulnerability, they were willing to take actions normally considered too risky within the industry. Some of the examples of such risk taking include approving and ordering big quantities before going through the process of pilot testing, placing considerable size orders to overseas partners without spending enough time to know them, ordering quantities above normal consumption, deciding on overseas purchase quickly and before checking all market prices. While managers acknowledged that their actions were risky, they considered this necessary within changing conditions as otherwise the opportunity would be gone or the threat could escalate.

4.3.2. Continuous search for new partners

To hedge against a constantly changing environment full of uncertainty and vulnerability, managers kept searching for alternative customers and suppliers. This helped firms to quickly react to changes by utilising resources of partners that could support during that episode of change, as the GM and owner of U2 reports:

We always go for an alternative supplier first to safeguard from problems. You will not believe it but for some items we almost have 15 suppliers. Titanium dioxide, for example, is our big volume item and we have 10 suppliers. For the low-quantity items we have at least 2 suppliers (U2).

Managers reported varying levels of interaction and relationship with each current and potential supplier in their diverse portfolio. Interestingly even with highest level of satisfaction from a partner, they still kept alternative options active. This was not due to distrust in the current suppliers but instead because of feeling vulnerable in an uncertain environment.

4.3.3. Intensive interactions

Perception of crisis and change and urgency to act, resulted in intensive interactions. Such behaviour became apparent in problem solving episodes where managers enacted proactive communication, intense exchange of information with key individuals, as well as visits and follow-ups. By doing this, managers hoped to increase the speed of decision making, solve problems and act upon them while ensuring low risk.

I keep talking to Joseph (customer) every consignment is released from our factory and until it reaches them. You never know what may happen in the logistic process as rules change and our infrastructure is awful, so we almost chat on email or call a couple of times every day to ensure everything is under control (IR33).

4.3.4. Monitoring partner's ethical behaviours

Managers reported that some firms started acting unethically when the environment changed and became threatening for them. Managers therefore felt the need to continuously monitor such changes in

behaviours in the market and towards other players even if it did not influence them directly. To them, this was a sign of change in partner's circumstances, capabilities or beliefs which would soon affect the relationship with the partner.

4.4. Relationship dynamics and development

Due to perceived high levels of vulnerability and uncertainty, a continuous search for new partners and the development of new relationships was a necessity to reduce the risk of over-reliance on any individual current partner and to enable access to resources after a crisis management episode. This contributed towards the maintenance of a diverse portfolio of relationship partners irrespective of the quality of current relationships.

Related to this, three distinct phases of relationship development within turbulent environments were identified as shown in Fig. 2. Phase 1 represents the start of the relationship characterised by rapid development and high levels of intense interactions. Relationships were formed after turbulence necessitated access to the resources of the other party or as the result of the constant search for new partners previously highlighted. Such relationships were rapid in their development and based on swift-trust because of the perceptions of urgency that accompanied the turbulent environment. The rapid formation of trust enabled decisions and associated actions to be made quickly, facilitating the speed at which resource exchange could occur. This early stage of relationship development was characterised by intensive, high level simultaneous interactions involving a number of individuals from various roles within partner firms. High levels of commitment were present from the commencement of interactions and demonstrated through inputs and informal adaptations in order to leverage an opportunity or mitigate a threat. As interactions continued, regular communications occurred that frequently focused on the monitoring and

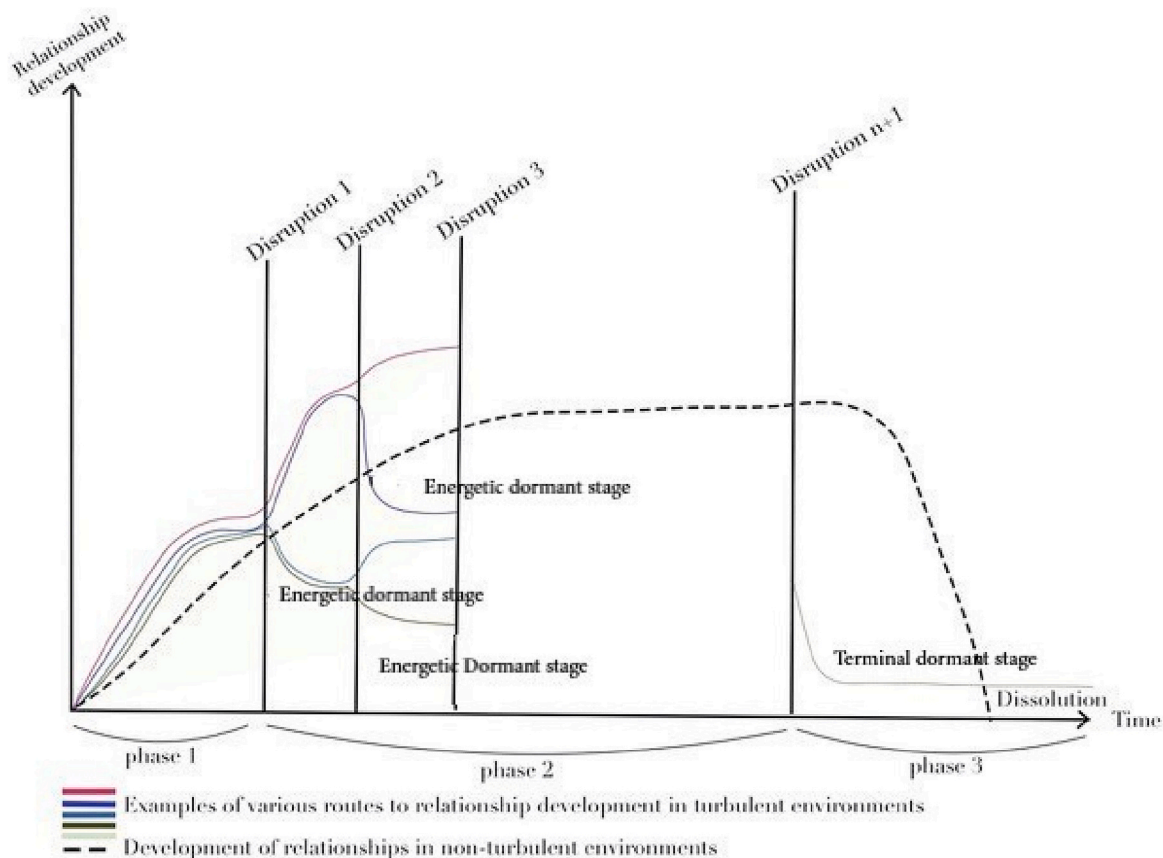


Fig. 2. Various routes to relationship development in turbulent environment vs. relationship development in stable environments.

control of exchange and deemed necessary when swift trust exists. Consequently, intensive interaction, inputs and communication enabled the establishment of trust based on delivering promises whilst contributing to strong social bonding. In summary the high level of uncertainty and urgency for action necessitated the rapid formation and development of relationships enabled by intense interactions between partners as soon as relationships start. Table 4 shows how rapidly company U3 entered into a new relationship and how this relationship developed after an incident of crisis and via swift trust, intense interactions, communication and commitment.

Exchange between firms continued until phase 2. Phase 2 commenced when a disruption in the environment impacted relationship development. Such disruption would result in two potential scenarios. The first scenario occurred when turbulence provided an opportunity or threat which required closer collaboration and resulted in increased levels of interaction and inputs into the relationship. Relationships would enter onto this stage after a disruption, but also because of managers' perceptions of urgency to act and vulnerability in a turbulent environment, which leads to increase collaboration in order to make use of short-lived opportunities or rectifying threats. This would elevate the development of the relationship to a more advanced level. In the below quote, the ink manufacturer U12 explains how changes in the local economy along with trade regulations took their relationship with their supplier to a different level of partnership:

Local market is not doing well due to payment delays resulted from the recession. On the other hand, sudden change in export/import regulations, it now makes sense to invest in the Saudi Arabia market and we are partnering with one of our suppliers to keep stock in their facilities in Saudi (U12).

The second scenario occurred when turbulence created a situation in which exchange of goods and services could no longer continue between partners due to changes in their resources and capabilities after the

Table 4

Sequence of events leading to the quick formation of relationships to deal with a supply crisis (an example reported by industrial coating manufacturer U3 when purchasing resin).

| Event/action | Result |
|--|---|
| Regular supply of resins were delayed at the port due to port closures which meant production would cease within a number of days if the situation continued. | Crisis and the need to act fast to rectify the threat of running out of stock |
| IR3 quickly started exploring local suppliers and identified one they have never worked with. | Finding a local alternative |
| Checked with competitors who had worked with this local alternative and verified that the supplier had the technical capabilities to match specifications required. | Swift trust based on reputation and third party assurance |
| Exchanged product specification and realised that modifications were required. Before a sample could be tested and approved for production they booked the raw materials of the supplier for the quantities they needed. At the same time, intense interaction, communication and exchange of technical information to match the product features took place between the exchange parties. | Taking risk and booking raw materials before even having sample approval. Intense interaction and communication to check the quantities and negotiate terms. Social bonds start to develop. |
| Sample was developed and approved and the order was supplied. | Formation of performance-based trust. |
| Firm U3 added the supplier to its list of preferred suppliers | Social bonds between technical and purchase-sales team was developed. The customer was now committed to the supplier among other suppliers for the same product |

disruption. As managers' perceptions about vulnerability are already heightened in a turbulent environment, any change in partner's capabilities and resources leads to sudden decreases in the levels of interaction. In such cases, the level of interaction, inputs, and communication declines to a point in which exchange of goods stops but some interaction continues. Such interactions are facilitated through social bonds and are crucial for the continuation of relationship, particularly since managers perceive both high levels of uncertainty about future dependencies and vulnerability. Hence, we call this an energetic dormant stage where parties may still spend time meeting and exchanging information. This level of interaction is crucial in such an environment as it facilitates the speedy retrieval of relationships once exchange of goods is resumed due to the maintenance of trust and social bonds. Relationship development in phase 2 encompasses a number of stages characterised by an increase or decrease in interaction levels reflective of changes in environmental conditions. It was also observed that there were repeated movements between active stages and energetic dormant stages within the same relationship.

The sales manager of IR23 was observed during the interview while exchanging the following information with an ex-customer to whom they are not selling any more:

There is a small possibility that prices could go up (today)... I will let you know but yesterday the prices were around the same and even if you consider the transportation, it will be around 3200... you check with others in the market and let me know what you think and I will update you as I am checking on the market (IR23).

Sales manager of the above company later explained that they still interact a lot with their old customers even though do not have any sales.

A complete cessation of interactions was not reported for any relationship, therefore, the traditional phase of dissolution, where interactions completely stop, did not appear in the data. A manager of IR20 explained that in a changing environment it is wiser to keep relationships as parties may need each other in future.

Only in a rare situation when a partner had acted unethically, a firm would stop exchange of goods/services and reduce interactions to a minimal level involving only exchange of information. This leads relationships to entering phase 3 which we call terminal dormant phase. Phase 3 is similar to the dormant stage in phase 2 because both exist due to uncertainty about future needs and dependencies and the necessity of keeping relationships active. However, firms also enter phase 3, because managers perceive that ethical behaviours are more important in turbulent environments and are therefore ready to cut interactions to minimal in case of experiencing such behaviours from exchange partners. Phase 3 is different from the energetic dormant stages in phase 2 as firms assumed there was less probability of resuming the relationship to previous levels due to unethical behaviour of the partner and hence kept interactions to a minimal. Fig. 2 compares possible forms of a typical relationship development in a turbulent environment (see the coloured lines) with the widely accepted model of relationship development in stable environments (dotted line). While the figure could take various shapes depending on frequency, nature, and influence of each disruption, it reflects three characteristics that are unique to turbulent environments: First, the development of a relationship is swift in phase 1, second, phase 2 encompasses various scenarios of episodic development which may consist of development, active stages and energetic dormant stages following various disruptions. Finally, phase 3 implies that unlike in stable environments, there is no end to exchange between partners in turbulent environments.

4.5. Relationship structure

Interdependence, commitment, and trust along with control were the most prevalent relationship constructs observed, followed by communication and distance.

Because uncertainty was omnipresent, high levels of dependability

existed between exchange partners linked to potential access to current and future resources. At the same time, relationship structures were shaped by high levels of commitment in the form of attitudinal inputs and informal and rapid adaptations fostered by information sharing. As one respondent stated:

Customers want to know that when they have issues, you are there for them. And that is the most important thing. We have customers who call us in the middle of the night and say if you don't send me this material, my factory will stop. Then I call my guy (in the factory), wake him up and make sure we deliver something now and they appreciate this very much. Next time they have a better price (from competition) they at least inform me and give me the chance to adjust my price (U10).

Initial trust in exchange partners developed swiftly, informed by third party referrals and reputation. Reputation appeared to be the only tool that firms could rely upon in deciding whether to start a high-risk exchange with an unknown partner. Firms particularly focused on checking the ethical or unethical behaviours of potential exchange partners towards other actors in the market, as a pre-condition to developing swift-trust.

Communications between parties predominately encompassed a range of topics including social matters, interpretation and consequences of changes in the environment, negotiations and renegotiations, exchange processes, adaptations, idea generation and crisis management. Firms also proactively and frequently exchanged timely and sensitive environmental and market information. Informal communication was valued within turbulent environments because it could potentially shorten a firm's reaction time to unexpected external events. Multiple levels of communication increased both parties' commitment, enabled trust, facilitated adaptation, and strengthened social bonds.

Throughout relationship formation, development, and maintenance, respondents generally trusted the skills and competence of partners. IR18 outlined how a Chinese supplier's prompt action in opening a bank account in China (which provided special credit facilities with lower exchange rates to overseas customers), helped him optimise his limited facilities. This illustrates how the ability to develop trust in the other party rapidly (swift-trust) was fundamental to being able to react and adapt quickly to changing circumstances.

In another case (U3), a paint manufacturer, had to enter into a new relationship in response to the sudden change in import regulations which led to the delay of an imported raw material they needed. They were required to develop swift-trust with a local supplier based on reputation and start intensive interactions and communication to ensure they could continue manufacturing before production ceased due to a stock out. Such high levels of commitment to interact and cooperate within such a short time span fostered the rapid development of social bonds and performance-trust within a matter of days.

Irrespective of the level of trust, firms simultaneously felt an ongoing need to continuously monitor exchange partner's capabilities. Such controls were conducted either directly by monitoring progress, or by seeking information about the partner from third party sources:

You must know as many people in the [partner] company and industry as you can. You must know the guy in stores, you must know the production, purchase, accounts and senior people. And all along the way, you must ask how the business is, how things are going on, what is happening, what the news is, do you have problems? (U1)

Data highlights how firms' efforts to create social bonds contributed to building adaptation capabilities and fostered the parties' demonstration of commitment. The manager of IR24 (a printing company) explains how social bonds with their supplier's production team helped him receive the materials he needed in time for printing the work of his customers who had placed emergency orders.

I get a lot of emergency orders. Customers put requests in on a Saturday and ask for print and delivery on Wednesday, for example... then I have to push the supplier to make sure they deliver the material I need on time. I will take care of people at all levels from labour to manager in my supplier's company. Sometimes you give them gifts or food to develop your relationship. I go to them personally very frequently to develop this relationship with everyone. This way my customer is confident that I can handle emergency orders because I did last time (IR24).

Social bonds in turbulent environments were particularly relevant in dormant stages and the final phase as it enabled two functions: (1) maintaining minimum levels of energy whilst facilitating the exchange of critical market information and (2) maintaining relationships at an optimum level of social interaction to enable a faster recovery of exchange when appropriate.

Counterintuitively, geographical distance proved favourable as it helped leverage different market dynamics. For example, one purchase manager (IR20) described how they had switched to a distantly located Malaysian supplier when local suppliers increased their prices on recognising the scarcity of their product within the region. Interestingly, there was a preference for partners located in countries that faced similar environmental challenges to their own but were geographically disjunct. We identified and labelled this preference to work with geographically distant partners as seeking low levels of 'environmental distance.' Partners in countries with low environmental distance, had a better understanding of, and empathy for, the nature and frequency of challenges faced by firms within turbulent environments. As such, they were more prone to adapt quickly because such challenges resonated with them. For instance, firms in Iran preferred to work with geographically distant, but environmentally close suppliers such as those based in China or the UAE rather than European suppliers. This combination enabled firms to simultaneously spread risk through increased partner choice, leverage differing market and environmental dynamics and work with partners who understood and empathised with their challenges.

4.6. Relationship evaluation

Relationship evaluation involved calculating the value of both exchange and non-exchange outcomes. Exchange outcomes focused on access to physical resources while non-exchange outcomes primarily encompassed sharing and interpretations of information about the market and the broader business environment. Firms stressed the critical role of the non-exchange outcomes to their survival. Managers emphasized that relationships that contributed towards their interpretation and sense making of the environment were highly valued as they helped them proactively manage their business and other relationships.

We have a lot of information exchange with our customers. It is good for both of us to share what we think is happening in the market, prices, changes and competition. Even if they are not buying anything at the time, we exchange market information...there is no official market information and change is so frequent and unpredictable so we can only share what we think is happening and decide. It is very valuable to have customers who do the same even when they don't buy much. (IR23).

5. Discussion and theoretical contribution

Taken holistically, and as also confirmed by Zafari et al. (2020), we find that relationship management within turbulent environments of less developed economies is critical and distinct, as such environments are characterised by high level of political and regulatory disruptions, inefficient judicial system, and unreliable infrastructure, influencing relationship structure and its development. We find that such differences

can be explained by the interactions between environmental characteristics, managerial perceptions of the environment and other parties' behaviours.

These managerial perceptions lead to certain unique behaviours that inform the dynamics of relationship development and are unique to turbulent environments. The identified behaviours include risk-taking, continually searching for new partners, maintaining minimum levels of interaction with all potential partners, rapid relationship formation, intensive interactions with various individuals within the exchange partner's firm, prioritising information exchange at all stages of the relationship, and monitoring the ethical behaviours of exchange partners towards third parties. These behaviours are designed to safeguard the firm from threats posed by relationships whilst simultaneously ensuring timely access to resources via relationships.

Relationship development within turbulent environments contrast with traditional models developed in more stable environments that follow a more gradual and linear evolutionary process (Dwyer et al., 1987; Ford, 1980; Wilson, 1995). Our findings identify distinct relational characteristics whereby relationships develop faster and go through episodic stages of activation, dormancy, and retrieval. Additionally, relationships do not terminate but instead may enter an ongoing final phase similar to dormancy and characterised by minimal (but not zero) interactions. In contrast to existing models, (Dwyer et al., 1987; Ford, 1980), phase one comprises high levels of interaction and rapid development. While extant literature has not focused extensively on dormant stages of relationships, we find that in turbulent environments, relationships may enter and leave a dormant stage on a number of occasions due to ongoing disruptions that necessitate a temporary cessation of the exchange of goods. In doing so, we identify the critical role energetic and reoccurring dormant stages play in enabling relationships to return to a more active stage when circumstances permit. Hence, we label these stages as 'energetic dormant stages' because considerable levels of interaction occur ensuring the maintenance of social bonds and trust levels, and thus enabling information flows to continue. This is frequently followed by a readjustment in levels of exposure to relationships in the subsequent retrieval phase. This contrasts with the assumptions that firms compare a current relationship with alternatives and choose the one with the highest benefits (Thibaut and Kelly, 1959). Instead, our findings suggest that firms maintain a minimum level of interaction with all potential partners while continuously monitoring and adjusting exposure to each relationship within their portfolio of relationships thus mirroring the findings of Obal and Gao's (2020) research on crisis management.

While this research confirms the importance of direct and indirect outcomes in evaluating relationships proposed by Walter et al. (2003), it additionally emphasises the criticality of non-exchange outcomes within turbulent environments and particularly market information exchange and sense-making. Firms prioritise relationships with partners who contribute to their sense-making efforts and continue interacting with such partners even during dormant stages.

Over time, a distinctive relationship structure develops that helps firms manage turbulence and avoid crisis situations. Such relationships are characterised by high levels of commitment engendered by informal and rapid adaptations, swift and competence-based trust and continuous control. Furthermore, frequent and timely communication between various individuals via appropriate mediums, strong social bonds at various levels and roles across partner firms, high levels of interdependence, and high geographical but low environmental distance was observed. These are subsequently discussed in more depth.

Extant literature implies that adaptation and commitment are important in disruptive conditions (Chowdhury and Quaddus, 2016; Min and Mentzer, 2004), increase over time (Brennan, Turnbull, and Wilson, 2003; Hallén, Johanson, and Seyed-Mohamed, 1991), and exist primarily in the mature stages of relationships (Dwyer et al., 1987; Powers and Reagan, 2007). This research suggests that because of the need for flexibility and action, rapid and informal adaptation is

required. Stanko, Bonner, and Calantone (2007) also find that commitment, in the form of adaptation and inputs, are present earlier when relationships are formed. Moreover, previous research suggests that performance-trust supersedes commitment (Powers and Reagan, 2007). However, our findings suggest that commitment emerges as soon as the parties start interacting and before performance-trust forms. Even during a dormant phase which is usually characterised by minimum levels of interaction (Havila and Wilkinson, 2002), we have identified high levels of commitment in exchanging market information. Such interactions significantly contribute towards ensuring a successful return to a more active stage when appropriate.

Trust remains an important construct within turbulent environments. This confirms the notion that trust helps to build resilience in the face of disruption (Chowdhury and Quaddus, 2016; Min and Mentzer, 2004). While reputation is acknowledged in the literature as a supportive mechanism that contributes to the gradual formation of performance-trust (Huang and Wilkinson, 2013; Young, 2006), our findings suggest that reputation may be the only tool that firms can rely upon in deciding to start a high-risk exchange. When verifying reputation, firms will consider the ethicality of exchange partner behaviours towards other actors within a market. If the partner's behaviour has been ethical and contributed towards reducing levels of uncertainty, a continuation of the relationship is likely and will encompass a strengthening of the relationship with that party reinforcing further the partner's reputation in the marketplace.

Whilst swift-trust has previously been reported within technological contexts and specifically project teams (Blomqvist, 2002; Meyerson, Weick, and Kramer, 1996), it was found to be crucial in the rapid formation of relationships particularly at the start of exchange within turbulent environments. Previous research predominately suggests that trust replaces control as the relationship develops (Anderson and Jap, 2005). However, in agreement with Zafari et al. (2020), this research suggests that trust and control are simultaneously present within relationship structures during all phases. This is due to perceptions of high levels of vulnerability businesses face and the need to ensure changes are monitored and acted upon quickly. Our findings also identify how control is accepted and sometimes welcomed by both parties as it enables the parties to inform one another about potential hazards that may have otherwise gone unnoticed. Surprisingly, control was therefore found to be a favoured behaviour.

While communication and information sharing are necessarily intense within turbulent environments, communications content covers a range of topics (Mason and Leek, 2012). Firms proactively and frequently exchange timely and sensitive environmental and market information reflecting prior research on disruption management (Cortez and Johnston, 2020; Wieland and Wallenburg, 2013; Zafari et al., 2020). However, these findings contrast with previous findings that suggests quality communication is mainly exchange-related, formal and frequent and comprises strategic content (Mohr and Nevin, 1990; Sahadev, 2008). Furthermore, our research suggests that the medium through which communication takes place needs to consider the challenges posed by the environment. While Mason and Leek (2012) suggests that the medium needs to fit the task, we argue that it should also fit circumstances. For example, in crisis situations, any medium through which communication is speedy and reliable was preferred irrespective of how formal it was.

Reflecting the importance of the individual in turbulent environments, actors within firms prioritise the development of social bonds between individuals. Previous research by Havila and Wilkinson (2002) identifies the importance of social bonds in relationships during dormant phases and more recent research on crisis management also emphasises the role of social bonds (Johnson et al., 2013; Sheth, 2020; Zafari et al., 2020). This research concurs with previous research and enhances our understanding of social bonds by identifying its central role in the formation, development, and maintenance of relationships particularly during a dormant phase of a relationship.

One interesting finding to emerge from this research was how firms have a preference for forming relationships with geographically distant partners who also have experience of operating and managing relationships within uncertain environments. This is surprising as distance is not usually considered a positive attribute of a relationship (Ciszewska-Mlinarić and Trapczyński, 2016; Ford, 1990). We have labelled this new relational dimension ‘Environmental Distance’ and defined it as “the differences between the nature, source and extent of environmental challenges and associated levels of turbulence and uncertainty faced relative to exchange partners”. Environmental distance encompasses differences between the partner firms’ business environments regardless of features such as language and culture.

One of the key drivers of relationship management is high level of uncertainty about current and future resource availability. This leads to perceptions of vulnerability and hence over reliance on existing partners and a necessity to continually source new potential partners. To date, interdependence has been discussed within the context of economic or structural factors with existing partners (Mattson, 1999). However, perceptions of dependency may also be present because of the need for information sharing and exchanging market-related and environment-related interpretations. Such dependency drives the development of diverse relationship portfolios and the maintenance of all relationships irrespective of their structure. Although diverse portfolio management has previously been acknowledged (Koka, Madhavan, and Prescott, 2006; Sheffi and Rice Jr, 2005), our findings demonstrate that this is deemed by firms as an essential survival tool within turbulent environments.

Ongoing exposure to turbulent environments also evokes perceptions of crisis and urgency prompting the necessity for immediate action. This research extends the work of Lambe et al. (2000) on interimistic relationships which are formed under time constraints. Firms within turbulent environments that perceive they have limited time to act will shift their behaviours towards rapid but high-risk interactions. This leads to the faster development of relationships and an increased preference for relationships where communications, inputs, adaptation, and social bonding occur rapidly (Weick and Sutcliffe, 2007; Weick, Sutcliffe, and Obstfeld, 2008).

This research also confirms the importance of social connections and interactions between individual actors in mobilising resources within both stable (Wagner, Finch, and Hynes, 2009) and unstable environments (Cortez and Johnston, 2020; Sheth, 2020). However, it augments these findings by identifying that, in extreme cases of turbulence, actors prefer to work with known individuals (even if they switch firms) as it reduces perceived risks and vulnerability. Furthermore, and as exhibited in crisis management research (Weick and Sutcliffe, 2007), many individuals are perceived as having increased empowerment to make rapid decisions based on their experience of managing crisis situations. Actors draw on previously established social bonds with these empowered individuals in an attempt to acquire preferential treatment and resource allocation.

Relationships have long been acknowledged as sources of both risk and benefit (Anderson and Jap, 2005; Pfeffer and Salancik, 1978). However, during periods of turbulence, the possibility of a relationship posing a threat to a firm, even unintentionally, increases because of the perceived changes in vulnerabilities, capabilities and even the dubious motives of relationship partners. Hence, the importance of ethical behaviour within business relationships (e.g., Sharma, Young, and Wilkinson, 2006) as a mechanism to advance business development (Wilkinson, 2010) increases within turbulent conditions. This research identifies the processes by which a firm’s ethical behaviour, together with potential changes in these behaviours, may be monitored and made sense of by leveraging social bonds, controls, and frequent and intense communication between actors.

In addition to the above, this research reflects that irrespective of sources of turbulence, relationships in socio-political-economic and regulatory turbulent environment are similar in development and

structure. While different sources of turbulence were reported by participants in the two researched countries, the relationship behaviours were similar. Hence, we can cautiously assume similar results for other less developed countries where level of turbulence is high.

In summary, and as outlined in Table 5, relationships within turbulent environments follow a distinct path that corresponds with interimistic relationships, and which are formed under time pressure and are associated with a corresponding urge to act. Such relationships exhibit a combination of characteristics which may be explained by both SET and TCE theory simultaneously and are hence unique in nature. For example, control and quick exchange are characteristics of a transactional exchange while commitment and social bonding are core constructs explained by social exchange theory. Our research suggests that within a turbulent environment, for relationships to be beneficial, they need to be formed with a distinct structure that addresses the challenges of the environment and the perceptions this creates among key actors. Our research contributes to the RBV of the firm by reflecting how relationships, as external resources, require prioritising and managing in a distinct manner for firms operating within a turbulent environment. Consequently, this should also guide managers as to what internal capabilities and resources need to be developed to deal with turbulent conditions.

6. Conclusion

This research addresses a gap in our understanding of relationships and their development within turbulent environments. In doing so, it contributes to two key areas of literature: 1) the relationship management literature through the identification of a unique form of relationship development and structure specific to turbulent environments and 2) the crisis management literature by exploring relationships in terms of them being essential tools to draw on in order to manage crises in turbulent conditions and particularly those characterised by socio-political and economic conditions.

We identify how relationship management involves a continuous search for new partners, risk taking, rapid and intensive interactions with a variety of parties, and the prioritising of information exchange, stressing the significance of ethical behaviours and the relevance of the continuous monitoring and adjustment of a firm’s exposure to individual relationships. Within turbulent environments, relationships evolve quickly and encompass episodes of active and dormant (but energetic) stages both of which are crucial to a firm’s survival. To deal with continuous disruptions, firms maintain relationship structures characterised by swift and competence-based trust, constant control, early development of high levels of commitment, rapid and informal adaptations, and frequent and timely communication through a broad range of media which fit the circumstances. Additionally, firms seek to build strong social bonds whilst favoring high geographical but low environmental distance.

As events within the business environment become increasingly disruptive and the speed of change increases, the time available to react decreases. As a result, a form of interimistic relationship that is episodic in nature, develops rapidly, and simultaneously comprises both elements of enduring exchange such as trust, and transactional exchange such as control become prevalent. Within turbulent environments, even during times of no trading, high levels of interactivity within the relationship are maintained through a continuous exchange of market information between the parties. This strategy allows for a quick reaction to changes in the environment and the instigation of further action as required.

7. Managerial implications

Although levels of turbulence and uncertainty vary from region to region and have typically been more prevalent in developing countries, disruption and associated uncertainty are an increasing global

Table 5
Relationship characteristics in non-turbulent and turbulent environments.

| Characteristics | In non-turbulent environments | In turbulent environments |
|---|---|---|
| Key managerial perceptions driving relational behaviours | General need for access to resources | The following in addition to the normal need to access resources to benefit from relationships: -uncertainty about future dependencies -urgency to act -increased vulnerability in general and in relationships in particular -increased importance of the ethical behaviour of partners -increased importance of key individuals |
| Dynamics of relationship development | <p>-Partners are chosen by comparing them to the available alternatives. -A limited number of relationships are developed gradually and over time.</p> <p>- Relationships are compared with alternatives mainly based on exchange outcomes.</p> <p>-Relationships develop and expand until conflicts arise and relationships are terminated</p> | <p>-A diverse set of relationships with all potential partners are formed and developed swiftly through intense interaction. -Continuous search for new partners at all times. -Relationship development is fast, and interaction involves high levels of risk taking, quick action, intense interactions with various individuals and the prioritisation of information exchange. -Relationships are continuously monitored, controlled and adjusted based on exchange and non-exchange outcomes as well as the ethical reputation and behaviour of the exchange partner within the industry. -Continuous evaluation leads to ongoing adjustments of exposure to individual relationships. -Relationships are not terminated but, as a result of turbulence, continuously go through episodes of active and dormant phases both of which are perceived as highly valuable. In cases of unethical behaviour, relationships remain in a dormant stage consisting of minimum non-exchange interactions.</p> |
| Dominant structure of relationships in enduring and developed relationships | <p>Interdependence develops in enduring relationships over time</p> <p>Trust develops over time based on performance, replacing control. Trust is a combination of honesty, benevolence and competence and is both cognitive and emotional.</p> | <p>High level of interdependence exists between all current and potential parties in all stages of relationships due to urgency of action and uncertainty.</p> <p>Trust is formed swiftly and is mainly cognitive in nature and based on competence. Trust is complimented by control and monitoring even after performance-trust is formed.</p> |

Table 5 (continued)

| Characteristics | In non-turbulent environments | In turbulent environments |
|-----------------|--|--|
| | Commitment is a positive feature that develops over time. | Commitment is a necessity and is high as soon as a relationship forms and remains high throughout relationship development even in energetic dormant stages. Both attitudinal and instrumental commitment and adaptation exists and is high. |
| | Social bonds develop with boundary persons over time and as relationships develop. | Social bonds are key to relationships and develop with various individuals early in relationships. They are crucial to dormant phases even when there is no exchange of goods as there is a need to stay in touch until the next opportunity arises. |
| | Quality communication with boundary individuals develops over time. The medium of communication depends on task complexity | Frequent, timely communication with various individuals across different roles via the quickest media irrespective of task complexity. |
| | Distant relationships are not preferred. | A combination of low and high geographical distance with partners whose environmental challenges are similar to the focal firm is preferred. |

phenomenon. In addition to continuous, abrupt, sudden, impactful, and unpredictable turbulence originating in political and social unrest now common in many developing countries, the levels of disruption experienced globally during Brexit and in 2020 and 2021 resulting from the Covid-19 pandemic are clear examples of turbulence that should resonate with every manager. Thus, building resilience, the capacity of bouncing back from disruption in order to continue operating efficiently, is crucial for business in any country. Business relationships are deemed vital for building resilience; however, they are also sources of threats, risks, and opportunities. Threats because of the dependence relationships create on the other parties, risks because of the potential for opportunistic behaviour, and opportunities because relationships may enable access to necessary resources for businesses to continue operating efficiently under circumstances of abrupt change. Managing relationships, not only to survive, but to identify and seize opportunities as they arise within turbulent environments become essential skills.

Building relationships when operating within turbulent environments encompasses increased risk taking because of how rapidly relationships form. Considerable resource investment is necessary to ensure a diverse portfolio of relationships is available to enable continuous relational interactions, evaluations and adjustments. The traditional approach of gradually building trust before significant business is conducted does not work in turbulent environments. Instead, an evaluation of a potential partner's honesty and competence is based upon their reputation and the experiences of third-parties. Multiple relationships need to be developed, developed rapidly, and be maintained even when no exchange is occurring. Despite increasing levels of trust in the other party, attention should be paid to the frequency of interaction, and that inputs are sufficient to enable action whilst ensuring appropriate levels of control are maintained. Firms should invest in recruiting, supporting, and empowering boundary staff to act quickly, endeavouring to build social bonds during all phases of a relationship. When interaction ceases with a business partner, firms cannot afford the luxury

of ‘parking the relationship’ until a new opportunity emerges. Instead, the continually changing conditions inherent within turbulent environments require all relationships be maintained. So even where exchange is not occurring, information sharing, and other forms of interaction should continue to be supported. Whilst managers may prefer to have partners with low geographic distance, in turbulent environments, such partners could offer increased levels of attractiveness by ensuring a diversity of geographically dispersed sources. The differences in business environments likely to exist in geographically distant countries contributes to improved resilience, because while one party might face some resource scarcity, the other might have access to such resource, so complementarity is enhanced. However, each party will understand the environmental challenges of the other and resonate with them.

8. Limitations and directions for further research

Results of this research are limited to the cases included and the authors' interpretations of empirical evidence. Whilst all efforts were made to triangulate information and to be objective, our interpretations are inevitable nuanced by our previous knowledge and experiences.

We believe that turbulent environments that evoke similar managerial perceptions may require similar relationship management, however the nature of the turbulence may lead to different measurements of environmental distance. Whilst this may pose a limitation to our

research findings, it does open opportunities for further research in conceptualising what environmental distance is comprised of. Another opportunity for further research emerges from more recent events associated with the Covid-19 pandemic. This has reframed the environment in which a significant number of firms, particularly from developed nations, operate. This raises a number of related questions such as the extent to which firms have been willing to take risks and use relational strategies such as creating swift-trust in order to continue doing business. Have firms in less turbulent environments maintained all their relationships, including those where trading may have ceased? If so, what are their expectations for the future of such relationships? Do firm perceptions of scarcity and dependency now more closely mirror those displayed by managers operating in environments with ongoing turbulence? Further research should focus on increasing our understanding of the interaction between trust and control and how such interactions change throughout the lifecycle of a relationship as a consequence of environmental disruptions. Whilst this research highlights the importance of dormant phases and the significant role of social bonds during these phases, this topic remains relatively unexplored within turbulent environments. Finally, future research on the effects of business reputation in building trust is recommended.

Data availability

The data that has been used is confidential.

Appendix A. Codes, categories, and their definitions (Italic codes emerged from data)

| | | References |
|---|--|---|
| <i>Codes</i> | <i>Definitions</i> | |
| Frequency of environmental change | The number of times change happens | (Bourgeois Iii, McAllister, and Mitchell, 1978) |
| Sources of environmental change | Reasons for change such as political, economic, legal | |
| Scale of environmental change | The amount of change or its level of disruption | |
| Uncertainty | | |
| <i>Uncertainty about dependencies</i> | Not knowing who the party may be dependent on for acquiring resources and how strong this dependency may in near future | Emerged |
| <i>Urgency to act</i> | The need to act quickly before the window of opportunity closes or the threat seriously influences the company's operation | Emerged |
| <i>Increased vulnerability</i> | Feeling that the company is under threats and may fail to operate | Emerged |
| <i>Increased importance of individuals</i> | Increase in importance of individuals in various roles who deal with the focal firm on behalf of the exchange partner's organization | Emerged |
| <i>Increased Importance of ethical behaviours</i> | High Importance of behaviours towards the firm and the market that follow ethical norms of the business community. | Emerged |
| <i>Risky interactions</i> | Interactions that are high risk considering the norm and limited knowledge about and experience with the exchange partner. For example, ordering a big lot as soon as one finds a supplier and before testing the material or placing a trial order. | Emerged |
| <i>Continuous search for new partners</i> | Continuously looking for new partners to be added to the company's portfolio even when the firm is happy with the current ones and their needs are fulfilled. | Emerged |
| <i>Intensive interactions</i> | Interactions that are lumpy and involve intense discussions/negotiations/among various people in a limited time. | Emerged |
| <i>Monitoring exchange partners' behaviours</i> | Monitoring and verifying any change in interactions of the exchange partner with the focal firm and other firms irrespective of the level of trust or relationship stage. | Emerged |
| Swift trust | Trust encompasses the belief and confidence in an exchange partner's reliability and integrity. Trust can be Swift or quick (formed based on heuristics) or based on performance in delivering promises. Swift trust is formed in initial stages of relationships and when there is no time to test the actual competence of the other party in delivering promises. Performance trust is formed when parties interact and deliver promises because of competence and reliability. | (Blomqvist, 2002) |
| Performance trust | | |
| Control | A strategy that can be used in conjunction with trust to ensure performance. Monitoring and Control involves checking on the exchange partner and its activities and is rooted in doubt and suspicion. | (Gundlach and Cannon, 2010) |
| Commitment | Relationship commitment refers to the extent that one intends to maintain a relationship indefinitely and dedicate maximum effort and input into its continuance. Commitment can be attitudinal and/or behavioural/instrumental, calculative and/or cognitive and it involves formal or informal adaptation. Commitment is low at the beginning of relationship formation but increases over time and as satisfactory exchange continues. | (Sharma, Young, and Wilkinson, 2015) |
| Communication | A tool through which information is transferred, meanings are conveyed, values are potentially interpreted and learned, and relationships develop. It has various features including Mediums (fact to face-written, phone or email), Direction (bi-directionality), Frequency, quality, Content (exchange of information, negotiation, adaptation, idea generation, crisis management, social interaction), level of mutual disclosure and contact points. | Olkkonen et al. (2000) Palmatier, Dant, Grewal, and Evans (2006) Mohr and Sohi (1995) |

(continued on next page)

(continued)

| | | References |
|---|---|--|
| Social bonds | Social (emotional) bonds are the result of continuous interactions between individuals. Bonding is an important function that keeps exchange partners together. Bonds are considered as the outcomes of interactions, the results of quality relationships and a measure of the strength of relationships against disruptive occurrences. | Mason and Leek (2012) Biggemann (2012) Buttle, Ahmad, and Aldlaigan (2002) |
| Interdependence | Interdependence is the mutual understanding that participating in a relationship provides greater benefits than not participating or being in an alternative relationship. | (Anderson and Narus, 1990) |
| Geographical distance | Distance reflects the level of closeness between parties in a relationship. Various forms of distance exist which include Social distance, Cultural distance, Technological distance, Time distance and Geographical distance. | (Ford, 1980) |
| Environmental distance | Level of difference/similarity in the environment's characteristics of two companies. The differences/similarities may be rooted in the level of turbulence/uncertainty/complexity or a combination. | Emerged |
| Choice of relationships | Involves seeking or becoming aware of a new partners as well as evaluation and choosing to work with a new partner based on reputation, interpretation of initial interactions and trust. | (Dwyer et al., 1987; Ford, 1980; Wilson, 1995) |
| Formation of relationships | Initial discussions and negotiations over terms and conditions of exchange are conducted small low risk exchange such as collecting product samples are performed. | |
| Development of relationships | Exchange and deliveries become regular and expand into other areas/products. | |
| Maintenance of relationships | Parties are highly committed and put a lot of efforts to solve problems and keep the relationship going. | |
| Termination of relationships | Ending various forms of interactions between two partners. | |
| Relationship stages (active, dormant) | Relationships may experience periods of activity where interaction happens but also inactivity(dormant) in which exchange of goods and services stop. | (Polonsky et al., 2010) |
| Exchange outcomes | Exchange outcomes involves outcomes from sales/purchase related activities such as profits. | (Walter et al., 2003) |
| Non-exchange outcomes | Non-exchange outcomes involve outcomes not directly related to sales/purchase of goods. Examples are knowledge transfer or friendships. | |
| Market-level outcomes | Market-level outcomes include outcomes of exchange with other firms that may change the market. For example, it may lead to less uncertainty or turbulence in the market. | Emerged |
| Categories | Definitions | |
| Environmental Turbulence | Environmental characteristics related to the turbulence in the external environment of the firm. | Dess and Beard (1984) |
| Key perceptions driving behaviours | Perceptions that have been reported by managers and were identified to have formed as a result of environment the company operates in. | Emerged |
| Turbulence-led behaviours | Behaviours with that were explained by managers to have been formed to react to turbulent condition of the environment. | Emerged |
| Relationship structure | Reflects the composition and quality of relational features such as trust, commitment, interdependence, bonds, distance and communication. | (Olkkonen et al., 2000; Wilkinson, 2010) |
| Relationship dynamics and development | Refers to any progress and change in relationships or interactions between partners including selecting partners, forming relationships, the development and maintenance of relationships and the dissolution of, or inactivity associated with change in relationships. | (Dwyer et al., 1987; Wilkinson, 2010) |
| Relationship outcomes | Includes outcomes from direct exchange or outcomes that are not related to the exchange of goods. Examples include cost reductions, quality improvements, volume increases, safeguards against contingencies in supply and demand, knowledge transfer. | (Walter et al., 2003) |
| Themes | Definitions | |
| Drivers of Managerial Behaviours | Factors that influence relationship management behaviours. | Emerged |
| Management of Relationships in turbulent environments | Management behaviours that involve business interactions and the dynamic of relationships and the relational features which lead to a certain relationship structure. | Emerged |
| Continuous evaluation of relationship outcomes | Behaviours that involve continuous evaluation and re-evaluation of all relationships within the relationship portfolio with regards to different possible outcomes. | Emerged |

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