

UNIVERSITY OF DERBY

BUILDING A RELATIONAL
CAPABILITY IN BUSINESS SERVICE
RELATIONSHIPS:

THE EXPLORATION OF LEARNING NEEDS
IN STAGES OF RELATIONSHIP DEVELOPMENT

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Abstract

Context and Objectives: There is an increasing recognition that there is great potential in utilizing learning in client relationships as this can enable service providers to develop relational capabilities and more successfully manage relationships. Building on this premise, the present study argues that learning in relationships relates to the ability to learn from the local context to leverage relationship success. To do this, requires an understanding of what drives success in each stage of relationship development and how this can be achieved to ensure success. The aim of the research is to explore the potential for learning in business service relationships, through the exploration of learning needs relevant in stages of relationship development. Learning needs are defined as what service providers need to learn about how to leverage successful relationships at each stage of development.

Research Methodology: The study employs two qualitative case studies of business service providers that provide contextually differing embedding conditions for relationships and learning. Data has been gathered through interviews with individual service providers, observation of practice and organisational documentation. The research undertaken explores service providers' approach towards relationship development, with the aim of identifying critical factors influencing success in each relationship stage and corresponding opportunities for learning through the experiences and challenges faced by service providers in practice.

Findings: Results highlights that learning from the local context is critical for managing relationship success. Critical success factors for each stage are identified from the experiences and challenges faced by service providers across the two cases. These are translated into learning needs for each stage that aim to guide service providers' attempts to learn from the local context in order to inform and adapt their approach. The appreciation of learning needs in relation to the unique context of each organisation directs attention to corresponding guidelines for practice. The research concludes with the proposition of a theoretical model for learning in relationships as well as a practical

learning needs framework that can be incorporated in service providers' practices for managing client relationships. Importantly results suggest that becoming relationally capable requires a transition to embracing a learning orientation in terms of both philosophy and process.

Research Relevance and Implications: The study extends the potential for the creation of a relational capability in business relationships through the exploration of learning needs. Findings suggest that relationship management can be viewed as a cyclical process of learning and adaptation where success at each stage rests on the ability to read and learn from the local context and engage in appropriate actions in practice. The study contributes towards practice, by providing a practical framework through which service providers can develop relational learning. Exploration and appreciation of learning needs in stages of relationship development can aid service providers in the establishment of appropriate approaches towards intervention or stimulation of relationship success.

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Chapter 1 – Introduction

1.1 Research Background and Rationale

Academics have long theorised on the creation and maintenance of competitive advantage and depending on their discipline they devised and advocated numerous methods that organisations can draw upon in their search for competitive advantage. But, it seems that as markets are becoming increasingly more competitive and clients are becoming more sophisticated and demanding, such methods are becoming somewhat limited. There is thus a need for innovation in the approaches to competitive advantage. Dorothy Leonard's (1995) statement that innovation happens at the boundaries of disciplines and specialisations sets a particular precedence here, in that researchers should look beyond singular views by employing multiple theoretical perspectives. The road to competitive advantage requires merging or integrating ideas residing in various disciplines.

The marketing discipline, in particular, has long been searching for such innovation, and recently attempts have aimed at drawing from the fields of knowledge management and organisational learning to inform marketing practice (Tzokas and Saren, 2004; Ballantyne, 2004; Rowley, 2004). Among these, Tzokas and Saren (2004), recognising that knowledge has become critical for maintaining competitive advantage, direct attention to relationships as the medium through which organisations can create unique and difficult to imitate knowledge. They echo Rindova and Fombrun's (1999) argument that competitive advantage is built on relationships, and they suggest that knowledge in customer relationships can provide an organisation with the invaluable knowledge required to achieve it. On the same note, Ballantyne (2004) suggests that indeed organisations can utilise knowledge in relationships for the purposes of competitive advantage. Particularly, he suggests that relational exchanges constitute platforms where dialogue among participants can yield relationship-specific knowledge, a sort of knowledge that is invaluable in maintaining competitive advantage. This is particularly gratifying as academics and practitioners are recognising that to operate in the new knowledge economy, organisations need to

embrace *learning*.

In fact, within the constantly changing environment of the new knowledge economy, organisations need to reach a position where they can flexibly respond and adapt to ever-changing market conditions, clients' wants and organisational needs. To accomplish this, what is needed is the ability to create and manage knowledge about the customer, about their needs, their individual concerns and organisational constraints; knowledge about appropriate actions and behaviours; knowledge about the effects of the micro and macro environment on the client and their operations. In other words, they need knowledge that is rich, complex, and in most cases individualised to specific customers located in specific contexts. It is the ability to recognise and manage such knowledge that brings about the sort of deep understanding through which service providers can add true value to the customer. What is suggested in this thesis is that by investing in relationships and approaching them with a learning intention, organisations can develop the deep insights and knowledge about how to better manage and sustain successful relationships.

Such an investment could offer the beginning in building a relational capability that enables the organisation to remain ahead of competition. It is argued that as relationships can constitute arenas for knowledge development and sharing, utilising relationship-specific knowledge and learning can open up new avenues for managing relationships. Exploration and appreciation of learning opportunities in client relationships could aid organisations with the development of more educated approaches towards intervention or stimulation of relationship performance. In turn, more advanced knowledge of the suitability of investments and techniques at each stage of the relationship cycle could aid in strategically elevating relationships to higher levels of sophistication and performance. In doing so, organisations would be in a better position to maintain successful relationships and prevent relationship staleness and/or dissolution. This is achieved by understanding the reasons for relationships' deterioration and by intervening at appropriate times. Excelling in relationship management and developing a relational capability that could provide competitive advantages can only be achieved through superior knowledge and learning residing in client relationships.

1.2. Scope of the Thesis

The present study focuses on business service relationships, and in particular takes the example of professional services or what have been termed knowledge intensive business services. As a result of the rapid rise of the knowledge economy, there has been a rapid development of knowledge intensive business services. Knowledge intensive business services are essentially business to business services that heavily rely on the provision of expert knowledge (Miles *et al.*, 1995). Their particular characteristics, which distinguish them from other buyer-supplier relationships, are that they focus on solving specific and often unique client problems relying heavily on the expert knowledge of service providers, in that, most services tend to be project-oriented. Such service providers tend to maintain close relationships with their clients as intensive interaction between the service provider and the client is a key aspect of doing business.

For the purposes of this study, the business services considered are business-to-business services that are project oriented, ranging from services such as IT solutions, marketing solutions, training and development solutions through to business management consulting. Such service providers are used as examples for the purposes of the current research project as (a) the nature of their relationships requires close collaboration between service providers and clients, enabling therefore the researcher to explore close collaborative relational exchanges and (b) as the service itself heavily relies on the service providers' ability to learn and manage knowledge in client relationships, they are considered to be good examples of learning organisations and therefore good examples for exploring how service providers can incorporate learning in their relationships with clients (Miles *et al.*, 1995).

1.3. Relationship Development and the Study of Learning Needs

To talk about learning in relationships, one firstly needs to recognise that relationships are not static. They progress through time and space where each time-space phase is characterised by a different relationship stage, imposing assumptions on the way the relationship and its members behave. In other words, in each relationship stage what

affects success will necessarily differ from one stage to the next, as the characteristics of the relationship and the interaction of its members will necessarily be different. The value in understanding the characteristics and success factors that pertain to each relationship stage lies on the expectations such understanding creates about the nature of the relationship, the nature of interaction among members, and the behaviours and actions of relational partners over particular time and context dimensions. In other words, understanding the dynamics of relational exchange in each relationship stage, and the associated behaviour of relational partners, one can begin to paint a picture of what issues become relevant in order to effectively and successfully progress the relationship from one stage to the next.

The present study posits that each relationship stage is associated with critical success factors/drivers and opportunities that encourage stage success. What is important is the service provider's ability to recognise and leverage these into learning opportunities and needs. That is, the present study focuses on learning needs and opportunities in the various stages of relationship development, which are defined as what the service provider needs to learn about how to leverage stage-specific critical success factors. Learning needs in this sense are not thought of as prescriptive guides for practice, but rather explorations and situated understandings of the actions needed to leverage success at each stage. Exploration and appreciation of learning needs at stages of relationship development could aid service providers in identifying opportunities for learning and incorporating these into informed actions made in practice.

Furthermore, the present study posits that learning needs identified are stage-specific and this is of particular importance since these should be explored and utilised in particular time and space contexts; that is, in their appropriate relationship phase. As each relationship stage is considered to constitute a distinct relational situation with inherent dynamics, each stage is expected to be associated with the requirement to explore particular learning needs that are in turn stage specific. As relationships are emerging and as their results are the unique product of intensive interactions and negotiated order, it is argued that it might be difficult to retrospectively understand why relationships succeed and why they fail as the result cannot be traced back to single actions or behaviours. It is suggested that understanding stage-specific success

factors can provide a frame of reference for managing the iterative relationship process at appropriate times. Understanding, therefore, the dynamics of particular relationship stages can help to explore appropriate learning opportunities and needs at their relevant relationship stages. To illustrate this, the following section considers the characteristics of the various relationship stages to illustrate how different relationship stages can potentially lead to differing embedding conditions for leveraging success. The discussion only serves to be illustrative of the variation in characteristics between stages. An in depth examination of the various success factors relevant to relationship development as proposed by the relevant literature will be discussed in the next chapter.

1.4. Stages of Relationship Development

There is a consensus among academics and practitioners that relationships go through stages and that these constitute an iterative process where each stage's success is contingent upon the previous one. Building on the work on Dwyer, Schurr and Oh (1987) who were among the first to explore relationship development, as well as more recent attempts to explain relationship development (Palmatier, Dant and Grewal, 2007; Palmatier 2008), the following discussion highlights the main characteristics and assumptions relevant to each relationship stage to illustrate how these reflect differing relational situations with differing dynamics.

The first stage of a business relationship is the *exploration* or *opportunity stage*, during which the first contacts between clients and service providers are made. Within this stage, the relationship situation is one characterised by uncertainty, where two distinct organisations examine the potential for engaging in the relationship. Service providers and clients have limited confidence in each other and there are doubts regarding the potential benefits of engaging in the relationship. It is likely to be characterised by interactions that have as their main goal the search for a mutual understanding of each other and each other's intentions (Dwyer, Schurr and Oh, 1987). This stage is considered to be very fragile, but at the same time very important for future relationship success, since it is viewed as the stage where the foundations are laid for everything that will follow. Moreover, it is the stage where the decision to

get in or bail out is judged and justified based on the established understanding.

If participants decide to collaborate, the relationship moves to what has been called the *engagement stage*. The engagement stage for the purposes of the current study represents the phase in which clients and service providers have taken the decision to work together. This stage includes all interactions in which relational participants work together to fulfil project requirements and meet relational outcomes. Depending on the nature of the project, service providers and clients engage in various activities to meet project objectives. This stage is significant because it is the stage at which service providers and clients begin to experience what it is like to work together. As such, this stage is likely to be associated with extensive interactions and negotiation of power among participants. To achieve project objectives, service providers and clients will need, through a series of interactions and activities, to share information, to establish norms of practice, and to engage in joint activities. The expectation is that over time, through extensive interactions and increased participation in practice to carry out project activities, service providers and clients will develop relational codes of practice, which will facilitate the reduction of risk and uncertainty levels, while also encouraging further collaborative actions. However, the engagement stage is not likely to be rosy phase, since it requires a transition to learning to work together under a new established relational reality, which would require negotiation among participants.

As professional business services are mostly project-oriented, they usually last as long as the project lasts and most relationships end with the conclusion of the project and the realisation of outcomes, provided of course that the relationship is sustained long enough to reach project completion. However, there is great value in sustaining a longer term relationship with clients as the relational partners have learned to work together, have developed common practices to a level that can prove significantly advantageous for the exploration of future projects. They have experienced a learning curve of working together and have successfully negotiated common relationship practices. The reaped benefits of continuing exchange in the future in the form of a sustainable source of collaboration, which has become 'comfortable' for relational partners, should encourage service providers to seek to find ways of extending the relationship beyond its current project boundaries.

What the above has illustrated is that the nature and the purpose of interactions, the level of participation, the behaviour of relationship actors and the perceptions of the relationship atmosphere seem to greatly differ from one stage to the next. Understanding and appreciating the characteristics and dynamics of what drives success at different relationship stages can assist service providers in engaging in appropriate behaviours and actions relevant to each relationship stage. Appreciating what drives success in each stage is the first step in being able to effectively manage relationships. What is of value, however, is the ability of service providers to leverage such success drivers through actions made in practice and it is argued that this can only be achieved through learning. Incorporating this learning into practice can lead to informed actions made in practice. Learning what actions lead to or signal the development of success factors can help service providers manage their development and adopt stimulating actions that can aid relationship performance. For example, actions to reduce uncertainty are likely to be more effective for relationship success in early stages, but less effective over time as the exchange partners build an interaction history and deepen their relationship with each other.

1.5. Aims and Objectives of the Study

Taking stock of the above, the present study focuses on the potential for learning in business service relationships. More specifically, it aims to consider the learning opportunities and needs at the different stages of relationship development that can enable the maximisation of relationship success. In order to achieve this aim, the following objectives have been set:

- Explore the relevant literature to understand the drivers to relationship success in the context of business relationships;
- Identify the potential for learning in the form of learning needs that become relevant at different stages of relationship development to enhance relationship performance and development;
- Investigate the presence and relevance of learning needs in the stages of relationship development within two business service providers through examination of service providers' current approach and practice;

- Develop a framework of *relational learning* delineating success factors and respective learning needs at each relationship stage to be used by service providers for building and improving relationships.

To create an understanding which will help guide the research of learning needs the current study draws from a series of relevant literatures. Firstly, relationship management and strategic management literatures are considered to explore potential drivers to relationship success. Secondly, the current study draws from knowledge management and organisational learning literatures to explore what learning entails, understand the various forms of knowledge and their corresponding properties regarding where and how learning can be found, used and shared. Figure 1.1 below provides a diagrammatic flow chart of the objectives of the study and the research process that has been followed.

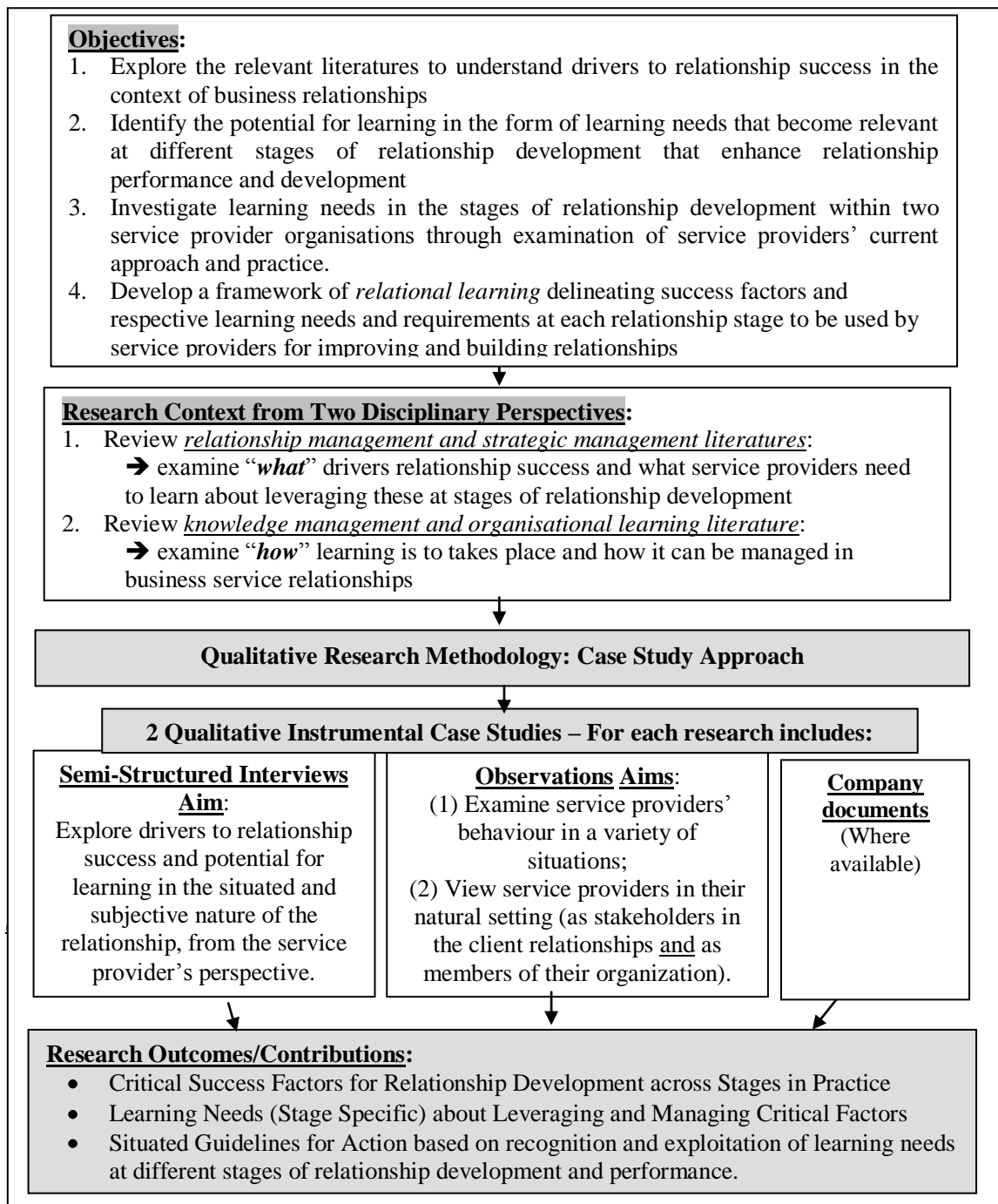


Figure 1.1: Flow Chart of Research Objectives and Research Process

Source: Drawn by the author/researcher.

1.6. Structure of the Study

The present study is structured as follows. *Chapter 2* explores the relevant literatures and aims to bring these together to create a case for exploring relational learning in

client relationships. The chapter concludes with an exploratory research model that brings together the critical areas from relevant literatures and is used to guide the research process. *Chapter 3* explains the research methodology and aims to delineate the research undertaken under an interpretive perspective for the purposes of meeting research objectives. To do so, the chapter provides explanations and justifications for the case study approach used, the case selection and its procedures, the instruments used and the procedures for fieldwork and administration. Furthermore, emphasis is also given to explaining how validity and reliability within research is ensured. *Chapter 4* provides a within case analysis of the two case studies. The chapter is divided into two sections, each dealing with the findings of the two individual cases. The analysis for each is structured around answering the research objectives. *Chapter 5* discusses the results of the cross case analysis performed for the two cases. By identifying the critical factors and corresponding learning needs for successful relationship development across different stages, the chapter provides the resulting relational needs framework that has resulted from research. *Chapter 6* concludes the thesis by providing the study's major conclusions and its implications for academic research and business services practice.

Chapter 2 - Literature Review

2.1. Chapter Introduction and Overview

In order to begin to explore learning opportunities and needs in business relationships, one needs to tackle the following questions: (a) what is the value of investing in learning in business relationships and *what* could service providers learn from relationships? (b) what does learning entail; and *how* could it be managed? To answer these questions, the present chapter draws evidence from relationship management literature, strategic management literature, organisational learning and knowledge management literatures.

Following from the above, evidence from the relationship management and strategic management literatures enables the researcher to explore the potential and benefits of learning in relationships and identify the factors that affect relationship performance and success. These are identified as critical factors that drive relationship success and their importance lies in that they may be used to help guide what needs to be learned in relationships. Understanding *why* to learn and *what* needs to be learned is the first step in attempting to leverage learning in relationships. Building on this, one needs to also explore *how* to learn. To do this, the study draws from knowledge management and organisational learning literatures to highlight the complexity that surrounds the issue of learning and knowledge. The study argues that knowledge and learning exist in more forms than one and that recognising this is important for managing learning in relationships.

In order to compile a review of the relevant literature, the search strategy aimed at identifying key theories concepts and ideas in the literature on learning and relationship development, identifying key authors and key sources, exploring the major issues and debates around topics as well as most recent developments. To do this, the initial search focused on the following: (a) a keyword search in databases, such as Emerald and Science Direct, using combinations of the following keywords: drivers to relationship performance, business/ buyer-supplier relationships,

learning/knowledge, stages of relationship development; and (b) identification of key sources and more recent related references. This was done to begin to gain an understanding of the key contributions to the field. Among the key authors identified in the area of relationship management were the following: Dwyer Schur and Oh (1987), Dyer and Singh (1998), Morgan and Hunt, 1994; Moorman, Zaltman and Deshpande, 1992. From this initial search, relevant or related articles were subsequently followed up. Within the organisational learning and knowledge management areas key sources identified included among others: Nonaka (1994), Lave and Wenger (1991), Gherardi (2000), Spender (1996). Again, from this initial search, relevant or related articles were subsequently followed up. This subsequent search was based on relevance and aimed at adding depth to each area identified. This was done through (a) keyword search of key themes/areas of interest such as: trust, commitment, dependence, tacit/explicit knowledge, knowledge sharing among groups, etc, and (b) following up related sources and references and using citations in relevant sources/articles, the search 'branched' off to other relevant citations.

2.2. Relationships as Learning Platforms towards Competitive Advantage

The concept of investing in relationships as a means to competitive advantage has been widely established and researched within the marketing and management disciplines. Owing to the pioneering works of Berry (1983), Gronroos (1990; 1996; 1999), among others, during the 1980s and well into the 1990s, the emphasis in marketing has undergone a paradigm shift from a transactional to a relational focus, where what was considered important for achieving competitive advantage was investing in building and maintaining value-driven customer relationships. Marketers have realised that maintaining close collaborative relationships with customers and other stakeholders enabled organisations to create value propositions and retain customers. These significant developments have also led to the adoption across a wide range of industries of Customer Relationship Management (CRM) systems especially facilitated by the developments in ICT. Building and maintaining successful relationships and being able to develop a market orientation was viewed as critical to competitiveness.

During the same period, there was another paradigm shift within the management discipline, owing to the significant works of Kohli and Jaworski (1990) and Slater and Narvel (1995) on market orientation and the work of Senge (1990) on the learning organisation. These works have shifted the core function of organisations to cultivating organisation-wide cultures, where the focus was learning from the market and developing intelligence about customers and competitors so as to remain responsive and adaptive to the changes in the market.

A similar paradigm shift has been observed within the strategic management literature with the prominent work of Dyer and Singh (1998) on the *Relational View* of the firm. Strategic management was until then dominated by an internal focus on competitive advantage through the utilisation of critical resources and capabilities residing within organisations (Prahalad and Hamel, 1990) known as the Resource Based View of the firm (henceforth RBV). Particularly Dyer and Singh (1998) extending the RBV, have developed the *Relational View* with the recognition that critical resources may span the organisations boundaries and be embedded in inter-organisational processes and activities. This perspective has radically changed the way in which strategists view competitive advantages and has created a shift of emphasis from only viewing internal capabilities to utilising inter-organisational capabilities embedded in organisations' relationships.

Since then, with a consensus building among various disciplines that relationships must be central in strategy and learning a core discipline to which organisations must aspire to, practitioners and academics have aimed at understanding drivers to relationship performance. Research has been ample at both the level of the organisation and at the level of individual relationships. The following section draws from the multiple perspectives that exist in order to gain a holistic understanding of the drivers to relationship performance. It is envisaged that doing this will create a first building block in understanding what business service providers must learn about how to leverage relationship success.

2.3. Drivers to Relationship Performance

Over the course of the last three decades, academics and practitioners of different disciplines have aimed at understanding what drives relationship success and performance and have focused on a number of factors that they argue jointly or severally affect relationship success. A number of proponents (e.g., Morgan and Hunt, 1994; Moorman, Zaltman and Deshpande, 1992) have argued that it is commitment and trust, and not power and dependence, that are key to promoting effective relationship exchanges. Others (Hibbard, Kumar and Stern, 2001; Bucklin and Sengtupa, 1993; Kumar, Scheer and Steenkamp, 1995c, among others) have suggested instead that it is dependence structures and power that determine relationship performance. Other scholars have argued for the direct effect of relational norms on performance (Heide and John, 1992; Jap and Ganesan, 2000; Cannon, Archrol and Gundlac, 2000; Lusch and Brown, 1996; among others), while yet others have argued for the importance of relationship specific investments in driving exchange performance (Williamson, 1985). Management strategists (e.g., Dyer and Singh, 1998) have gone on to argue for more strategic drivers to relationship success and enhanced performance, such as goal congruence and complementarity of capabilities.

The present study posits that all the above are complementary for understanding relationship performance and for managing relational exchanges, as they denote behavioural, relational and strategic drivers to relationship performance and success. Such drivers are seen to play a key role at varying stages of relationship development and in many cases they *jointly* rather than severally affect relationship success, as each affects and is affected by the other. The discussion in the following section distinguishes between the nature of the drivers and explores *behavioural* drivers, *relational* drivers and *strategic* drivers to relationship success. *Relational drivers* refer to issues such as trust, commitment, relational norms and dependence. These are what may be called relationship states, which describe the relationship atmosphere in which participants act. As such, they are mostly perceived in relational exchange and their presence is only observable through relationship *behaviours*, such as coordination efforts and relationship-specific investments that describe activities service providers and clients perform together. *Strategic* drivers to relationship success denote

properties and characteristics of the relationship between relationship partners, such as goal congruence and complementarity of capabilities. These essentially represent the unique blend of the characteristics of the respective organisations' characteristics that affect the motivations to engage and maintain relationships.

2.3.1. Strategic Drivers

The strategic drivers to relationship performance, which are considered for the purposes of this discussion, are *goal congruence* and *complementarity of capabilities*. Proponents within the strategic management literature (Dyer and Singh 1998; Jap, 1999; 2001; Palmatier, Dant and Grewal 2007; Palmatier 2008) argue that the motivation to maintain close collaborative relationships rests on the potential benefits that organisations perceive to achieve through particular exchange relationships, in other words, what has been termed 'relational rents'. Relational rents are described as the unique benefits and profits that can be generated from the close and joint collaboration in an exchange relationship between organisations. Their significance lies in the fact that these could not have been generated by either organisation in isolation (Dyer and Singh, 1998). Proponents argue that the choice to invest in building and maintaining a relationship is largely contingent on (a) whether organisations view that there is the possibility of achieving *goal congruence* and (b) whether organisations can exploit *complementary capabilities*.

Although works in the strategic management discipline mostly deal with relational exchanges within an alliance context, several aspects of what drives relationship success and competitive advantages in alliance exchange relationships are worth exploring as they can be applied to the business services context. That is, although business service relationships take the form of buyer-supplier dyads, where the purpose is delivering solutions of business clients, alliance literature can provide insights into how careful selection of relational partners can enable a business service provider to (a) embark on relationship with viable potential and (b) to strategically aim to target particular clients. Although the dynamics of exchange and choice potential are different in the context of alliances and business services, motivations of the choices organisations make in building alliance relationships can begin to paint a

picture of how service providers can strategically approach relationships with business clients.

It follows, therefore, that before actively engaging in a relationship, it is important that relational partners perceive that there is potential for *goal congruence*. Goal congruence refers to an informational need established between the involved parties in achieving compatible purposes, values, and expectations. It refers particularly to the extent to which partner's perceive the possibility of goal attainment (Eliashberg and Michie, 1984). Achieving goal congruence serves to provide assurances of the commonality of purpose among the relational partners and aids in minimising perceptions of risk regarding the partner and their actions (Jap, 1999). Only when goals are congruent are relationship partners confident in making the necessary investments to support and exploit the relationship's potential (Schmidt and Kochan, 1977; Jap, 2001; Schalk, 2009). Achieving congruent goals, however, does not happen overnight. It is rather the outcome of prolonged interactions in which potential relational partners establish an understanding of each organisation's opportunities and constraints. Congruent relational goals emerge and are established through open and constant negotiation among relational partners, and only when these become aligned can they provide a strong basis for embarking on close relationships (John and Reve, 1982).

For business service relationships, the ability to establish goal congruence, or at least explore the potential for achieving congruent goals before embarking on relationships, can significantly aid service providers in taking on projects and building relationships in cases where there is viable potential to do so. What is argued is that if goal congruence cannot be achieved, there is a great possibility that in taking on the project, the differences in partners' expectations relating to the nature of the project, the nature of outcomes and the nature of the interaction may cause relationships to fail before they reach project completion. Since embarking on a relationship requires significant investments in time and effort for both service providers and clients, the ability of assessing the potential viability of a relationship can go a long way in avoiding situations where there is limited potential for success.

Further to the above, service providers can strategically choose to embark on

relationships with particular clients based on the perceived benefits that can be achieved through the relational partners' *complementarity capabilities*. That is, as organisational key competencies and capabilities are considered to be fundamental drivers of an organisation's performance and competitive advantage, the ability to tap into and expand competencies through relationships can be particularly beneficial in achieving competitive advantages (Dyer and Singh, 1998; Jap, 1999; Jap and Ganesan 2000; Palmatier, Dant and Grewal, 2007; Palmatier 2008). This argument rests on the premise that complementary competencies of relational partners can collectively generate outcomes that would otherwise not be achievable by each partner individually. These can be achieved through the combination of relational partners' distinct capabilities, knowledge and resources that can complement each other into a new greater whole. In business service relationships, this can be achieved by strategically targeting relationships with particular clients that are seen to exemplify such complementarity of resources, capabilities and knowledge (Jap, 1999).

The potential achieved through exploiting the benefits of complementary capabilities, however, is not a prerequisite for successful business relationships. Service providers can successfully embark on relationships with clients in which the commonality of partners' capabilities provides an easier, more secure and comfortable situation in working together with relatively fewer uncertainties. Exploiting the potential of complementary capabilities in exchange relationships can be a recipe for excellence, for moving past what is achievable to new potentials and new realities. It does, of course, imply higher risks, as the organisation moves in riskier uncharted territory. As it does this, the differences in capabilities among relational partners are associated with uncertainty in effective assessment and utilisation of unfamiliar partner competencies (Prahalad and Hamel, 1990).

The strategic drivers to relationship performance discussed above highlight the need for business service providers to assess the potential viability of relationships and evaluate the potential benefits of embarking on relationships with clients. Being able to explore this in advance can be particularly important for service providers as it can (a) aid in avoiding situations which require significantly more investments relative to the expected value to the service provider, and (b) exploring otherwise difficult relationships whose perceived value outweighs the significant investments necessary

to achieve success. Therefore, strategic drivers to relationship success are likely to be more relevant in the initial stages of relationship development, that is, during the opportunity stage. This is because relational partners who wish to embark on a relationship will need to assess both the viability of the project to be taken on, as well as the viability of cooperation with the relational partner at an early stage.

2.3.2. Behavioural Drivers to Relationship Performance

It has been argued above that understanding strategic drivers to relationship success can help service providers in deciding to embark on relationships that have viable and/or promising potential. It can be further argued that when relational partners begin to work together, it is the various relationship behaviours that relationship partners engage in that enhances or impede relationship success, and it is such behavioural drivers that tend to distinguish close collaborative relationships from arm's length exchanges. Behavioural drivers to relationship performance considered for the purposes of this study are *coordination efforts* and *idiosyncratic relationship-specific investments*.

This section draws from both relationship management and strategic management literatures to explore behavioural drivers to relationship performance. As discussed in the previous section, although the strategic management literature mostly deals with relational exchange within an alliance context—where objectives may be different than in business service relationships—the process of collaboration is quite similar for both, as it represents a complex and socially created phenomenon where two distinct organisations embark on a relationship. This process necessarily involves a learning curve in working together and involves the combination of various skills and significant investments in time and effort for both relational partners. The ability to maintain the relationship, and motivation to maintain it, are equally important in both an alliance and business service context. This section, therefore, considers the interaction patterns and coordination efforts within relational exchange, along with the dedicated investments that the relational organisations strive for together. The interrelationships in the collaboration process are shown in Figure 2.1. It is noted that the diagram serves only as a source of major issues that need to be considered within

relational exchange.

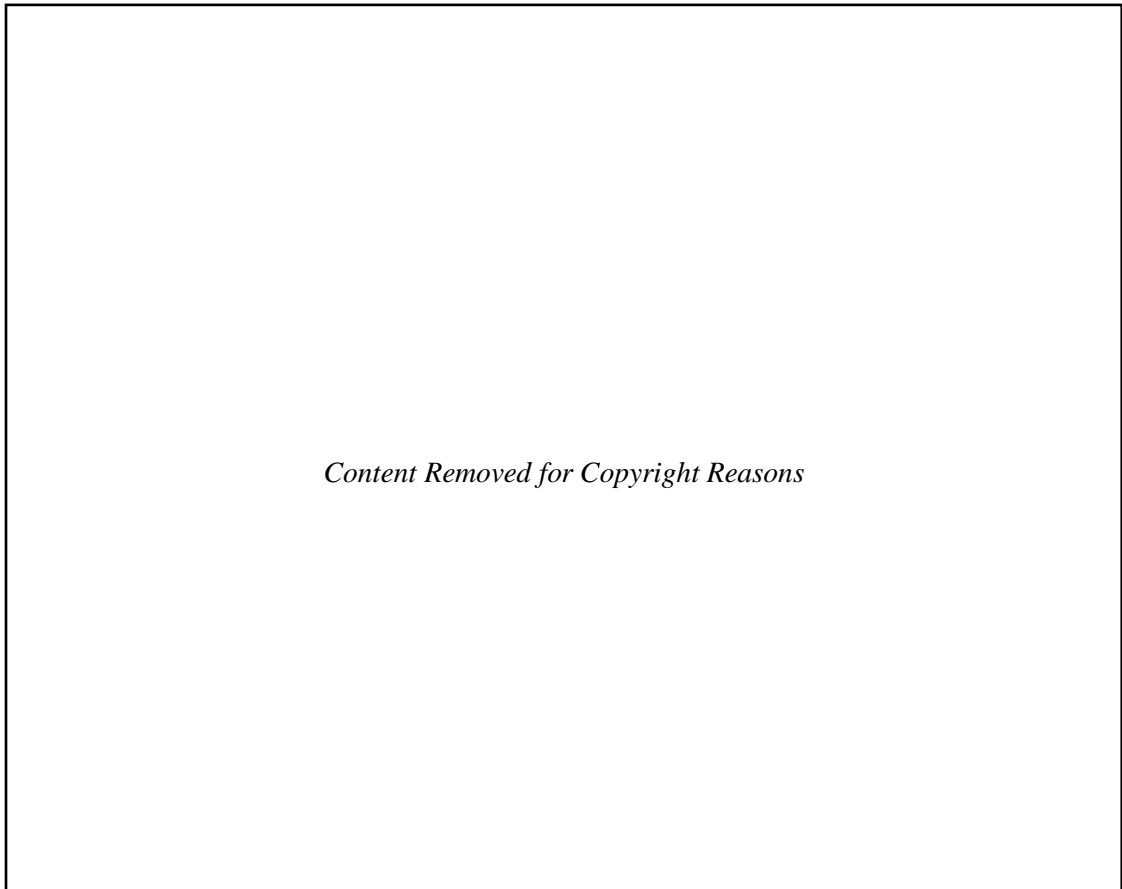


Figure 2.1: The Collaboration Process

Source: Jap, S.D. (1999) "Pie-Expansion Efforts: Collaboration Processes in Buyer-Seller Relationships", Journal of Marketing Research, 36(4), p.463.

In order to create mutually beneficial relationships and meet project outcomes, service providers and clients must consider how to manage the unique relational situation and environment, their respective competencies, and human resources available to them. Understanding what the two relational participants do together, and how this can be managed, in order to develop and maintain a relationship especially in the initial stages of project engagement, is considered particularly important in managing relationship success.

Relationship *coordination efforts* are defined as the regular pattern of actions and activities that participants engage in together to meet project outcomes (Anderson and Narus, 1990; Jap, 1999). They are important because they enable relational partners to share information, opportunities, and processes in such a way as to facilitate the

achievement of outcomes. To perform such activities, organisations must necessarily engage in a series of interactions, and through open dialogue share knowledge about their respective needs and expectations and must jointly learn to effectively work with each other (Dwyer, Schurr, and Oh, 1987; Heide and John 1992).

Effective communication in relational exchange is unlikely to take the form of one-way communication that is, simply sending back and forth messages between service providers and clients as discrete and separate entities. Rather, the value of coordination efforts lies on communication being dialogical (Senge, 1990; Gergen, McNamee and Barrett, 2001; Ballantyne, 2004). Open dialogue in relational interactions can facilitate participants to explore their individual and collective assumptions, their beliefs and expectations, and their feelings, which inherently affect and are implicated in their behaviour and in their interactions. As such, open dialogue can create a basis for jointly laying down the context, in a way that allows service providers and clients to start at the beginning, exposing the preconceptions that may guide their actions and the role each is to play. Rather than relying on assumptions about expectations of purpose and behaviour of and roles to be adopted by each party, open dialogue can allow for the co-construction of these and can begin to lay the groundwork for gaining clarity on mutual expectations and understandings (Ballantyne, 2004). As such, dialogue which is done early and frequently can potentially set and build the ground for collaboration.

Constructive dialogue need not only be open. It must also be purposeful in that it should be guided by a purpose and guide the actions. Dialogue can help construct the issues and opportunities addressed during relational exchange, as well as help construct new vocabularies for practice. It can, through introducing healthy tensions, move participants into innovative pathways by moving them from consensus into disagreement, and necessarily to a new and possibly innovative consensus (Hicks, 2010). In being open and purposeful, dialogue can become transformative when it succeeds in transforming a relationship between the separate entities (service providers and clients), who are committed to different realities and practices, to a relationship in which common and solidifying realities and practices are constructed (Gergen, McNamee and Barrett, 2001).

Coordinating efforts through dialogue necessarily requires significant investments in both time and resources for both service providers and clients, what has been termed *relationship specific investments* (henceforth RSIs). These investments are considered to be so specific to the relationship that they are non-replaceable and non-transferable and aim to support and maintain the relationship (Jap, 1999). In alliance contexts, these can take the form of tangible investments, for example a new operating system, or intangible investments, most commonly tacit knowledge or a specific capability. The specificity of the investments to the relationship suggests that as they are not easily transferable to other relationships they lose their value in the event that the relationship is terminated. Williamson (1985) identifies three forms of investments that are made specific to: (1) site, (2) physical assets, and (3) human assets. While site-specific investments and physical-asset-specific investments are mostly relevant to the alliance context, human-asset-specific investments are especially important in business service relationships. These refer to investments in know-how accumulated by relationship partners through long-term relational interactions (Palmatier, Dant and Grewal, 2007). Such investments develop through experience of working together and involve specialised information, language and know-how.

Relationship-specific investments become necessary in sustaining relationships in both the short-term and long-term, as they provide assurances for efficiency in coordination and have several important relationship-stabilizing properties (Jap, 1999). In the short-term, (a) they facilitate expectations of each partner's intention to maintaining and continuing relationship exchange, (b) they enable more effective and efficient communication, which enhances coordination efforts, and (c) are also useful in minimising uncertainty regarding partner's opportunistic behaviour (Anderson and Weitz, 1992). RSIs made by a relationship partner serve to communicate a partner's intentions, but also significantly generate the need to preserve such investments. Because the non-transferable nature of RSIs, they aid relationship performance in reducing partners' motivation to behave opportunistically, which in turn serves to reduce uncertainty. Fewer concerns about opportunistic behaviour and lower uncertainty about the partners and their intentions increase relationship efficiency. They also importantly encourage joint action, as the relationship now includes higher expectations of continuity, paving the way to successful performance (Heide and John, 1990).

In the long run, relationship-specific investments, such as knowledge, can become sources of competitive advantage that can yield ‘relational rents’ and guide innovation. More specifically, a number of studies (e.g., Von Hippel, 1988; Powell, Koput and Smith-Doerr, 1996) have found that more than half of the organisational innovations could be traced back to a relational partner’s initiation. That is, organisations that operate within relationships associated with superior knowledge-transfer processes will be in a better position to “out innovate” single organisations and organisations that are unable to create or position themselves in learning relationships (Dyer and Singh, 1998). Investments in this respect come in the form of developing superior relationship knowledge-sharing processes. Knowledge-sharing processes are defined as the regular patterns of relationship interactions that permit the transfer, recombination, or creation of specialised knowledge (Grant, 1996).

Relationship knowledge-sharing processes entail the negotiation and creation of relational processes that are designed with the purpose to enhance knowledge exchanges between service providers and clients. This concept is mostly developed within the alliance literature, yet it can be highly relevant to business services. Although business services tend to be project oriented, with a lot of relationships ending with the completion of the project, there is great value in investing in longer term relationships that transcend project-boundaries. That is, developing continuing relationships with clients does not only serve as a source of new business, but can help service providers develop, remain current, innovative and responsive to customers changing needs. This, in turn, will enable them to remain competitive. Therefore, investments made during the course of relational exchanges do not only serve to facilitate short-term project outcomes, but could also be used to achieve longer-term competitive advantages achieved through learning.

Capitalising on such investments and learning to utilise them in relational exchanges is a significant step to becoming a learning organisation. According to Peter Senge (1990), a prominent thinker on the learning organisation, learning organizations are:

“...organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together” (Senge, 1990, p. 3)

The ability to learn and utilise such external sources of knowledge has been said to be contingent upon the organisations' *absorptive capacity*, in other words, the ability of an organisation to "recognize the value of new, external information, assimilate it, and apply it to commercial ends" (Cohen and Levinthal, 1990, p.128). When it comes to examining investments in know-how among relational partners what becomes important is what Dyer and Singh (1998) call partner-specific absorptive capacity. This is the developed ability of an organisation to recognise, assimilate and utilise valuable knowledge from a particular exchange or relational partner. To do so, relational partners must implement sets of relationship processes that allow relational partners to systematically identify and subsequently share valuable know-how across the relationship. According to Dyer and Singh (1998) the level and degree of partner-specific absorptive capacity is a function of two elements: (1) the extent to which relational partners have developed common knowledge bases, and (2) the extent to which partners have developed exchange routines that maximise the frequency and intensity of socio-technical interactions.

Toyota is an excellent example of how such knowledge-sharing routines can create inter-organisational competitive advantages by developing a number of practices that facilitate knowledge transfers to and among suppliers (Jap, 1999). Toyota has developed support systems for their suppliers to facilitate the successful acceptance assimilation and utilisation of instances of knowledge transfers among themselves and their partners. Initially, the organisation's operations management consulting division is given the task to ensure that knowledge transfer takes place by residing at the supplier for days or months to see the transfer through. Secondly, transfers of knowledge to suppliers are also accompanied by temporary or permanent transfers of Toyota personnel who aim to increase the supplier's ability to assimilate and apply the new knowledge. Such investments on the part of Toyota result in inter-organisational social networks that increase partner-specific absorptive capacity.

The aim for relational partners is, through repeated interactions, to enhance their specific absorptive capacity to the level that each partner knows where partners' critical expertise lies within each organisation and the relationship. Developing and utilising partner-specific absorptive capacity is an investment in itself by both

partners, as it involves an investment in designing relationship routines to facilitate knowledge sharing and increase interactions (Cohen and Levinthal, 1990). It is through the development of such relationship routines that know-how can be shared, and is through repeated, direct and intimate interactions that sharing can be successful.

Returning to the consideration of learning needs across stages of relationship development, while strategic drivers discussed in previous sections can enhance success in the initial stages of relationship development, it is what the two participants do together during the course of the relationship that determines the success of later stages. That is, understanding the behaviours that relationship participants need to engage in to maintain relationships can help service providers in communicating intentions. Depending on the needs of the project and the needs at the different stages of relationship development, service providers will need to learn how to leverage these into appropriate behaviours taken in practice. Recall that once relationship participants decide to engage in a relationship, the next stage of engagement is largely associated with a stage of familiarisation, where service providers and clients learn to work together and establish clear roles and processes.

To do this, service providers will need to make investments to build confidence in the relationship, to establish credibility. They will also need, through dialogue, to establish the rules of engagement that will guide the project. It is likely that investments and dialogue will need to continue to be exerted in the maturity stage. However, as the participants will have built an interaction history of working together, they are likely to change in focus as they will act to ‘maintain’ confidence in the partners’ intentions and the relationship. Therefore, it is likely that relational participants will need to consciously engage in coordinating efforts and investments at the beginning of the engagement stage, to demonstrate commitment intentions and minimise project uncertainty. As relationship participants continue to interact, uncertainty and risk are likely to be alleviated because the partners will have built an interaction history and investments will have facilitated in establishing relational participants as mutual partners to the project. As such, service providers and clients are likely to feel more confident to invest in the relationship, and partners’ behaviours will be driven by the perceptions of relationship closeness and continuity among

partners. Perceptions of continuity, commitment and trust among relational partners, which have developed over extended interactions and socialisation, will become important in shaping a relationship atmosphere, which fosters collaborative behaviours and is perceived to safeguard investments.

2.3.3. Relational Drivers to Relationship Performance

This section considers relational drivers to relationship performance in order to understand how behaviours can be influenced by the state or atmosphere of the relationship. The relationship atmosphere through which relational partners interact is seen to play a critical role in determining the nature of the environment in which exchanges occur. Relational drivers to relationship performance considered for the purposes of the present study are *trust*, *commitment*, *dependence*, and *relational norms*. Such relational constructs are vital to understanding drivers to relationship development and performance, as they characterise the relationship ‘atmosphere’ and motivations that drive relational partners’ behaviours. The following discussion considers the various relational drivers and explores how they jointly or severally affect relationship performance. Figure 2.2 is used as a guide for the discussion that follows on the various perspectives that exist on relational drivers. It was developed by Palmatier, Dant and Grewal (2007) who draw from evidence from various theoretical perspectives to explain drivers to relationship performance. The diagram serves as an outline of the various theoretical perspectives and key relational drivers that have developed through the literature.

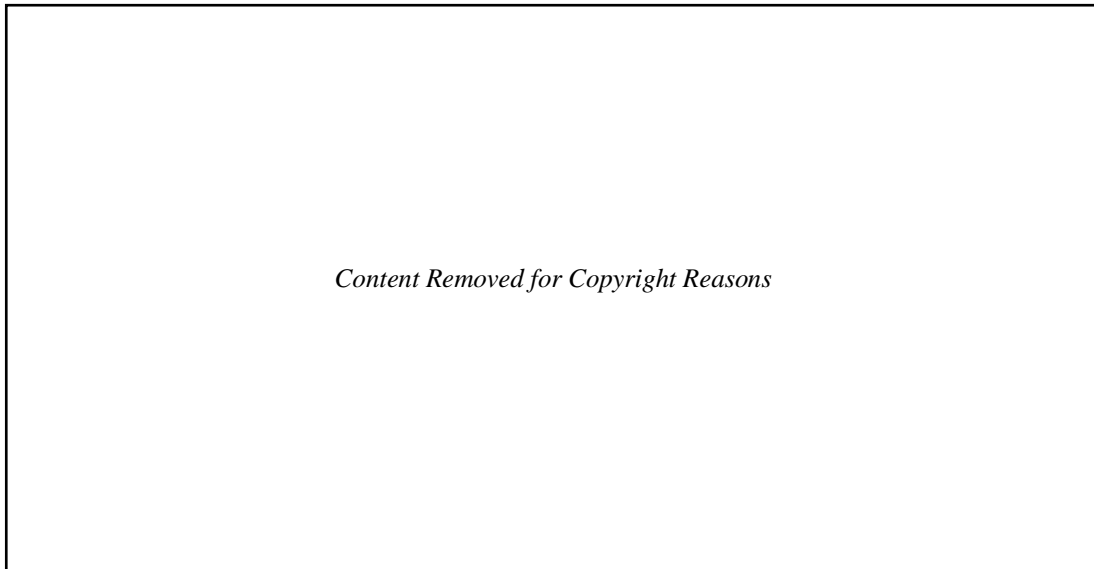


Figure 2.2: Drivers to Relationship Performance

Source: Palmatier, R.W., Dant, R.P. and D. Grewal (2007) "A Comparative Longitudinal Analysis of Theoretical Perspectives of Interorganisational Relationship Performance", Journal of Marketing, 71(4), p. 186

Central to any discussion of relationships are the concepts of *trust* and *commitment* which have received widespread attention within the relationship marketing and management literatures (Moorman, Zaltman and Deshpande, 1992; Dwyer, Schurr and Oh, 1987; Morgan and Hunt, 1994; McAllister, 1995, among others). In their conceptualisation, these concepts are usually viewed and examined in parallel, as it is the presence of both that drive cooperative behaviours in relationships. On the one hand, *commitment* is viewed as an essential ingredient for successful long term relationships. It refers to "an enduring desire to maintain a valued relationship" (Moorman, Zaltman and Deshpande, 1992, p. 316). This is based on "an implicit or explicit pledge of relational continuity between exchange partners", giving primacy to durability and consistency over time (Dwyer, Schurr and Oh, 1987, p. 19). As such, a perception of commitment to the relationship by service providers and clients is equivalent to a commitment to ensuring a stable relationship, which in turn facilitates partner's willingness to make investments to maintain the relationship. Commitment, therefore, provides confidence on the stability of the relationship and therefore reduces opportunistic behaviour of partners in the promise of long-term relational exchange (Anderson and Weitz, 1992; Morgan and Hunt, 1994). Thus, commitment is a "forward looking" approach (Ganesan, 1994) that enables partners to act towards maintaining the relationship and their stake in it.

On the other hand, trust is believed to be necessary for relationship performance as it leads to cooperative and constructive relationship behaviours that are vital for maintaining long-term relationships (Morgan and Hunt, 1994). Trust has been traditionally conceptualised as encompassing two elements: *credibility* and *benevolence*. Trust in a partner's credibility is based on the belief that the relational partner will be sincere and fulfil the agreed upon role obligations (Jap and Ganesan, 2000). Trust in a partner's benevolence is the belief that the relational partner will behave in ways that are beneficial to both relational partners and will not take unexpected actions that would impact negatively on the relationship. It follows, therefore, that trust requires a judgment for both the reliability and integrity of the exchange partner (Morgan and Hunt, 1994).

Management scholars have shown a keen interest on trust and have researched the field extensively. Notable works are those on the commitment-trust model of relationship marketing by Dwyer, Schurr and Oh (1987), Moorman, Zaltman and Deshpande (1992), and Morgan and Hunt (1994), and on the classification of trust into *cognitive-trust* and *affective trust* by McAllister (1995), among others. Though trust is recognised as a critical driver to relationship performance, some argue that the application of trust in the business-to-business context may be problematic, as trust is inherently a personal psychological state and not an organisational state (Hardin, 1991; Mouzas, Henneberg and Naude, 2007). That is, trust can exist between relational individuals, but it may be problematic to extend the same conceptualisation of trust to the level of the organisation, since organisations cannot experience emotions. Therefore, within the literature there has been a tendency to distinguish between interpersonal trust and inter-organisational trust as distinct constructs (Zaheer, McEvily and Perrone, 1998). Interpersonal trust is trust between the individuals in an exchange relationship, whereas inter-organisational trust is seen as trust in the credibility of the organisation.

When examining relational exchange, it appears that both trust and commitment become important to facilitate beneficial relationship behaviours such as coordination efforts and relationship-specific investments. That is, trust and commitment become relevant and irreplaceable in sustaining relationships because the perception of a

trusting and committed relationship provides assurances to relational partners of reduced uncertainty and risk associated with partners' opportunistic behaviour (Bialaszewski and Giallourakis, 1985). Furthermore, it reduces transaction costs in the form of eased negotiation and reduced conflict (Zaheer, McEvily and Perrone, 1998). As such, trusting and committed relational partners are more likely to be willing to share relevant ideas and comprehensive information in establishing, negotiating and clarifying common goals and problems. They will also more likely tend to approach the relationship with a problem-solving orientation (Moorman, Zaltman and Deshpande, 1992). Trusting parties are also likely to experience less risk and uncertainty in making investments that are by nature irreversible with no straightforward guarantee or payoff.

Complementary to concepts of trust and commitment, *relational norms* have been explored as drivers to relationship performance that help describe the atmosphere in which relationship participants interact and behave. Particularly, relational norms refer to expectations about collaborative behaviours of relational partners towards common relationship goals (Heide and John, 1992; Jap and Ganesan, 2000; Palmatier, Dant and Grewal, 2007). Heightened perceptions of relational norms among relational partners are said to enable partners to more confidently commit to trusting and committed relationships. Within the literature, various norms have been explored and most accept the importance of three major relational norms: solidarity, mutuality and flexibility. *Solidarity* refers to the extent that partners perceive that their partners' behaviours are directed towards relationship maintenance and a high value is placed on the relationship (Jap and Ganesan, 2000). *Mutuality*, closely related to solidarity, refers to the belief and expectation that issues arising during the course of the relationship will be treated as joint concerns and that both parties will mutually contribute to all aspects of the exchange decisions (Palmatier, Dant and Grewal, 2007). *Flexibility* on the other hand, refers to the perception that relational partners will be willing to adapt to changing conditions of the relationship and the environment in order to maintain the relationship (Cannon, Archrol and Gundlac, 2000; Lusch and Brown, 1996). Other researchers have gone on to include communication or *information exchange* as a relational norm. This is defined as the expectation that the relational partners will freely and actively share information with each other (Mohr, Fisher and Nevin, 1996; Jap and Ganesan, 2000). Perceptions of

the development and presence of the above relational norms in exchanges, or more appropriately the perception of ‘relationalism’ in exchange, is likely to lead to lower perceptions of risk and uncertainty regarding partners’ behaviour. As such, there would be an increased willingness to make relationship specific investments and avoid opportunistic behaviours (Cannon, Archrol and Gundlac, 2000; Siguaw, Simpson and Baker, 1998). Such perception is also likely to help in lowering the levels of conflict in relational exchange, enable partners to respond more effectively to challenges, and to prolong the time needed to evaluate the outcomes of relationships (Kaufmann and Stern, 1988). As relational norms are likely to continue to develop and perceptions are likely to become more enhanced—as relational partners build a history of exchange interactions—relational partners are likely to become more dependent on the relationship. This is because the possibility of switching and duplicating relational bonds created in the existing relationship with a new partner will become more distant, as this would involve significant investments (Palmatier, Dant and Grewal, 2007).

Another important driver to relationship performance that essentially describes the atmosphere in which relationship behaviours are exhibited is the level of dependence of relational partners to the relationship. Within the relationship context, both *interdependence* of relational partners (that is, the mutual dependence of both parties to sustain the relationship), as well as *dependence asymmetry* (that is, the imbalance between partners’ dependence), become relevant in understanding relationship performance (Jap and Ganesan, 2000). Dependence has been widely studied within the organisational and relational contexts and has been closely linked with use and perceptions of power in exchange (Bucklin and Sengtupa, 1993; Kumar, Scheer and Steenkamp, 1995; among others). It is central in understanding relationship performance as it helps determine each partner’s ability to influence the other. The general principle is the following: “the relative power of an organization over another is the result of the net dependence of the one on the other. If A depends on B more than B depends on A, then B has power over A” (Caniëls and Gelderman, 2007, p. 145).

When relational partners share an interdependent relationship there is likely to be a mutual desire to maintain the relationship and the level of investments relational

partners have undertaken (Hallen, Johanson and Seyed-Mohamed, 1991; Hibbard, Kumar and Stern, 2001). As such, power is likely to be equally distributed between relational partners and not used coercively by either partner. However, in cases where dependence asymmetry characterises the relationship, the experience is likely to be a situation where power is used coercively by the powerful partner and there is an increased unwillingness on the part of that partner for compromise (Gundlach and Cadotte, 1994). As the relationship continues and as relational partners, either in relationships characterised by mutual dependence or dependence asymmetry, make more investments to the relationship, they become increasingly more dependent (Ganesan, 1994; Kim and Frazier, 1997; Palmatier, Dant and Grewal, 2007).

Understanding relational drivers to performance as explored above is an important step in being able to understand the relationship atmosphere in which service providers and clients exhibit behaviours. Relational drivers to relationship performance are likely to develop over repeated interactions between participants and be exhibited as actions in practice that communicate partner's intentions and purposes. They are likely thus to encourage collaborative behaviours. Learning how these affect and are implicated in relationship behaviours becomes important in helping service providers in engaging in appropriate behaviours in practice.

2.4. Reflection and Emerging Issues for the Study of Learning Needs

The discussion in this section aims at exploring the strategic, behavioural and relational drivers to relationship performance, and through that it aims at delineating how each may become relevant at the various stages of relationship development. What is suggested is that drivers to relationship performance explored above direct attention to critical success factors in managing relationships, and it is the ability of service providers to learn how to leverage them in relational exchanges that can ultimately guide the success of relationships. Thus, these drivers can shed light onto potential learning needs that have to be established and addressed within the relationship. Learning in this way can help guide decisions made in practice and can help service providers engage in appropriate behaviours that will aid in maintaining healthy and successful relationships. As such, it is critical to understand how each of

these is established in relationship interactions and their impact on relationship outcomes. The exploration of learning needs in relationship development relates to how each of these issues is relevant to relationship practice, how these are achieved in practice, and how each can provide opportunities for learning that can shape and guide service provider's approach towards better relationship management.

Based on review of the relevant literatures as discussed above the following sub-questions will likely guide the search for learning needs:

- How relevant or important is goal congruence in practice, and how is a degree of *goal congruence* assessed and established, and how do service providers' actions lead to its establishment?
- What do service providers and clients do together, in terms of the relationship *coordination efforts*?
- What investments do service providers expend in the form of *RSIs* and what is expected of clients?
- How relevant is *trust and commitment* in practice and what actions or behaviours are thought to drive and signal trust and commitment?
- What are the effects of partner's *dependence* on relationships, what drives these dependence structures, and how is that implicated in relationship behaviours?
- How relevant are *relational norms*, and does what one need to know about their establishment; what drives relational norms in practice?

These research questions on learning needs are worth exploring as they provide the basis for thinking in terms of 'what' learning needs are relevant in each of the relationship stages, and how managing these can lead to effective relationship development and maintenance. To be able to understand these learning needs, one needs to appreciate what learning essentially entails and how service providers should approach learning in relationships. Identifying learning needs can be the first step in understanding how service providers can leverage learning opportunities in relationships. However, for learning to be sustained, it must be grounded in practice and be used to guide practice. It will necessarily require a learning orientation.

The present study adopts the perspective that learning in relationships does not simply involve the assortment of different pieces of knowledge about the various drivers to relationship success. It requires a shift in learning to be a learning organisation. How learning should be managed and in what forms it is likely to appear and be utilised requires an understanding of what learning entails and what types of knowledge could be relevant in relationship exchange. To do this, the following section considers the concept of learning and knowledge drawing from elements of organisational learning and knowledge management literatures to guide the discussion on the dimensions of knowledge and learning and the process through which learning is created, used and shared.

2.5. Understanding Learning

The concept of learning and knowledge has been around for decades and has been extensively explored within the organisational learning and knowledge management literatures. Research on knowledge and learning has looked at knowledge in the context of individuals, groups and organisations. Researchers have also explored types or dimensions of knowledge, where explicit knowledge is considered to be knowledge that can be easily expressed and formalised while tacit knowledge is associated with skills and ‘know-how’. More specifically, there have been discussions about the following dimensions: (a) how explicit knowledge is acquired by individuals and how it is associated with learning at the level of the organisation (Argyris and Schon, 1978; Simon, 1991; Sitkin, 1992); (b) how a group’s mastering of explicit routines can be an aspect of organizational memory (Cohen and Bacdayan, 1994); (c) how the tacit skills of an individual can and cannot be tapped for the benefit of the organization (Nonaka, 1994; Nonaka and Takeuchi, 1995; Spender, 1996); and (d) how the activities of groups can constitute organizational learning (Weick, 1991; Weick and Westley, 1996).

Although developments in the organisational learning and knowledge management fields are quite fragmented, a consensus is building among researchers and academics that learning is not a passive process, but rather an active one. Additionally, any understanding of knowledge cannot be divorced from its context and transmitted

either as abstract, explicit data or as universally applicable approaches to problem solving (Blackler, 1995; Gherardi, 2000). The traditional view that knowledge is “abstract, disembodied, individual and formal” has become unrealistic. Rather, consensus is building that importance should be placed on *practical* knowledge which is actually “foundationless, partial, constructed and pragmatic” (Blackler, 1995, p. 1034). It has become more appropriate to talk about the process of knowing and learning, emphasising the collective, situated and tentative nature of knowing.

Despite these important developments on learning in the organisational learning and knowledge management fields, within the marketing discipline there remains an expressed or implied tendency to treat all knowledge as essentially of one kind, where emphasis is placed on the aggregation and storage of explicit knowledge assets. This is not surprising as it has tended to follow the industry trends. One example is the craze with CRM systems, and later with KM systems, which have over-relied and over-emphasised the mass-collection and codification of knowledge into complex information systems in the anticipation that this would aggregate learning. However, what has become apparent is that such conceptualisations of knowledge have resulted in complex information systems that have been overloaded with ‘knowledge’ and information that was partial, and as such was scarcely used. After the craze of CRM and KM has died down, many knowledge repositories remain empty or idle (McDermott, 1999; Newell *et al.*, 2006). Specifically, CRM has seen its rise and fall within the industry where organisations’ experience has shown that CRM applications have moved organisations further away from customers, as these were in fact short-term and reactionary attempts to increase short-term sales rather than attempts to build platforms for learning (Fournier, Dobscha and Mick, 1998). The experience of complex KM systems has been the same. What is worrisome is that even in more recent attempts that recognise the importance of learning from clients as in for example attempts at building customer knowledge management (CKM) (Rollins and Halinen, 2005), the conceptualisations of learning and knowledge seem to be the same; that is, importance is placed on the collection and codification of knowledge about customers into explicit storable formats. The problem with such conceptualisations and attempts is that the over-reliance of such systems on codification of knowledge into explicit formats has resulted in deemphasising the importance of the knowledge created and reproduced through social interaction

(McAdam and McCreedy, 2000; Peltonen and Lamsa, 2004). Attempting to ‘capture’ (the term is used loosely) and utilise knowledge relevant to any organisational or interorganisational situation requires both a consideration of knowledge that is explicitly available and can be useful when codified, but also knowledge that results from social interaction and can be understood, used and shared only through interaction and practice. The present study adopts the perspective of Cook and Brown (1999) in that to understand knowledge and learning, one needs to understand that knowledge exists in more forms than one, where none is subordinate to or made up from any other. In practice, this means that each form of knowledge can do the work that the others cannot and what is important is understanding how these are created and enacted in practice.

The below discussion aims to shed light on the above by exploring conceptualisations of knowledge and learning through exploring the distinctions that exist in the literature regarding types or dimensions of knowledge and units of analysis in which knowledge and learning is created and managed. This attempt aims to delineate the main perspectives that have dominated the literature as well as explore how these are important for the conceptualisation and management of learning in business relationships. The discussion will clarify why a different approach is needed to the conceptualisation of knowledge and learning in business relationships that takes into consideration the situated and practical nature of learning as this has developed through the organisational learning and knowledge management literatures.

2.5.1 Conceptualisations of knowledge and learning

In order to provide a comprehensive but concise review of the literatures, avoiding being consumed by the endless debates and knowledge jargon, one needs to understand that the discussion in the literatures about knowledge and learning has focused, on the one hand, on the distinction between types or dimensions of knowledge, and on the other hand, on the individual, group, and organisation as units of analysis of where knowledge/learning exists, is created, and shared (Cook and Brown, 1999). Within this debate, two perspectives have emerged: *the cognitive-possession perspective* and *the social-practice perspective*.

2.5.1.1. Cognitive-Possession Perspective

Within the organisational learning and knowledge management literatures one of the perspectives that has traditionally dominated the field is the cognitive-possession perspective, which is based on an objective Cartesian epistemology. Within this perspective, researchers viewed and treated knowledge as a theory, as an asset, and as a commodity (Chiva and Alegre, 2005; McAdam and McCreedy, 2000). Based on the understanding that knowledge is an asset, proponents argued that knowledge can be possessed and as such they placed emphasis on how individuals acquire and share knowledge. Learning and knowledge were viewed as detached, so each could be treated independently (Spender, 1996). In other words, knowledge was considered to be the result of learning that has happened at the level of the individual, while learning was considered to be the process which was concerned with the growth of and changes in knowledge.

Proponents of the cognitive-possession perspective argued that an organisation learns if any of its units acquires knowledge (Chiva and Alegre, 2005). As knowledge was viewed as an asset, proponents emphasised the importance of conversion and codification of tacit knowledge into explicit knowledge so it can be made useful in practice. Learning was concerned with the internalisation of knowledge and was largely considered as a cognitive process. Learning in this respect was considered to happen at the level of the individual and emphasis was placed on how individuals create, process and internalise knowledge assets, as well as how such assets can in turn be codified and stored so they can constitute organisational knowledge (Taylor and Easterby-Smith, 1999).

The essence of this positivistic theory is that knowledge possessed by individuals and acquired through learning at the level of the individual, is capable of being codified, stored and transmitted to others. This implies that knowledge is possessed by individuals and it can be explicitly expressed and as such codified. Codified knowledge can thus be shared between individuals. However, this assumes that knowledge is universal and exists prior to and independently from the knowing

individual, who creates no knowledge in the act of appropriation. That is, proponents believe that as cognitive beings, individuals can express and represent the knowledge they possess as accurately as possible and thus it makes sense that knowledge can be shared between individuals and applied to various situations as it is universal. Within this perspective, therefore, individuals are viewed as possessors of knowledge, which exists independently of any situation or context. This knowledge can then be applied from one situation to the next, and shared from one individual to another to solve the problem at hand. The production, circulation and consumption of knowledge therefore are viewed as autonomous activities (Gherardi, 2000).

One of the most influential models within the cognitive-possession perspective is that of Nonaka (1994) who proposes a model for the management of the dynamic aspects in the organisational knowledge creative process. His central thesis comes from the idea that organisational knowledge is created through continuous dialogue between tacit and explicit knowledge. He examines the nature of this dialogue by putting forward four patterns of interaction between tacit and explicit knowledge: (a) tacit to tacit, (b) explicit to explicit, (c) tacit to explicit, and (d) explicit to tacit. With this as a starting point, he holds that although organisational knowledge is created by individuals, organisations play a key role in articulating and expanding this knowledge. Building on Polanyi's (1967) distinction between tacit and explicit knowledge, Nonaka (1994) puts forward the epistemological dimension of the creation of organisational knowledge. The continuous dialogue between both types of knowledge leads to the creation of new ideas and concepts. Although these ideas are formed in individual minds, the interaction between individuals plays a fundamental role in the development of these ideas. Accordingly, a new dimension to the creation of collective knowledge arises: *the ontological dimension* (individual, group, and organisation). This dimension sets out various levels of social interaction in which individually-created knowledge is transformed and 'legitimised'.

It may be argued that this approach is an improvement over strongly positivistic approach, which disregards the context as a vital factor into how knowledge is created, because it recognises that organisational and individual learning are ontologically different. However, within this approach, emphasis is still given to conversion and codification of tacit knowledge into explicit knowledge, which can be

structured and systematised in technological systems so as to create ‘objective’ and ‘explicit’ knowledge-pools through which knowledge can be easily acquired, modelled and expressed. Based on this view, the individual still is favoured over the group, with the insistence on *individual* analytic learning, while explicit knowledge is privileged over tacit. Nonaka (1994) succinctly summarises this perspective as follows:

“While tacit knowledge held by individuals may lie at the heart of the knowledge creating process, realizing the practical benefits of that knowledge centers on its externalization and amplification through dynamic interactions between all four modes of knowledge conversion.” (Nonaka, 1994, p. 20)

Within such conceptualisations, knowledge is still seen as divorced from its context and any acknowledgement of tacit knowledge is viewed as obscure and needs to be made explicit in order to be fully understood or be useful in practice (Cook and Brown, 1999).

The above perspective therefore separates knowledge in distinct types, *explicit* and *tacit*. Between the two, tacit knowledge is viewed as ‘problematic’ that needs to be codified, that is, turned into explicit, in order for it to be constructive and be useful in practice. Instead of distinguishing between explicit and tacit knowledge as distinct types, Polanyi (1967) distinguished between *dimensions* of knowledge that exist on a continuum, where tacit and explicit knowledge are in fact interdependent, and thus the tacit is not reducible to the explicit. The following excerpt from Polanyi (1967) about someone learning how to ride a bicycle explicates this argument:

“If I know how to ride a bicycle, this does not mean that I can tell how I manage to keep my balance on a bicycle.... I may not have the slightest idea of how I do this, or even an entirely wrong or grossly imperfect idea of it and yet go on cycling... Nor can it be said that I know how to bicycle and yet do not know how to coordinate the complex pattern of muscular acts by which I do my cycling. I both know how to carry out (this performance) as a whole and also know how to carry out the elementary acts which constitute (it) although I cannot tell [and explicitly express] what these acts are.” (Polanyi, 1967, p. 4)

Knowing how to ride a bike involves a tacit dimension of knowledge; this is in most cases unconscious and is thus difficult to explicitly express. Even if one was in a position to fully explicitly explain how the dynamics of riding a bike work, this would not mean that accumulation of such explicit knowledge would enable someone else to learn how to ride a bike successfully. Consider the following:

“We can’t put a novice on a bicycle saying ‘OK, take off – and if you start to fall like so, turn this way’ and expect the person to be able to ride successfully. The novice would have the explicit knowledge but not the necessary tacit knowledge. Whatever work that explicit bit of knowledge can make possible, it cannot do all of the work that is necessary for someone to know how to ride. In order to acquire the tacit knowledge, a novice has to spend a certain amount of time on a bicycle. Indeed, it would even be possible for someone to be able to say in great technical detail what must be done to keep a bicycle upright, yet still be unable to ride one. No amount of explicit knowledge alone can enable someone to ride.” (Cook and Brown 1999, p. 56)

In this view, it can be argued that as tacit knowledge relies on previously interiorised tacit assumptions, attempts to elude the tacit dimension are at best ineffective and at worst counterproductive (Brown and Duguid, 2001). In the same light, Ryle (1949) argued for knowing-*how* and knowing-*that* as the two aspects of knowing, which appear to be complementary and mutually constitutive, since knowing-*how* enables knowing-*that*’s actionability, but are not substitutable as “accumulation of knowing-*that* does not lead to knowing-*how*” (Duguid, 2005, p. 111). This is illustrated in the above example. Following the above, it can be argued that while knowing-*that* is acquired in the form of explicit, codified information, know-how or tacit knowledge is achieved through practice, highlighting therefore the limitations in the notion expressed by cognitive-possession accounts that knowledge can be transferred through codification (Cook and Brown, 1999). What is apparent from such influential accounts is that explicit knowledge is not a self-sufficient base, but rather a “dependent superstructure”, as it seems that into “every act of knowing there enters a tacit dimension” (Duguid, 2005, p. 111). In other words, as knowledge is perceived to occupy both explicit and tacit dimensions, it is practice that underpins its successful use and circulation.

Based on the above understanding, there is an increasing recognition among various fields that as “the circumstances of action shape even the most abstractly represented tasks” and since practices are “distributed socially and technologically”, it seems that cognitions are not simply an internal manipulation of ideas, but rather are situated and collective forms of material practice (Blackler, 1995, p. 1034). Rather than talk about knowledge, it seems more appropriate to talk about the process of *knowing*, emphasising the collective situated and tentative nature of knowing.

2.5.1.2. The Social-Practice Perspective

The above debate has resulted in an alternative perspective, the social-practice based perspective which emphasises the notion of ‘knowing’. It is based on an epistemology of *practice* rather than possession, as a process that is *socially* constructed based on social interaction, and as such elaborate on learning as situated in practice (Cook and Brown, 1999; Brown and Duguid, 1991; Gherardi 2000; 2001; Wenger and Snyder, 2000). Proponents of this perspective stress the importance of social processes, and place emphasis on learning from practical collaboration and identification with specific communities (Chiva and Alegre, 2005). In this perspective, learning is no longer equated with the appropriation or acquisition of pieces of knowledge; instead, it is viewed as the development of situated identities based on participation in practice (Lave and Wenger, 1991). Learning is not conceived as a way of knowing the world, but as a way of being in the world (Gherardi, 1999). This view of learning has its origins in the social learning theory that states that learning can occur through the observation of other people’s behaviour and its consequences (Gherardi and Nicolini, 2002). Building on social learning theory, Lave and Wenger (1991) have proposed a more radical model than of situated learning. Rather than understanding learning as the acquisition of certain forms of knowledge, these researchers place it in social relationships. The publication of works by Lave and Wenger (1991) and Brown and Duguid (1991) saw the emergence of a new perspective on understanding learning in organisations. This perspective has two major axes: (a) it is social, as it understands that organisational learning arises from social interactions (Huysman, 1999), and (b) it is based on an epistemology of practice, where learning is viewed as situated and inseparable from practice.

Contrary to cognitive accounts that view learning as the appropriation or acquisition of pieces of knowledge, advocates of the social-practice perspective emphasise the notion of ‘knowing’ and learning as a social process that is situated in practice and elaborate on the development of situated identities based on participation in practice (Chiva and Alegre, 2005; Brown and Duguid, 1991; Gherardi, 2000). As individuals are social beings who together construct an understanding of their world and learn

from social interaction within social systems (Gherardi, 2000), learning is implicated in the acquisition of identities, as it can be argued that people learn *to be*, and not just learn *about*. In other words, they acquire the ability to act in their world in socially recognised ways (Brown and Duguid, 2001). As knowledge is conceptualised as a process (*knowing*), the theoretical distinction supported by cognitive-possession accounts between knowledge and learning (which considers learning as a process and knowledge as the result of the process) disappears since learning and knowing are ultimately the same thing (Chiva and Alegre, 2005).

Within such conceptualisations, it is argued that the analysis of learning cannot be divorced from the social context in which people learn and practice, and as such the analysis cannot be reduced to the individual level. Nor can sufficient analysis of learning be drawn at the level of the organisation, since such attempts tend to simplify and gloss over learning that may occur between groups of individuals situated in practice (Brown and Duguid, 2001). To understand learning in business service relationships, it is important to understand that knowledge, or more appropriately *knowing*, does not happen independently from the context of the relationship nor individually. Rather, it is created and enacted socially with and in relation to both clients and service providers and is situated in the context of relationship practice. Thus, to understand how service providers can learn from relationships in order to better manage them, one needs to recognise and reflect this connection between knowing/learning and context, and understand the implications this poses for learning from client relationships.

2.5.2. Conceptualisation of Learning in Client Relationships

The above discussion aimed at highlighting that learning and knowledge are inseparable and that they can only be understood and become useful if they have derived from practice and are reflected and incorporated in the social process of practice. To be able to learn from client relationships therefore service providers need to recognise that they cannot place importance on simply aggregating knowledge assets. Service providers will not only learn *from* relationships; they will learn *in* relationships through close collaboration; and this will involve the ability to manage

and learn from the local relationship context. The importance of identifying learning needs in this respect can pave the way for service providers in identifying opportunities for learning. These will not take the form of prescriptive explicit steps or guidelines for practice, as they will inherently need to be grounded and reflected in the local context of the relationship. They will take form and gain meaning only when immersed in the particularities of the individuals involved in the relationship, in the dynamic context of particular relationships and in the actions participants take together. To this end, the present study considers that to manage learning opportunities, service providers need to understand that these will not only come in the form of explicit rules for practice but they are to be manifested in the various actions and activities that take place in practice and that managing these should be done locally.

2.5.2.1. Four Forms of knowledge

To operationalise this understanding of learning in relationships, the study follows Cook and Brown (1999) and adopts the existence of four dimensions of knowledge that enable learning in action. The argument is that all four dimensions of knowledge described here become intertwined in practice and it is their joint understanding that constitutes learning. That is, even if explicit knowledge in itself is not sufficient to generate learning (as illustrated in Polanyi's (1967) example of learning to ride a bike mentioned in Section 2.5.1.1 above), and even if individual learning is not in itself transferable to principles of group or organisational learning, this does not mean that these should be marginalised in examinations of learning, but rather be considered in their appropriate use in practice. Figure 2.3 illustrates the dimensions of knowledge inherent in the explicit-tacit and individual-group distinctions, where each category of knowledge is of equal standing to the other three, as each can do the work that the other cannot.



Figure 2.3: Forms of Knowledge

Source: Cook, S., and J.S. Brown (1999) "Bridging Epistemologies: The Generative Dance between Organizational Knowledge and Organizational Knowing", Organization Science, 10(4), pp.383 & 391.

Consider the schematic on the left panel of Figure 2.3, which shows the explicit knowledge of individuals and groups (upper two boxes) and tacit knowledge of individuals and groups (lower two boxes). In the upper left box, individual explicit knowledge is considered. This form of knowledge entails things that an individual, in this case a service provider, can know, learn and express explicitly. These can take the form of *concepts*, rules and equations that are typically presented explicitly and are typically known and used by individuals. Within business service relationships, this can represent theoretical or technical knowledge that service providers possess about managing relationships; this knowledge is generic in nature and can become useful in the course of the exchange situation. Group explicit knowledge is shown in the upper right corner, and is understood as things that are also expressed explicitly, yet they are typically used, expressed or transferred within a group, such as between clients and service providers. This can include *stories* about how work is done, or about famous successes or failures as those found in the study by Orr (1990) about a group of photocopier machine technicians at Xerox. Orr found that individuals used and shared war stories among the group to express their experiences in their everyday work life. Use of metaphors or phrases that have useful meaning within a specific group of individuals can also be included here.

On the other hand, in the lower left box, tacit knowledge possessed by individuals is

shown, representing the *skills* in making use of concepts, rules and equations, or a ‘feel’ for the proper use of a tool. This can be represented for example in ability or intuitions of service providers to read the local context and adapt to the changing circumstances of practice. Finally, the lower right corner represents tacit knowledge possessed by groups, termed as *genres*. Genres provide a frame for understanding, interpreting and contextualising what one experiences. The interpretation and understanding of an experience would be different depending on one’s understanding of the genre this appears in. Though powerful, most people are unconscious of genre since it is so common in daily experiences (Brown and Duguid, 1991). For example, consider the basic characteristics of the genre “newspaper” which are headlines, narrow columns of text, etc. These characteristics have meanings that consciously people generally don’t pay any attention to. People understand, without being explicitly taught, that the headline front-page stories are more important than those appearing in the back or inside pages.

Within the organisational world, genres become important in contextualising and interpreting the right tone of communication among members (Cook and Brown, 1999). Yet, these are not thought to have been deliberately designed, but rather they have developed as part of practice in the context of the group. Genres are important in understanding communication and interpretation in business service relationships. Within the relationships, genres develop as part of the joint practice and largely dictate the common understanding and interpretation of communication among the two participants. Within this context, relationships genres can be applied to different relationship activities, such as ways of doing a task or types of meetings. These genres are not explicitly known or learned, but as they are used in the context of the participant’s relationship practices their meanings emerge and undergo constant confirmation and modification through negotiation in practice.

Taking into consideration that these dimensions of knowledge act within the relationship, they are brought together in practice demonstrated as informed actions and activities carried out by the group (clients and service providers) with a particular purpose, i.e. to solve the problem at hand. This is what has been termed as *knowing*. What is espoused here is an understanding of learning in relationships based on an epistemology of practice, which places emphasis on learning not as possessed by

service providers or clients, but as a *process* that is socially constructed and situated, and is mediated by learning as embedded through relationship practice (Breu and Hemingway, 2002c; Brown and Duguid, 1991, 2001; Contu and Willmott, 2003; Gherardi and Nicolini, 2002). Taking the view that knowledge in practice is the result of knowing, then any attempt to capture and transfer only the result (in other words, try to capture knowledge without the activities that have produced that knowledge in the first place, i.e. the activities of knowing) will be a difficult task (Hicks, Nair and Wilderom 2009; Hicks, 2010). Rather than aggregating knowledge ‘assets’ that may or may not be useful or relevant to practice, and relying on the problematic notion of transferring this knowledge, what is suggested is that service providers need to focus reference to learning or knowing on actual practice, that is, on doing and successfully performing (Hicks, 2010). In understanding learning as inseparable from practice, various implications arise for how service providers can approach learning relationships.

2.5.2.2. Learning as Action and Participation in Practice

Understanding that learning takes place through participation in situated practice, and is implicated in the actions that service providers engage in, will involve *productive enquiry* (Cook and Brown, 1999), *dynamic affordance* (Gibson, 1977; Hicks, Nair and Wilderom 2009; Hicks, 2010) and *construction of relational identities* (Lave and Wenger, 1991; Gherardi and Nicolini, 2002) Productive enquiry, places central emphasis on knowing as *action* and is characterised by purposive actions, which use knowledge in practice for problem solving rather than abstract manifestations of knowledge. In other words, service providers’ ability to learn from client relationships is contingent upon the demonstrated ability to use learning in action, and to adopt actions in practice that are situated in particular contexts. As service providers and clients participate in relationships, it is through the actions and activities they engage in together that service providers can learn about how to better manage relationships. Learning will result from such activities and also be reflected in these activities. Participation in practice through productive enquiry will lead to learning that is so inclusive to the extent that it is impossible through understanding individual actions alone to understand how goals have been reached. This is because as each action is

dependent on the previous one, learning is created through successive interactions which build on one another and cannot be reduced to any one participant, service provider or client (Hargadon and Bechky, 2006).

In conceptualising learning as situated action, one needs to recognise that learning will necessarily involve what has been termed *dynamic affordance* (Gibson, 1977; Cook and Brown, 1999). That is, learning will be created and used in situated activity, recognising that it is the result of the interaction with the dynamic context of practice. Within business service relationships, it is important to recognise that the relationship context in which service providers and clients interact plays an inseparable role in shaping relationship partners' actions and activities. That is, to understand how learning takes place in relationships, one needs to be able to understand how the unique context of individual relationships affects and shapes participants' actions and activities, which in turn shape relationship success. To do this, one needs to understand that particular contexts 'afford' particular opportunities for actions. To illustrate this, the present study draws from Gibson's theory of affordances (1977). According to Gibson, affordances are "action possibilities" that are latent in the environment, but which are independent of the individual's ability to recognize them. Yet, they are always in relation to the actor and therefore dependent on the actors' capabilities. As such then, an affordance represents opportunities for action based on one's perception of the environment (Greeno, 1994). For example, a tree in a park affords one the opportunity to take shelter from the sun on a hot day. A stairway affords an actor the opportunity to walk up to the second floor of a building, but it does not afford the same opportunity if the actor is a very old person.

The theory of affordances has developed in ecological psychology and is based on the principle that the environment in which people act plays a constitutive role towards one's perception and actions. The importance of this principle lies in the understanding that actors do not simply act within an environment, but they move in relation to and in interaction with the environment (Greeno, 1994). Actions in a particular context are thus shaped by one's perception of the 'affordances' of that context. An 'affordance' is thus an opportunity for action that exists for a given agent, in a given situation (Gaver, 1996).

Cook and Brown (1999) as well as Hicks, Nair and Wilderom (2009) and Hicks (2010) suggest that understanding the affordances of the context of practice is critical to learning in practice. The reason is that it allows one to take advantage of the positive opportunities or 'affordances' of a given situation and make adjustments or 'attunements' to situational constraints through appropriate actions. Bringing this into the context of business service relationships, this understanding of learning as inseparable from the context points to the importance of the locality of action in that all that is learned is necessarily tied to the actions one takes in a particular context. Actions in one relationship situation may be more effective or more relevant than in another due to the affordances of the particular relationship context. In other words, in exploiting learning needs for the purposes of better relationship management, service providers need to recognise that each relationship situation offers particular opportunities or 'affordances' for action and is also associated with particular constraints. It is the service providers' ability to understand these and incorporate them into appropriate actions in each situation that will essentially drive relationship success.

Understanding that learning takes place in situated settings, one also needs to recognise that it takes place among groups of individuals, in relation to other participants in the immediate relationship environment. Drawing from situated learning theory and communities of practice theory, it is suggested that effective learning is dependent on participation in the activity of practice and is implicated in the development of identities. According to Lave and Wenger's (1991) *Situated Learning Theory*, learning is 'situated' in the ongoing activities and practices and these are performed by groups or communities of people rather than by isolated individuals. Within the organisational context, Lave and Wenger (1991) have placed emphasis on what they have called Communities of Practice (henceforth CoP) which represent an emergent set of relationships between interdependent individuals that have developed through engagement in the shared practice of the community. Although CoP theory focuses on emergent groups of individuals within the context of single organisations, Gherardi and Nicolini (2002) have expanded the principles of CoP theory to the interactions between groups of people from different organisations.

The principal idea is that although stemming from distinct practices, different groups

of individuals that are brought together in a relationship with a primary objective to carry out a task will experience a newly emerged shared practice. Although more short-term in nature than internal organisational practices, participants will need to learn how to work together in the relationship practice. Similar to CoP, service providers and clients in business relationships will need to establish themselves and function as part of the relationship group. They will need to develop a collective understanding of “*joint enterprise*” as well as relationships of “*mutuality*” that reflect participants’ social interactions and engagement within the community, which are in turn manifested in a “*shared repertoire*” of relationship practice (Wenger, 2000; 2004). Through the shared practice of the relationship, whose aggregate is not only defined by its members but by the shared way in which individuals act and interpret events based on their shared experiences, CoP theory can help provide insights into how groups of individuals share and experience learning-in-working in the context of business service relationships (Brown and Duguid, 1991).

According to Wenger (2000, p.229) CoPs are the basic building blocks of a social learning system since they are the “social containers of the competencies that make up the system”. Within this context, learning and ‘knowing’ are seen to be “pervasive, embodied activities involving the acquisition, maintenance and transformation through the processes of social interaction” (Contu and Willmott, 2003, p.285). As such, it can be argued that within a CoP, knowledge is acquired dynamically in what has been called knowledgeability (Duguid, 2005); it provides form, context, and content to people who, beyond explicit knowledge, they aspire to acquire the identity of a community member. Thus, learning in practice can usefully be thought as learning *to be*. As business service relationships may be thought of as constellations of interconnected practices, learning within the relationship is likely to be closely implicated in the development of a social *identity*, that of a relational practitioner.

Within CoP theory, Lave and Wenger’s (1991) concept of “*legitimate peripheral participation*” seems relevant in understanding how relational members can act and be identified as competent relational participants. Lave and Wenger suggest that competent members of the community are not identified by universal knowledge or skills they possess, but by the *demonstrated* ability to read the local context and act in specific ways that are recognised and valued by other members of the immediate

community (Contu and Willmott, 2003). Legitimate peripheral participation suggests that power dynamics are an inherent element of practice where community members need to participate and invest in the shared practice, and it is this immediate contribution that makes them a *legitimate* member of the community (Fox, 2000). In business service relationships therefore, the shared practice in which service providers and clients engage in will require active participation, investments and interaction with the individuals of the relationship. It is the *demonstrated* ability to engage in actions that are favoured by the group that will identify one as a competent relational participant (Gherardi and Nicolini, 2002). It can be argued, therefore, that to learn is to be able to acquire the necessary competencies and to interact in the complex web of relationships among people and activities (Contu and Willmott, 2003). In this context, learning involves both *belonging* and *positioning* oneself in the relational practice (Gherardi and Nicolini, 2002).

It can thus be argued that business service relationships can be thought of as ‘constellations of interconnected practices’ (Gherardi and Nicolini, 2002), where acting within the shared relationship practice, as established through social interaction, acts as a way of not only gaining understanding to arrive at collective action, but also as a way to foster and facilitate learning by comparing the perspectives of both actors involved (Gherardi and Nicolini, 2002). It is the participation in the shared practice which makes co-ordination possible, in that competent participation both constructs the practice and shapes each of the actors involved (Gherardi, 2000). Such conceptualisations give increased emphasis on the importance of the construction of local language, the construction of the relational or dialogical self where meaning is created socially, as it is only when one relates that one creates meaning, and where power is processual and socially constructed (Hicks, 2010).

2.5.2.3. Learning as Mediated through Dialogue

In understanding that learning is socially constructed and situated in practice (Brown and Duguid, 1991, 2001; Contu and Willmott, 2003), one needs also to recognise that it is through language that learning is produced and shared (Gherardi and Nicolini,

2002). It is through negotiated language that the practice is constructed and through which participants exhibit knowledge, identities and power conflicts.

To understand how dialogue can facilitate successful business service relationships, the present study considers Hick's (2010) conceptualisation of facilitating dialogue in learning in interactions. Although Hicks only considers dialogue in the context of the management, many of the principles can be extrapolated to illustrate learning in the more general context of business service relationships. Similar to interactions in the context of management consulting, all business service relationships between service providers and clients inevitably involve a process of consultation in the form of problem solving in which through close collaboration and ongoing dialogue service providers and clients interact to solve a specific client problem

Hicks takes the example of consulting relationships and suggests that effective dialogue at an early stage can explore and establish both participants' perspectives and expectations of their preferred approach. This, he argues, is implicated in the expectations of each participant about how work should be done and how the project will unfold. This is represented in what Hicks argues is each participant's view or preferred approach to the relationship which results from one's view of the organisation and the self. That is, based on different conceptualisations of the nature of organisation and self, Hicks suggests four resulting preferences for relationship approaches. Figure 2.4 shows these as developed by Hicks and outlines their major implications for practice.



Figure 2.4: Four Approaches Facilitated through Dialogue

Source: Hicks, J.N. (2010) Co-constructive Consulting: A Pragmatic, Relational Constructionist Approach, Doctoral Dissertation: University of Twente, accessed 5 April, 2012 < doc.utwente.nl/69975/1/thesis_J_Hicks.pdf >

), p. 202.

Based on these four relationship preferences, Table 2.1 elaborates on the preference that each approach suggests and the implications of expectations for practice that is translated, for example, into views and expectations on the level of participation required of each participant, the direction of knowledge, the creation and use of methods, tools and language and the expectations of the nature of the relationship.

Approach	View of Organisation and Self	Expected Preferred Characteristics
<i>Expert</i>	<ul style="list-style-type: none"> • Organisations as products of intentional design • Change can be controlled • People are separate and discrete individuals 	<ul style="list-style-type: none"> • Clear problem definitions • Development of robust and comprehensive plans and standardised planning documents • Exchange oriented • Knowledge transfer from consultant to client is a priority
<i>Advisory</i>	<ul style="list-style-type: none"> • Organisation as emerging • Control over outcome is relatively lower • People as self-contained individuals 	<ul style="list-style-type: none"> • Transactional exchange • Information knowledge and perhaps advice in exchange for a fee • Less responsibility of consultants for managing or predicting outcomes • Relationship as less collaborative and more exchange oriented
<i>Co-Manager</i>	<ul style="list-style-type: none"> • Organisation as an entity • Change can be controlled, managed • People as relational individuals 	<ul style="list-style-type: none"> • Close collaboration • Joint production or robust and comprehensive plans for executing initiatives • Good plans lead to good results • Jointly developed methods, tools and language of planning • Focus on knowledge co-creation
<i>Co-constructive</i>	<ul style="list-style-type: none"> • Organisation is emerging • Does not assume control over outcomes, organisational or otherwise • People as relational individuals 	<ul style="list-style-type: none"> • Close collaboration favoured • Goals as co-constructed • Plans drawn with non standard methods or language influenced by preferences, styles and experiences of involved parties • Focus on upstream, day-to-day practice • Expectation that plans and goals change as the project unfolds

Table 2.1: Four Approaches Facilitated through Dialogue

Source: Hicks (2010), p. 202.

What is suggested is that if service providers and clients invest time in dialogue at the early stages of collaboration—to explore and understand their own and their clients expectations of the preferred relationship approach—they can negotiate and re-establish a common understanding with clear expectations about the nature of work, the nature of the relationships and the roles each is required to play. Although not

prescriptive, Hicks suggests that through dialogue participants can establish such understandings to gain clarity on the focus of practice. In examining therefore learning in business service relationships, dialogue and language provide a medium for exploring the constructions of practice. Examination of language and communication patterns can provide the tool for understanding change, power and negotiation in relational practice.

2.6. Learning needs in Stages of Relationship development – Ground for Research

Moving away from the conceptualisation of learning, as the appropriation of pieces of knowledge, to an understanding that learning is situated and implicated in actions and particular contexts, what is argued is that to be able to learn in relationships, service providers will need, through active participation and through purposive actions, to take advantages of the affordances of specific relationships and to develop relational identities. Service providers will not only learn *from* relationships; they will learn *in* relationships through close collaboration and this will involve the ability to manage and learn from the local relationship context. To that effect, the present study posits that exploration and appreciation of learning needs at stages of relationship development can aid service providers in identifying opportunities for learning and incorporating these into informed actions made in practice. Learning needs explored in this sense are not thought of as prescriptive guides for practice, but rather situated understandings of the actions needed to leverage success. As such, they will help guide practice only when they are grounded and reflected in the local context of the relationship, the identities of the group and the activities they engage in. Within this understanding, the context of the relationship will play an inseparable role in shaping the opportunities for learning and in also shaping required actions for leveraging relationship success.

The discussion up to now has established that being able to develop and maintain successful relationships is a function of reading the local context of the various relationship stages and recognising what needs to be achieved in each. Operationalising these into actions and behaviours is a function of recognising that

each stage is associated with the leveraging of critical success factors, and these can be translated into learning needs that have to be achieved at each stage. However, it has also been established that learning does not simply involve the assortment of various pieces of knowledge about relationships. It is also a state of being, a state of acting that takes place in relation to others and is exemplified in the actions and behaviours one takes in practice. To be able to learn to build relationships, one needs to both identify the various aspects that require development and action, but also needs to occupy a learning state of being that can facilitate both the identification and management in practice of these learning needs.

Drawing from the above review of the relevant literatures, the author aimed to address ‘what’ learning is likely to concern and ‘how’ learning is to take place and be exhibited in business service relationships. To be able to explore the relevance of learning opportunities and needs across stages of relationship development, requires an understanding of how in practice business service organisations approach relationships. Therefore, to guide the research undertaken for the purposes of this investigation, an exploratory research model has been developed and this is below shown in Figure 2.5.

This exploratory model highlights issues in the expectations of learning needs, as identified through exploration of the relevant literatures and the properties that characterise each relationship stage. By exploring these through the approach and context of the particular organisations, one can highlight the opportunities for learning that each approach affords. Developing such a situated understanding of practice will enable the author to explore what and how learning could be incorporated into existing relational approaches adopted by business service providers.

<i>Relationship Stages</i>	Opportunity	Engagement	Maturity or Dissolution
<i>Actions</i>	<p>Exploration of possibility and value of Collaboration</p> <p>Decision to Engage</p>	<p>Engagement in Collaboration</p> <p>Design of solutions</p> <p>Implementation of solution</p> <p>Immersion in Practice</p>	<p>Realisation of solution outcomes</p>
<i>Expectations of Learning Needs Relevant to Stage</i>	<p>Assessment of Synergic Fit/ Compatibility</p> <p>Assessment of Goal Congruence</p> <p>Assessment of Externalities</p> <p>Justifying decision to engage or terminate the relationship</p>	<p>Development of Hygiene Conditions (1st Stage)</p> <ul style="list-style-type: none"> - Establish Process / Rules of Engagement - Establishment of Communication Processes - Clarifying objectives <p>Development of Relational Conditions (2nd Stage)</p> <ul style="list-style-type: none"> - Trust - Commitment - Relational Norms 	<p>Trust Extension (Desire for other projects)</p> <p>Capture Learning</p> <p>Assessment of what is learned</p> <ul style="list-style-type: none"> - Specifics - Relational

Figure 2.5: Exploratory Research Model – Expectations of Learning Needs Relevant to Stages of Development

Source: Created by Author

The section below expands the discussion in Chapter 1 relating to stages of relationship development and explains the expectations of learning needs as illustrated in Figure 2.5. across the stages of relationship development. Recall that each stage was associated with particular characteristics about the nature of the relationship and the way its members behave. This section explains the exploratory model by considering the various relationship stages and the critical success factors that are expected to become relevant in each to encourage success.

The opportunity stage of a business service relationship is likely to be associated with high levels of risk and uncertainty in embarking on the relationship, as service providers and clients have limited understanding of each other and limited confidence in the partner's intentions and credibility. Therefore, as this stage is exploratory in nature, it is likely to be characterised by discussions about clients' needs and service provider's assistance, clarification of expectations and respective roles in the proposed project. Within this stage, what becomes important is the search for a mutual understanding of each other, one another's capabilities and concerns as well as strategic, behavioural, cultural and purpose fit (Dwyer, Schurr and Oh, 1987). This stage, therefore, becomes associated with the need for an assessment of the potential partner; it begins as a perception and is gradually grounded in negotiated dialogue between participants to a commonly derived assessment of the compatibility of partners and the viability and potential for collaboration. It is likely to be characterised by increased communication and negotiation among service providers and clients as well as development of expectations for collaboration potential and collaboration practice. Learning needs that are expected to become relevant at this stage are: (a) assessment of the potential for goal congruence, (b) assessment of the capabilities of the potential partner, (c) clarification of expectations and norms of practice, (d) establishment of initial commitment of partners to the project in the form of a contractual agreement.

When participants decide to engage in a relationship, the next stage of engagement is the stage where participants will begin to work together. Depending on the assessment made in the previous stage, relational partners will have an idea of the viability of the project. However, as they will still be in the phase where collaboration is still in its infancy, it is expected that behavioural drivers are likely to encourage relationship performance. Depending on the nature of the project, this stage may include activities such as diagnosis, action planning and implementation (Kubr, 2002), or even inquiry, interpretation, feedback, alternatives, decision, action and measurement. The author contends that all these are perpetuated by the development of relational codes of practice through the continuous interaction among participants to perform and achieve these activities. It is proposed that this stage can be considered in two sub-phases, the establishment and development of *hygiene conditions*, and the development of *relational conditions*.

As exchange partners begin to work together they explore the problem at hand or project in depth, they jointly cooperate to identify its aim and purpose, its envisioned outcomes based on an understanding of the client's situation and a joint appreciation of the partners' resources, needs and perspectives. Extensive interactions and participation to diagnose the problem and find the solution lead to further negotiation of how to effectively work together (Dwyer, Schurr and Oh, 1987). This phase is likely to require a transition in learning to work together under a new established reality which has usually been the result of dissonance and renegotiation. As partners invest time and resources to the project, they become more dependent on each other for achieving outcomes (Palmatier, Dant and Grewal, 2007). Establishment of power balance or imbalance becomes relevant at this stage, as this seems to have an impact on who lays the rules of engagement and largely defines the allowance of space for negotiation among partners. This stage is likely to be conflicted rather than harmonious, where powerful partners are likely to dictate the balance structures of relationships. Investments by relational partners are also likely to be a function of the power structures established, in which weak partners are observed to make more investments to the relationship (either as a result of requirement or of the need to maintain the relationship) which in turn will make them more dependent on their relational partner. Where power is equally distributed among relational partners, investments are also seen to be exerted by both partners due to their need to maintain the relationship and achieve outcomes, which in turn make relational partners more interdependent.

Risk taking and investments at this stage are also the result of relational partners' perceptions of commitment and trust among participants. Enhanced trust and commitment among relational partners can be seen as a result to each partner's satisfaction with the other's role performance (Moorman, Zaltman and Deshpande, 1992). Within this stage, therefore, it becomes important to develop hygiene factors essential for practice in the form of establishing rules / norms of practice and dialogue and negotiating power balance through coordination efforts geared towards relationship outcomes. Over repeated interactions and increased socialisation among the partners, relational factors begin to form and it is the appreciation of their development and existence that can make relationships more efficient and

collaborative and achieve long-term outcomes. These include developments of trust and enhanced commitment among relational partners and development of relational norms that guide practice.

Hygiene factors are the result of actions taken between partners through repeated interactions and are operationalised in the coordination efforts the relational partners have developed together (Jap, 1999). On the contrary, relational factors develop indirectly as a result of continued interactions and socialisation among the relational partners, based on a prerequisite of development of hygiene factors, the perception and level of which can be enhanced or minimised through partners' behaviours in interaction. In progressing through the relationship activities, such as diagnosis, action-planning and implementation, relational partners cooperate in ways that make the relationship unique, based on perceptions of the presence and level of trust, commitment and relational norms. Actions and behaviours of relational partners are guided by such relational factors but also guide the development of these perceptions.

Business service relationships tend to be project oriented and therefore usually tend to be short term in nature, with the relationship ending upon completion of project outcomes. However, as relationship partners have learned to work together, there is great value in exploring the potential for sustaining longer term relationships. The potential relational rents of continued relational exchange in the form a sustainable source of collaboration and possibly innovation, which has become 'comfortable' for relational partners, should encourage service providers to seek to find ways of extending the relationship beyond its project boundaries. The potential for extending collaboration depends greatly on the nature of business service; it is more straightforward for some (e.g. training and development providers) and more complicated for others (e.g. change management consultancies). However, there are no dead-ends for possibilities for long-term collaboration, just roads which service providers have not thought of yet. Such roads can lead to projects involving more risk taking as relational partners have established commitment and trust in each other that has been extended from the project to the partnering organisation. In such endeavours, both organisations need to exert purposeful investments for maintaining strategic and purpose consistency in thick and intense communications and interactions. In this respect, exchange of relationship-specific investments communicates credibility of

commitment to the relationship, and thus supports expanded exchange (Jap, 1999). The pressure to adjust rather than dissolve a relationship through purposeful investments in this case is fuelled by the ongoing benefits accumulated by each partner. These benefits include the certainty from mutually anticipated roles and goals, the efficiency stemming from amelioration of role or identity bargaining (Dwyer, Schurr and Oh, 1987), and the confidence in exchange effectiveness that comes from trust. Furthermore, appreciation of the uniqueness and value of their relationship-based capabilities drive organisations to enhance further their relational mode of operations.

The exploratory model as explained above has aimed to highlight the expectations of learning needs that may become relevant in the current investigation. This understanding and appreciation of the characteristics and dynamics of relationship stages therefore can assist service providers in engaging in appropriate behaviours and actions relevant to each relationship stage. For example, intangible assurances such as goal congruence are more effective at reducing uncertainty in early stages, but less effective over time as the exchange partners build an interaction history and deepen their relationship with each other. In later stages, for example, the direct experience from on-going interactions may be more powerful for guiding the decision to make relationship-specific investments than less-tangible assurances such as goal congruence.

2.7. Chapter Conclusion and Reflections

Relationships constitute complex socially created phenomena in which a multiplicity of intertwined forces and actors interplay and through their interrelationships they create unique advantages for the relational partners. The ability to take advantage and utilise these largely rests on the ability of service providers to learn from and in relationships. The present study posits that to be able to learn, service providers need to learn from the local context of the relationship and they need to adopt appropriate actions and behaviours in practice that facilitate relationship success. Learning from and in client relationships can become the beginning of building a relational capability as a source of sustainable competitive advantage. When primacy is given to practice,

immense opportunities arise for learning from and in relationships with clients.

The aim of this chapter was to review the relevant literatures on relationship management, strategic management, organisation learning and knowledge management in order to build a case for the examination of relational learning within the context of business service relationships. The relationship management and strategic management literatures have aimed at answering '*what*' drives relationship performance and as such what could service providers learn from relationships. It has highlighted issues of goal congruence, coordination efforts, relationship-specific investments, complementarity of capabilities, commitment, trust, dependence, and relational norms. The knowledge management and organisational learning literatures have aimed to provide insights into '*how*' learning is to take place, and has highlighted that primacy should be given to practice as it is through practice that learning is created, shared and maintained. It has highlighted the importance of learning as action characterised by productive enquiry, dynamic affordance and the construction of relational identities. Consideration of all the above has been merged into an exploratory research model that highlights expectations of learning needs in practice and has been used to guide research design and data collection.

The issue though still remains. One could ask: "Don't we know all this already?" "Isn't it obvious that superior knowledge leads to superior performance, more frequent communication tightens relationship bonds?" Indeed, some people can intuitively understand and manage relationship situations requiring no guidance on how to deal with them. But consider the case of larger organisations, more complex structures, unique exchange situations depending on the client's nature, industry, compatibility with company, demands, etc. Even if some members can intuitively manage exchange situations, this is not necessarily the case for everyone. Also, the experience of one member can easily be useful to other members or to the entire organisation. An organisation cannot rely on the expertise of some of its members, but rather requires some structure to provide a basic sense of homogeneity of approaches to exchange situations.

The common argument seems to be evolving from the discussion so far: even when organisations already know that customer orientation needs to be central in strategy

and planning, organisations still need structures and guidelines that provide more practical methods to help them incorporate this understanding into their daily routines and decision making. In such cases, frameworks such as the customer value chain, the relationship management chain, the relationship ladder, and others, provide methods that practitioners can draw upon. What is suggested here is the same. Even if some individual service providers can intuitively understand and recognise learning needs and opportunities across different stages of the relationship and engage in appropriate routines and actions to stimulate these, this is not the case for all individuals. There is thus an increasing need to guide these approaches.

This of course does not mean that learning can or should be systematised into standardised routines; quite the contrary. Evidence suggests that richness comes from understanding the dynamics of relationship as situated in the local context. Examination for the purposes of this study will focus on evidence from service provider accounts of practice and also evidence from observation of their everyday practice. To understand situated practice, therefore, one needs to understand it from the perspective of those experiencing it. By extension, if one is to add value to that practice, recommendations should be grounded in and reflect the subjective beliefs, attitudes and world views of those who experience it. It makes little sense to provide exemplary objective explanations of how successful management of relationships should be done. What is of value is to reach a position where through understanding how service providers act (the way they do things and why they claim to do so), one can offer suggestions on how this can be improved or enhanced through the service provider's current practice models and adapted to the subjective positions and roles occupied by relationship partners.

Chapter 3 - Methodology

3.1. Chapter Introduction and Overview

The desire to explore the presence and relevance of learning opportunities and needs across stages of relationship development necessarily directs attention to a need to understand how in practice service organisations approach relationships with business clients. If one is to encourage learning within a relationship, then one needs to recognise that learning necessarily takes place in situated settings, through idiosyncratic approaches adopted by organisations and individuals and that these may vary between and within organisations. What is suggested is that by firstly understanding the relationship approach adopted by each organisation or individual, one can highlight the opportunities each approach affords for learning. Such an understanding will enable one, by building on and expanding an existing relational approach, to identify opportunities for learning by exploring where and how learning could be explored and encouraged.

As a result, the current study aims to explore how business service providers can enhance relationship success through learning at different stages of relationship development and how that can be incorporated into their existing approach and business model. To do so, the research focuses on understanding the current practice of business service organisations and possible learning opportunities that the approach affords at different stages of relationship development.

The purpose of this chapter is to delineate the research undertaken to achieve that, through a detailed examination and justification of the research philosophy, approach and methodology employed. To achieve research objectives, the research adopts a broadly interpretive perspective and comprises of two qualitative case studies of business service organisations in which data has been gathered through interviews with service providers, observation of client visits and internal organisational meetings as well internal and publicly-available documentation.

The Research Questions identified for the current research are:

- How can organisations incorporate learning in their approach to relationships and what is the value of learning, from and in relationships?
- How do organisations currently approach relationships and why; how do they progress/develop relationships across stages based on their current approach?
- What learning opportunities and needs become relevant at different relationship stages based on the relational approach adopted by the organisations?
- How does the internal and external environment influence or affect the relational approach adopted?

In the following sections, the discussion focuses on presenting and justifying the philosophical approach adopted as well as to explain and justify the choice of the case study approach employed to meet research objectives. This is followed by an explanation of the research design and the selection of case study organisations. The data collection approach is then presented and the chapter concludes with the presentation of the methodology used for analysing the data collected.

3.2. Philosophical Paradigms and Justification

In order to meet the above research objectives, the researcher needs to define the research philosophies and methods that would be best suited for answering the questions set. In this respect, research can adopt traditions ranging from positivism, realism and interpretivism. The set of assumptions that underlies each of the traditions (schools of research) is different, but essentially they reflect with the way that researchers within each tradition view the world with respect to the following: (a) the *nature of reality* (ontology), (b) the *nature of knowledge* and knowing and beliefs (epistemology) dealing with how we came to know the world, or how we develop our beliefs, (c) the role of values (axiology) dealing with the study of values, ethics and aesthetics, and (d) the *methods of scientific inquiry* (methodology) broadly categorised into quantitative or qualitative (or a combination of both) (Newman,

2003). These philosophical assumptions ultimately help guide how the research is carried out and how results are interpreted.

Following Easterby-Smith, Thorpe, and Jackson (2008), it is noted that understanding philosophical issues is important as it can help clarify research designs by considering the kind of evidence required and the ways to go about collection and interpretation. Furthermore, it helps in understanding how designs can provide good answers to the basic questions being investigated. Importantly, knowledge of philosophy can aid the researcher to recognise which designs are most appropriate and also recognise the limitations of particular approaches. Therefore, for the purposes of the current study, the various research traditions are reviewed so as to provide the researcher with a pool of the various ways of carrying out research. This aids in justifiably arriving at the most appropriate methodology to answer the research questions set. The discussion below considers the three major traditions (sometimes referred to as “schools” of research) (a) positivism (b) realism and (c) interpretivism as these effectively form the ‘poles’ of research traditions. The discussion then concludes with the choice of philosophy adopted and justifies why this is considered the most appropriate for addressing the current research problem.

3.2.1. Positivist Tradition

The positivist tradition, with its roots in the natural sciences, presumes that the social world exists objectively and externally and that knowledge is valid only if it is based on observations of this external reality (Blaikie, 1993). As such, positivists are largely concerned with the testing of hypotheses that have been grounded and developed from existing theory. This testing is done through deductive reasoning, which is accomplished through measurement of observable social realities (Easterby-Smith, Thorpe, and Jackson, 2008). Based on this assumption of an objective reality, positivists believe that theoretical models developed through empirical measurement and statistical testing can be used to explain cause and effect relationships and be generalised to predict outcomes. The emphasis is on quantitative research based on reason, truth and validity established through methods such as surveys and experiments (Hatch and Cunliffe, 2006).

However, although positivist research is prominent and widely accepted in the study of natural sciences, it has been criticised as being too deterministic in studying social phenomena, as it strips away the importance of context in favour of generalizability. When studying social sciences, the human element introduces a component of ‘free will’ that adds a complexity beyond that seen in the natural sciences (Blaikie, 1993). Critics suggest that positivists’ aim of true objectivity is impossible, since a lot of what one understands and knows about the world is a reflection of the interpretation, meanings and experiences one attaches to phenomena. For critics, positivism tends to gloss over issues of subjectivity and constructionism that are important in understanding phenomena (Saunders, Lewis and Thornhill, 2007).

3.2.2. Interpretivist / Constructivist Tradition

At the opposite end of the research philosophy continuum lies the interpretivist or constructivist tradition. Contrary to positivists, interpretivists assume that there is no objective reality or truth; rather, the social world is constructed by individuals and groups who assign meaning to situations based upon their experiences, memories and expectations (Eriksson and Kovalainen, 2008; Orlikowski and Baroudi 1991). As meaning is constructed and constantly re-constructed through experience over time, there is no single representation of reality but rather multiple representations. It is these multiple interpretations that create the social reality in which people act (Silverman, 1997; 2005) Researchers that espouse an interpretivist orientation place emphasis on exploring and understanding the meanings that individuals and groups place on their situations and the contextual factors that influence, determine and affect the interpretations reached by different individuals (Denzin and Lincoln, 2003; Gall, Borg, and Gall 2002).

The emphasis is on understanding reality through the eyes of those experiencing it; that is, through the interpretations of ‘social actors’ who act in contextually situated settings (Silverman, 1997; 2005). Results from such studies are not generalizable to wider populations as they are the results of meanings created in particular contexts. Given the subjective nature of such enquiries, emphasis is given to qualitative

approaches for the collection and interpretation of data, where the use of language is central to all stages of the inquiry.

Due to the highly subjective nature of results, interpretivist research has been criticised as lacking in generalizability (Saunders, Lewis and Thornhill, 2007). Furthermore, many question the value of the research results generated through interpretive accounts because of the lack of objectivity involved in both collection and analysis (Newman, 2003). That is, as interpretive researchers employ qualitative methods to collect and analyse data, the results are necessarily inseparable from the researcher's own assumptions and interpretations or preconceptions (biases).

3.2.3. Realist Tradition

In the context of the debate between positivists and interpretivists about the validity of interpretive research methods and the need for objective criteria for evaluating research and results, the realist tradition has emerged. It lies at the centre of the continuum and shares aspects of both positivist and interpretivist assumptions. Similar to the positivist tradition, realist researchers espouse a realist ontology which assumes that there is an objective reality apart from the human knower (Saunders, Lewis and Thornhill, 2007). Realists assume that one's ability to know this reality is imperfect and therefore any claims about reality need to be subject to wide critical examination in order to achieve the best understanding of reality possible (Robson, 2002). Within the realist tradition therefore objectivity remains as an ideal that researchers attempt to attain through careful sampling and specific research techniques. The assumption is that it is possible to evaluate the extent to which objectivity is attained (Morgan, 2007).

Where realists depart from positivist assumptions is on issues of epistemology. Similar to interpretivists, proponents of the realist tradition espouse a subjective epistemology, in that they assume there is value in recognising that knowledge can be socially constructed (Creswell, 2003; Hatch and Cunliffe, 2006). They recognise that the natural and social sciences are different, in that social reality is pre-interpreted. However, contrary to interpretivists, they hold that any investigation needs to be

empirically based and objective. As such, investigations in the realist tradition treat social objects and phenomena scientifically and not simply through language and discourse. Realist research can be described as ‘a search for generating mechanisms’ (Blaikie, 1993). The main assumption is that surface events are shaped by underlying structures and mechanisms, but that what we see is only part of the picture. Realist research in organisations has been seen therefore to take the form of enquiries into the mechanisms and structures that underlie institutional forms and practices, how these emerge over time, how they might empower and constrain social actors, and how such forms may be critiqued and changed (Hatch and Cunliffe, 2006). Realists take the view that researching from different angles and at multiple levels will all contribute to understanding since reality can exist on multiple levels (Chia, 2002).

3.2.4. Approach of the current study

The current research adopts a broadly interpretive perspective to meet research objectives. Orlikowski and Baroudi (1991) suggest that in order for a study to be classified as interpretive it must meet three criteria. Firstly, the purpose of the research must be to increase understanding of the phenomenon being studied within cultural and contextual situations. Secondly, the phenomenon needs to be examined in its natural setting and from the participants’ perspective. And third, the researcher should not impose their outsider’s *a priori* perspective on the phenomenon.

As the primary aim of this study is to understand how business service providers can incorporate learning in their approach to relationships, one needs to firstly reach a position from where to understand how actors approach and view relational exchanges in the first place and why. Such an inquiry necessarily needs to place emphasis on understanding the context and the meanings that service providers assign to events and phenomena including the experiences and influences that have led to that. Although such relational structures and approaches are understood to be the result of the constant interaction of relational actors in particular settings, what is of importance to the current study is how service providers perceive and assign meaning to such phenomena and how this influences the way in which they view opportunities for learning in relationships.

The approach adopted towards relationships and the opportunities for learning are seen to be a reflection of actors' individual and shared beliefs based on experience in practice. They are the result of the subjective meanings that service providers assign to phenomena as they interact in relational settings. Therefore, the author posits that the only way to make any valuable or meaningful contribution to practice should be based on the subjective interpretations of service providers in particular organisations and in particular relational contexts. Learning opportunities within relational exchange therefore cannot be captured in hypothetical deductions, covariances and degrees of freedom. Nor can contribution be abstracted from the context and the actors involved. Instead, their exploration and understanding involves getting inside the world of those experiencing it and therefore any results and contributions are necessarily context bound (Orlikowski and Baroudi 1991).

3.3. Research Strategy – The Case Study Approach

Based on the above assumptions of a broadly interpretive perspective, a number of methodological options become available to the researcher to materialise the research. Methodologies associated with the positivist tradition, that are mostly quantitative in nature, have been excluded as methodological options, as they are mostly concerned with confirming theory through deduction rather than they are with generating theory through induction. Furthermore, they are based on the assumption that results should be divorced from contextual understandings to give way to findings that can be generalised. These are considered to be of value if they have been derived through empirically driven instruments and analysis and are thus considered to be objective. However, one of the key assumptions of this research is that, there is limited value in divorcing the current investigation and its results from the context as what is of value is the subjective rather than objective appreciation of the phenomenon. The value of this inquiry lies on understanding and contributing to the subjective context and understanding of relational exchange.

In keeping with interpretivist assumptions, the current study employs the case study approach to meet research objectives. Case studies are defined as “research situations

where the number of variables of interest far outstrips the number of datapoints” (Yin, 2009, p. 13). Although case studies have been used in a variety of disciplines and traditions, ranging from positivist to interpretivist, they are widely used and accepted within the interpretivist tradition (Stake, 1995; Tellis, 1997; Yin, 2009). Specifically, qualitative case studies, as the ones employed in the current study, have been favoured in the interpretivist tradition due to the in-depth understandings they allow for. Qualitative case studies are ‘intensive, holistic descriptions and analysis of single entities, phenomena or social units ...and rely heavily on inductive reasoning in handling multiple data sources’ (Merriam, 1988). They are considered to be invaluable in interpretivist research as they allow for *particularistic*, *descriptive* and *heuristic* accounts of phenomena. That is, qualitative case studies have the ability to be *particularistic*, in that they focus and aim to understand a particular phenomenon. Furthermore, they are *descriptive* in that they can illuminate the complexities of a situation, the many factors which contribute to understanding the phenomenon as well as the influence of people and time on the phenomenon. Also importantly, they allow for research to produce *heuristic* accounts, that is accounts that can explain the reasons for a problem or phenomenon, what has happened and why.

The case study approach has been used in the present study for several reasons. Firstly, the case study approach is considered the most appropriate method when the research deals with questions of ‘how do’ and ‘why’ that require inductive understanding rather than ‘how should’ that require deduction or prescription (Yin, 2009). This is because the case study approach allows the researcher to inductively explain the real-life context of the phenomena being studied rather than develop normative models based on a theory testing approach, which describe how phenomena should exist (Stake, 1995). In the present study, the case study approach allows for research that can inductively explore how service providers approach relationship and why; how and where they view opportunities for learning.

Secondly, case studies are appropriate for studies in which phenomena cannot be viewed as isolated causal chains and where the multiplicity of variables cannot be controlled (Hartley, 1994). That is, they are appropriate in cases where the boundaries between phenomenon and context are not clearly evident and thus the phenomenon needs to be viewed within and in relation to its total context (Yin, 2009). To do this,

case study methodologies, with their emphasis on induction from real-life settings, allow the researcher to grasp complex relationships that play an inseparable role in understanding the phenomenon in question. In the case of the present study, understanding how service providers can encourage learning necessarily requires an understanding of how relational processes are approached in practice and how these are influenced by, and in turn influence, the context of practice. None of the above can be viewed or examined in isolation as they are seen to be the result of the continuous interaction of relational actors and contextual situations. The case study approach, therefore, allows the author of this study to view learning opportunities in relationship stages by allowing for the examination of the various relational, organisational and personal aspects that make up the relational situation, in relation to each other and in their total relational and organisational environment. The aim is thus to explore a world of complexity and plurality without reducing it to that of simplicity and uniformity.

Furthermore, in line with the interpretivist tradition, the case study approach can employ methods that allow for the opportunity to view and understand the relational process through the eyes of the people who experience it (Yin, 2009). As such, it allows the researcher to retain the subjective, meaningful and situated characteristics of real life practice as understood and experienced by its participants, which is central to the purposes of this enquiry (Stake, 1995). It allows for contributions to be grounded and reflected in the experiences and language of its participants. It would make little sense to try to impose generalistic theories of how learning should take place in relationships, since what would make a difference to the bottom line is whether or not service providers view opportunities for learning in the first place and whether their current business model allows or afford such opportunities.

Lastly, case study research has been widely accepted as a way for generating theory and is especially suitable for new areas of research where little is known. In the case of the present study since the exploration of learning opportunities in relational exchange is a relatively new area of study, the case study approach allows the researcher to expand existing theories of relational exchange to incorporate exploration of learning.

3.3.1. Case Study Research - Criticisms and Limitations

Based on the above, the case study is considered the appropriate research strategy for answering the current research questions. Although case study research is becoming widely accepted as an important research track in organisational science (Gummesson, 1988; Patton and Appelbaum 2003; Stake, 1978; 1995; Yin, 2009, among others), not only as a method of generating hypotheses for quantitative studies but also for generating and testing theory, it has been and is still today heavily criticised. Case studies have traditionally been viewed as the weak sibling among the social sciences method, lacking precision, objectivity and rigour, while investigators who utilise case study strategies are viewed as having deviated from their academic disciplines (Patton and Appelbaum, 2003). The major criticisms to case study research revolve around two key axes: (a) *theoretical criticism* relating to the nature of case study research as a method of scientific enquiry, and (b) *methodological criticism* relating to the level of scientific rigor and structure in which research is carried out.

3.3.1.1. Theoretical Criticism regarding Case Study Research

On a theoretical level, case studies are criticised as lacking representativeness as a way of observing social phenomena. Flyvbjerg (2004) expands on this criticism into what he calls misconceptions relating to the nature of case study research. Firstly, according to Flyvbjerg (2004) a major criticism concerns the nature of knowledge created through case studies, in that practical, context-dependent knowledge created through case study enquiries is less valuable than general theoretical context-independent knowledge. Secondly, as the results are context-bound, case studies are criticised as lacking the ability to provide generalisations, and as such cannot be used for theory building. Instead critics view that case studies are more useful in initial stages of a total research process to generate hypotheses.

The above criticisms tend to mostly stem from researchers from the natural science school of social sciences who emphasise objectivity in research and where importance of research findings comes from the ability to generalise to wider populations. Indeed objective generalisations are not the essence of case studies. Rather, as discussed in

previous sections interpretivist accounts of case study research place emphasis on context and are based on investigations of the complexity and plurality of phenomena in situated settings. As such, the knowledge generated from case studies is necessarily situated and context-specific. One might challenge the usefulness of such knowledge on its lack of generalisability, but in doing that, one would fail to recognize that the value of knowledge generated from case studies lies in its context specific character. Much of its value becomes lost in translation when attempts are made to simply reduce it to what can be generalised or simplified to general categories. The closeness of the case study to real life situations and its multiple wealth of details are important for the development of a nuanced view of reality based on an understanding of individual and group behaviours (Flyvbjerg, 2004).

What makes case studies important and irreplaceable is the depth that research brings to understanding a phenomenon, and to understanding that the context plays a vital inseparable role in the results of the study. The aim is not to be able to generalise and draw inferences or conclusions about wider populations. Rather, the aim of case study enquires, as the one presented in the present study, is to generalise in a way that is theoretical and naturalistic. This means that generalisations will not take the form of predictions, as in the case of positivist accounts, but will lead to expectations about the nature of practice and the effects of context. They can be used to guide action as they are inseparable from action. Stake (1978) suggests that ‘by recognising the similarities of objects and issues in and out of context and by sensing the natural covariations of happenings, researchers can generalise in a way that is ‘both intuitive and empirical’ (Stake, 1978, p. 5). Such generalisations are “[the result of experience and] derive from the tacit knowledge of how things are, why they are, how people feel about them and how these things are likely to be later or in other places” (Stake, 1978, p. 5).

Case studies, therefore, constitute scientific development emphasising the situated character of action. As such, they contribute towards generation of theory, not based on the objectivity of representation, but on the expectations created based on a holistic understanding of the intertwined nature of phenomenon and context.

3.3.1.2. Methodological Criticism and Limitations regarding Case Study Research

The second major criticism of case study research relates to the methodological challenges characterising case study research endeavours, which have resulted in many case studies that lack rigour in the design, collection and analysis of empirical material. This is considered to be the result of a combination of the lack of structure associated with case study designs as well as the bias introduced by the subjectivity of the researcher and the participants on whom the researcher relies for an understanding of the phenomenon (Hamel, 1995).

Indeed, case studies are characterised by a rather loose design and this flexibility has allowed researchers to bend the edges and adapt the research design and methods to the needs of particular studies. Admittedly this lack of prescriptive structure in case study designs, data collection procedures and analysis has resulted in examples of poor case study applications suffering from lack of rigour based on the ambiguity of procedures for ensuring quality in research design, collection and analysis of the case data as well as lack of validity and reliability. Therefore when adopting the case study approach, enjoying the freedom of designing the research according to the questions one wants answered, there are a number of choices that need to be addressed in a principled manner by any researcher (Meyer, 2001) such as case study design requirements, data collection procedures, data analysis, and validity and reliability.

To demonstrate how the research has been designed, structured and executed to address and overcome such methodological limitations, the following sections present how the researcher has approached the design of the case study research, how the cases were selected, how instruments were developed and administered and how methodological quality considerations were achieved.

3.4. Research Design

To design the research, researchers need to define the type of case study to be employed, the case design (single or multiple cases), the unit of analysis, the sample technique and procedure for case study selection.

3.4.1. Exploratory Multiple Case Design

Case study research is governed by ‘logic of design’ in that the aims and objectives of the research guide the design of case study research. Researchers start with the issue at hand and manipulate the flexibility in case study design to tailor-make a design that addresses the aims they have set. Researchers can adopt single case designs in cases where the phenomenon to be investigated is the case itself, what Stake (2003, p. 136) has called an intrinsic case. Such a case is not selected because of its representativeness of other cases, but because ‘in all its particularity and ordinariness the case itself is of interest’ (Stake, 2003, p. 136). In other instances, instrumental or multiple cases (series of instrumental cases) are used to mainly provide insight into the issue under investigation. In such instances, ‘the case(s) is of secondary interest; it plays a supportive role and it facilitates the researcher’s understandings of the issue under investigation. The case is still looked at in depth, its context scrutinised, its ordinary activities detailed, but all because it helps the researcher to pursue the external interest’ (Stake, 2003, p. 136).

To meet the research objectives, the present study adopts multiple cases, specifically two instrumental cases studies. As the exploration of learning opportunities and needs in stages of relationship development is a largely new approach to the examination of business service relationships, case studies employed are exploratory in nature. The aim is to expand and develop aspects of the existing theories on relationship management by exploring the potential for maximising relationship success through learning.

Following from the above, the research is mainly inductive in nature, in that it allows for conceptualisation of the issue to emerge mainly from the field data, however, guided by a pre-understanding of the established relevant literature. That is, the research process is guided by an exploratory model that was developed from a thorough review of the established literatures, namely those of consulting, relationship management and knowledge management. The model provides a pre-understanding of the expected relational conditions and social patterns in knowledge intensive business relationships and outlines the major issues and key terms that become relevant in the current investigation. The aim is not to impose or imply theoretical assumptions to the

area being studied, but to use such pre-understanding as a guide in outlining possible areas of interest and as an aid in analysis. This is based on the understanding that through an appreciation of prior understandings of a phenomenon, the researcher does not fall into the trap of ‘re-inventing the wheel’, of spending considerable time gathering basic information (Gummesson, 1988), and of running the risk of providing description without meaning (Hartley, 1994).

Adoption of the exploratory model aims to provide some structure to the research, but not to impose it, in that it highlights the areas and issues that need to be addressed through the investigation, but it is not in any sense prescriptive. Rather, it purely acts as a guide, thus allowing for the possibility of emerging issues to be addressed. Following Gummesson (1988, p.58), the aim is to be able to occupy a position of dual personality through “balancing on a razor’s edge using pre-understanding without being its slave”.

3.4.2. Unit of Analysis

To keep the research focused a researcher needs to define the unit of analysis which provides the frames in which research takes place. It essentially frames what the ‘case’ is and what is to be examined. The unit of analysis for the current research is the relational approach at different stages of relationship development examined through the service providers’ accounts of their relational practice. Service provider accounts are only considered for this research study, as the purpose is to understand how and why service providers approach relationships as they currently do, whether they view opportunities for learning and where. The aim is to tap into the supplier’s ‘mind’ and aim to view the relationship through their eyes and experiences.

The researcher recognises that learning in relationships is the product of the interactions over time between both service providers and clients and relationship success is always a function of the interplay between relational actors. However, what is deemed important is to be able to first reach a position from where to understand how the separate entities (i.e., service providers and clients) approach and deal with relationship situations, as this can paint a picture of how they perceive and understand learning in relationships. As such, the present research can constitute the first step in a

series of possible enquires regarding learning in relationships. Future research endeavours can explore the client perspective on learning opportunities in relational exchange and possibly aim at matching service provider and client perspectives on learning in relationships to explore how these unfold in the field of practice. This will be further explored in the concluding chapter.

To be able to meet the current research aim, a holistic approach to case studies is employed where the focus is the 'whole', that is, the approach of each case organisation to its relationships. Although service providers' approach at different relationship stages are examined these are seen as successive stages of a 'whole' experience. They are considered as interconnected as what happens in one relationship stage essentially affects the next. Therefore, exploring case studies through a holistic approach enables the researcher of the present study to view the relational approach and experience as a 'whole'. This allows for the possibility of identifying issues that might affect particular stages and also issues that may be overarching in that they might affect the relational approach as a whole.

Defining the unit of analysis and the overall case study approach to be taken is the first step in ensuring and demonstrating that the research remains focused in meeting its aims and particular research objectives. The next step for the researcher is to define the cases to be used in the research and outline the procedure for their selection. This next step aims to demonstrate how and why particular cases are important for the investigation and how they are suitable to meet research objectives. The following section deals with how the researcher has approached cases selection and outlines the criteria used for meeting the research aims.

3.4.3. Sampling and Cases Selection

For the purposes of the present study, the cases were selected using maximum variation purposeful sampling (Cohen and Crabtree, 2006). Since in qualitative research the aim is not to generalise to wider populations, the sample choice should reflect cases that have been selected because of their importance to the purposes of the investigation. Using maximum variation sampling in the present study, the aim was to select cases that had wide variations on a number of attributes of interest and as such

achieved maximum data heterogeneity. Data heterogeneity was considered important for meeting the current study's objectives as the diversity in service provider contexts would allow the researcher to explore varying relational situations that would help in deepening research findings. Results from case organisations would (a) serve as complementary in that they would expand the data through deep and detailed descriptions of findings relevant to each case, and (b) would serve as comparative where the varying relational approaches could be compared to explore the effects of context. Additionally, important shared patterns that cut across cases could be explored and derive their significance from having emerged out of heterogeneity. The attributes and criteria used to select case organisations will be discussed in Section 3.4.3.1 below.

The varying characteristics of the investigated organisations could afford the opportunity to uncover issues present only through the study of each individual case and would deepen research findings of learning opportunities in relational practice. As such the selection of the two organisations using maximum variation sampling would provide the possibility for theoretical or naturalistic generalisation by grasping the complexity of the situated and contested nature of relational practice.

3.4.3.1. Procedure for Case Selection

In selecting cases for investigation with maximum variation, a set of criteria were drawn where cases were chosen based on variation on the attributes shown and discussed below:

(a) *Type of service project – degree of customisation involved in the project:* For the purposes of this investigation, the degree of customisation of the service offering was considered in choosing service organisations as this was expected to lead to different types of relationship situations and dynamics (Nikolova, 2007). As such, business services displaying a high level of customisation and business services displaying a low level customisation would be considered. This was because in cases of service projects involving a high level of customisation, the task and its quality were likely to be more ambiguous for clients involving more risk and uncertainty. Therefore, relational exchange and joint production are likely to be

more important to meet project objectives. On the other hand, in cases of projects involving a lower degree of service customisation, the perceived uncertainty regarding quality of the project as well as the associated customer risk are likely to be lower. As such, the level of relational interaction required to achieve project objectives would also likely be lower. Variation in the degree of customisation of case organisations to be chosen would therefore afford the opportunity to explore cases on opposite ends of the 'continuum' and enable the exploration of different relationship situations and possibly approaches. To identify possible genres of services exhibiting high and low levels of customisation the researcher follows Nikolova (2007), who has categorised knowledge intensive business services according to their level of customisation. According to Nikolova (2007) among services exhibiting a high degree of customisation are strategy consulting and change management while services exhibiting lower levels of customisation are training programs and IT solutions.

- (b) *Organisation life-cycle stage and position within the market*: The second attribute considered important for selecting cases was the life cycle stage of the organisation and its position within the market. In understanding learning opportunities in relational exchange, the experience of service providers at different stages of market development would enable the exploration of the learning needs associated with different organisational life-cycle stages. For instance, newcomers might be seen to approach relationships differently than more established service providers and in turn learning opportunities relevant in each would possibly vary. Furthermore, this variation might aid the investigation in highlighting possible learning challenges in relationships experienced by newcomers as well as possible best practices adopted by more experienced service providers. Thus, the resulting variation in relationship conditions and approaches would be expected to aid the current investigation in that each case's findings would serve as complementary to the study of learning needs and opportunities in relational exchange.
- (c) *Size*: The size of the service provider was also considered in choosing case organisations. This was considered in terms of the number of professionals employed in the organisation at the time of study, as well as value of projects undertaken. Size was considered as it would help to highlight different procedures and challenges faced by different organisations.

A fourth criterion in choosing case study organisations was the need for maximum level of access in both organisations for the purposes of interviewing service providers but also for observing relational exchanges. This was considered very important because to be able to address the research question, investigation required in depth understanding that could be achieved through prolonged exposure and closeness of the researcher to the service providers' practice.

3.4.3.2. The choice of service providers

Based on the above considerations, two organisations were chosen from a pool of possible cases exemplifying varied characteristics. The case organisations selected to be studied were:

- (1) Company A: A start-up training and development provider which had only been running for 12 months at the time of investigation. Company A specialised in designing and providing training solutions for businesses and aimed at expanding into be-spoke projects relating to learning solutions for businesses. Its main projects were based in the local Midlands market and were of relatively low turnover. At the time of investigation, the organisation was relatively small in size, employing 12 service providers (4 business development managers and 7 workforce development fellows).
- (2) Company B: A highly successful change management consultancy, among the leaders in its field within the UK market. The organisation specialised in change management projects and had over 25 year of experience in the field. Its projects were of significant size and high turnover and were based in the UK national market, with some projects in the international market. At the time of investigation the organisation employed over 60 expert consultants in the field of change management.

A more extensive profile of both organisations can be found in Chapter 4 (within-case analysis). The organisations chosen essentially formed opposites on all criteria considered which granted the researcher the variability needed in exploring relationship development and associated learning opportunities in different

embedding conditions. Both organisations at the time of investigation maintained strong ties with the University of Derby which enabled the researcher to gain high level access and prolonged exposure into both organisations.

3.4.3.3. Selection of participants within each case organisation

Within each case organisation, the sampling of participants was based on identifying individuals that could bring multiple perspectives to the research so as to account for diversity that may exist within each case organisation. Therefore, within each case organisation, initial selection of respondents was based on their level of experience in the field, their seniority in the organisation, as well as their professional background. The level of experience and seniority in the organisation was considered important as it could help highlight differing approaches or understandings of relationship approaches.

The sample size, that is the number of interviews conducted and the type of observed events were not pre-determined as data collection would proceed until no new data was emerging, that is until data saturation. Importantly, the selection of participants as the research proceeded became more flexible as it allowed for sampling participants based on emergent themes from data collection. This will be further discussed in Section 3.5.2.2 (sampling for interviews) and Section 3.5.3 (types of observations)

3.5. Data Collection Methods and Research Instruments – Instrumentation

Once the researcher decides on the overall design of the case study research, the researcher needs to explore and make decisions regarding the methods and tools that will ensure that the appropriate data is collected for the study. Qualitative methods were considered for the collection of data in the present study as they are ideal for exploring social phenomena as they occur naturally and provide a holistic understanding, retaining the subjective and situated perspectives in research.

3.5.1. Triangulation of Data Collection Methods

A major challenge for researchers using the case study approach is to develop a well-considered set of actions, rather than using “subjective” judgments (Yin, 2009 p. 41). For the purposes of ensuring quality of research findings the current research adopts triangulation of data collection methods by employing multiple sources of data. Typically, triangulation is employed for purposes of addressing and ensuring *construct validity* in case study designs. Construct validity refers to the extent to which a study investigates what it claims to investigate, in other words, the extent to which a procedure leads to an accurate observation of reality (Denzin and Lincoln, 2000). Efforts, therefore, for achieving construct validity use triangulation through employing multiple data collection methods and data sources with the aim of getting a more accurate, comprehensive and objective representation of the issue at hand (Silverman, 1997, 2005). However, the concept of construct validity is problematic for interpretivists as it is based on the assumption that an objective view of reality can be achieved (Yin, 2009). Influential interpretivist accounts, such as Silverman (2005), rejected the concept of construct validity in ensuring credible research, on the premise that

“...models underlying qualitative research are typically not compatible with the assumption that an objective reality can be obtained from different ways of looking at it [since] many of the models that underlie qualitative research are simply not compatible with the assumption that ‘true’ fixes on ‘reality’ can be obtained separately from particular ways of looking at it” (Silverman, 2005, p. 212).

The major problem according to interpretivists is that as a test of validity, construct validity ignores the context bound and skilful character of social interaction.

The present study adopts a different approach to construct validity. Rather than talking about construct validity with connotations of true and objective, the current study talks about triangulation, not as a way of validating research to obtain a ‘true’ reading but as a strategy that adds rigour, breadth, complexity and depth to the enquiry based on the understanding that it serves as an assembly of reminders about the situated character of action (Flick, 1999; Denzin and Lincoln, 2000). The purpose is not to try to cross-validate different sources of evidence to achieve more objective results, but rather, to use different sources of data to add depth to the enquiry, to further understand the situated nature of the relational exchange. Therefore, viewing

the relational approach from different angles enables the researcher to examine the issue from different directions and lenses.

For the purposes of research undertaken in each case organisation, the following methods were employed for collecting data: (a) interviews with individual service providers, (b) observation of client visit and/or observation of internal company meetings, and (c) company documentation and relevant publications where available. The data collection and research instrument triangulation is shown graphically in Figure 3.1.

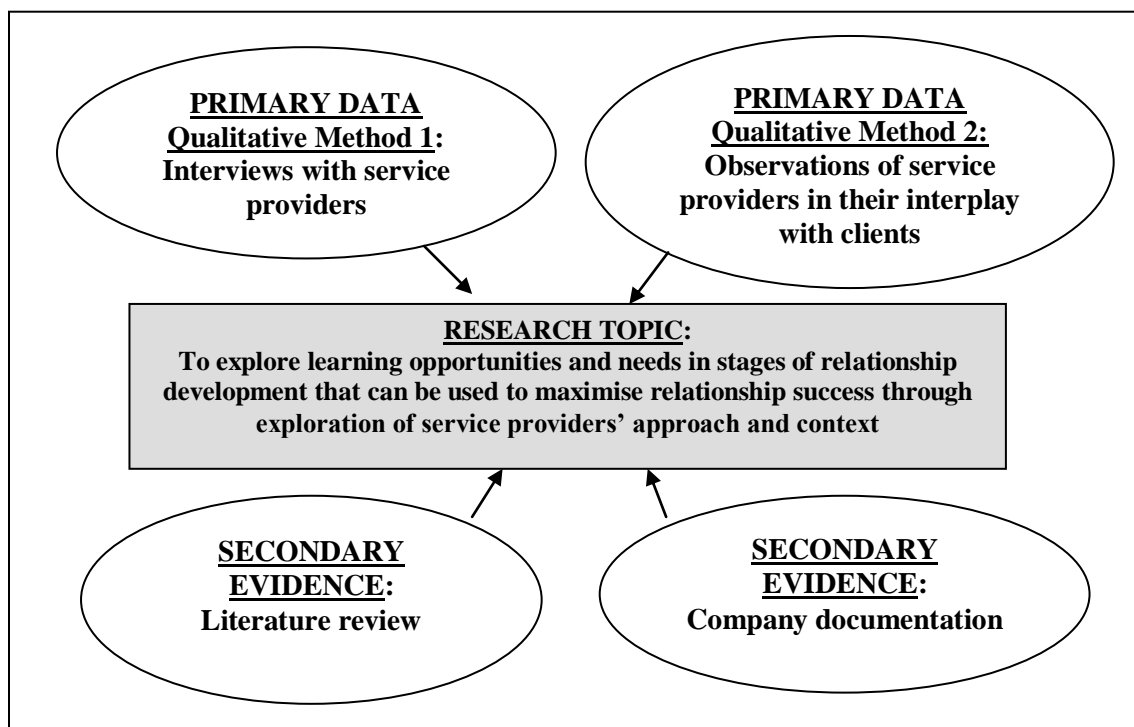


Figure 3.1: The Study's Data-Collection and Methodological Triangulation

Source: Drawn by Author

The following section expands on the various methods used for collecting data, outlining how each method contributes to meeting research objectives. It serves to illustrate how the researcher has moved from research objectives and case design, as discussed above, to data collection and instrument design and implementation. The various steps taken in employing the instruments are discussed as well as the ways in which the researcher has dealt with issues of bias in fieldwork.

3.5.2. Interviews

As in most qualitative case study designs, the present study uses interviews as the primary method of data collection and focuses on insights from a series of interviews with service providers across the two case organisations. Interviews have been chosen as the primary instrument for data collection in the present study as they can be designed to allow for subjective data to emerge through interviewees' accounts. Interviews were considered to be of significant value in meeting research objectives as they could be used to explore service providers' understandings and interpretations of relational exchange and learning represented as the product of their experience, grounded in and reflected in their personal and social influences. This was considered important as it allows for retaining findings close to practice, expressed in the service providers' terms and language. In this way, interviews allow the researcher to tap into the service providers' 'mind', and thus enable the researcher to provide insights in situated terms that make sense and are relevant for practitioners.

Based on the above, interviews represent a tool that can foster in-depth enquiries by exploring the complexity of the phenomenon under investigation. What becomes important therefore is not the objective understanding of the relational exchange, but rather the way in which service providers view and approach relational exchanges, the way they understand and develop relationships, and the way they express its affordances and opportunities for learning.

As a research tool, the interview is a tool of great flexibility that can be adapted to suit a wide variety of research situations and hence a number of decisions need to be made. Firstly, the researcher needs to determine the degree of structure in the interview, how deep the interview seeks to go, and the degree to which the interview is standardised across different respondents and situations (Punch, 1998). For the purposes of this study the most appropriate strategy was to conduct semi-structured interviews, in which the researcher did not formulate particular questions but identified topic areas that the interview may cover. What is important is that this did not represent a deterministic list of interview topics to be covered but rather gave the researcher insights into what could be discussed and elaborated upon, based on the responses of service providers. The essence was the identification of topics rather than

specified pre-planned and standardised questions, which would enable the researcher to construct questions in a more appropriate and relevant manner by incorporating the interviewee's own terms and concepts into the questions asked (Willig, 2001). Nevertheless, with such an approach the researcher recognises that there is the danger that the formulation of questions would be less open and more directive, due to the researcher's intense involvement in the interview process.

Therefore, following Willig (2001), in order to ensure better formulations of questions, careful consideration of alternative versions of questions was performed prior to each interview. Consequently, such techniques allowed for more detailed discussion of the topic areas, but also provided freedom of following a line of inquiry introduced by the informant (Mathers, Fox and Hunn, 1998). Recognising that the success of interviews greatly rests upon the rapport established between the interviewer and the interviewee, emphasis was placed on the open-endedness of questions posed and on narrative and experience, which required sensitive and ethical negotiation of rapport between the researcher and service providers (Willig 2001).

3.5.2.1. Interview Design and Schedule

Based on the above considerations, a detailed interview agenda was generated for use in interviews across the two cases (the interview agenda as used during interviews is shown in Appendix B – also shown below in Table 3.1.). This agenda was constantly updated and expanded after each interview, so as to cover emerging issues during previous interviews. Table 3.1 illustrates the topic areas and some of their possible elaboration used in interviews. Interviews were rarely standardised within or across the two case organisations, as organisation procedures, circumstances and types of projects differed. This was reflected in the line of inquiry followed for each interview. In other words, some topic areas were developed differently or were simply phrased differently to incorporate and reflect the language and terminology, roles and responsibilities of service providers.

<i>Areas</i>	<i>Elaboration of Areas of Inquiry</i>
Organisational Personal History	<ul style="list-style-type: none"> - Time in current position - Previous experience - Nature of job and role within the consulting organisation - Nature of projects undertaken – characteristics - Organisation procedures (formal and informal) for dealing with clients - Who becomes involved in the relationship
Stage 1 – Opportunity	<ul style="list-style-type: none"> - First contact – how it is made - Main aims of this initial stage - Major Success / Failure factors - Procedures/Processes – individual and/ or organisational - Assessment (if any) undertaken – what is assessed and how - Development of norms of practice – what is done and how - Managing expectations – what is done (if any) and how - Challenges of current practice – personal and organisational - Example of failed project / successful project relevant to the stage
Stage 2 – Engagement	<ul style="list-style-type: none"> - Major success / failure factors - Procedures/Processes – individual and/ or organisational - Risk factors – how this is dealt with - <u>Trust</u> – role of trust / types of trust - Behavioural signals and signs of trust development and of lack of trust – how is trust reached, what does it depend on, what is done to actively engage it, how is trust development/lack of trust evident in terms of client behaviour - <u>Investments</u> – who invests and what is invested - what is required of clients and how it affects project/relationship – what is invested by service providers - <u>Commitment</u> – how is commitment relevant to relationship success / how it is developed / how it is translated into behaviours – signals and signs of client and provider behaviours - <u>Relational Norms</u> – mutuality, flexibility, solidarity, communication - Nature of dialogue, roles adopted in dialogue, what it facilitates - Example of failed project / successful project relevant to the stage
Stage 3 - Maturity or Dissolution	<ul style="list-style-type: none"> - When project ends – further collaboration or end of the road;how and why - Relationship performance assessed? – what is assessed quantitatively / relationally – how? - Example of failed project / successful project relevant to the stage

Table 3.1: Interview Agenda: Areas of Inquiry and Elaboration

Source: Created by Author

The aim of the interviews was to get service providers to reflect upon their experiences with an emphasis on narratives, stories of how the relationship is approached, how they engage in different settings and at different stages. The aim was to understand the approach and procedures towards projects and relationships through the eyes of the service providers. The first area of inquiry (*Organisational/Personal History*) aimed at establishing an understanding both at an organisational and personal

level of how the organisation works, who the individual is, what projects the organisation / individual takes on, their background and experience, their role within the organisation both at the organisational level (the view of the organisation) but also at the personal level (their personal view as service providers). The aim of this stage was to explore the personal and organisational context and understand the provider's position both as part of the organisation and as part of the relationship with clients. The open and non-invasive nature of questions at this stage also facilitated rapport between the interviewer and the interviewee.

The second part of the interview schedule dealt with exploration of providers' views and approaches on the development of relationships through the three stages of development, as identified by the exploratory model, namely *opportunity*, *engagement* and *maturity*. During these inquiry sessions, interviewees were asked to outline and explain their own and/or their organisations' processes and procedures relating to project development across the three stages. Through a reflection on their practice, service providers were encouraged to make judgements on what they believe drives success and what leads to failure in projects. The use of storytelling, and real life examples was highly encouraged in order to ground and contextualise their accounts in the everyday practice and language used. Examination of their approach in each interview was done in a chronological manner, starting from the beginning of a project or relationship through to completion. Although questioning largely followed the exploratory model which suggested areas of interest for each stage of a relationship, the interview approach and questioning aimed at allowing for these concepts to firstly arise from service providers' accounts. This strategy ensured that pre-defined areas of interest were not imposed on interviewees, but rather that the research allowed for capitalising on emergent issues arising through providers' accounts.

For investigation of each of the three stages, the researcher began with open-ended questions relating to relational practice and encouraged storytelling, allowing therefore providers to talk about their experiences, their everyday examples, their approach in the manner and language they chose to. The purpose for this approach was to get a feel for how the relational process works, how individual service providers talk about their clients, their organisation and themselves and to understand

what issues they view as enablers and inhibitors of relationship or project success.

Issues brought up in service provider accounts, either pre-defined or emergent, would be further followed up by the researcher through probing. In the case where pre-defined concepts (as indicated by the exploratory model) were not mentioned, the researcher would probe interviewees as to the relevance of these issues to their practice while encouraging again the use of examples. The interview situation resembled a discussion where the researcher occupied an initially passive and progressively more active role. This was done to initially allow for service provider accounts to lead the discussion and to later probe and engage them to think about various issues. Allowing for the issues to arise through interviewees' accounts however could prove quite risky for the researcher as it could lead the interview far away from what was originally intended. The challenge therefore facing the researcher was to be able to strike the right balance between keeping the discussion focused on relevant issues as well as allowing for freedom of discussion.

3.5.2.2. Fieldwork Procedures and Interview Administration

In each case, an introductory meeting was set up with the director or one of the directors of the case organisation (where a meeting was not possible this was done through a telephone conversation). Here the aim of the research was explained and permission was requested to gain access into the organisation to conduct interviews with individuals and possibly observe client and internal meetings. Following the initial meeting and if collaboration was agreed, an official letter outlining the purpose of the research and the ethical consideration for research conduct was sent out via email to the director of the organisation (a sample letter is shown in Appendix B). Depending on the arrangements made during the first meeting, the researcher was introduced to the organisation's staff during an internal meeting or through a letter sent out via email by the researcher for the purposes of arranging a meeting. Possible names of individuals to be interviewed were given to the researcher by the director during the initial meeting, based on guidelines provided by the researcher. The list of potential interviewees represented individuals with varying levels of experience within the organisation. The aim was to try to identify consultants who could bring

multiple perspectives and would have the most to say about the major research topics. Furthermore, the researcher was granted the flexibility to interview any consultant within the organisation, based on the consent of that individual consultant.

As already discussed above, the initial selection of participants for interviewing was based on the level of seniority and experience in the organisation and this enabled the researcher to interview junior and senior service providers with varying years of experience as well as managerial level staff. Within each case organisation, both the number of interviews conducted as well as the types of participants differed to an extent. With Company A, which represented the first of the two cases to be studied, the researcher conducted a series of interviews with the managing director, the sales director, four business development and five workforce development fellows. In many instances, follow up interviews were held with the same participants when new insights from other interviews emerged. Due to the fact that the organisation was relatively new and included individuals from a variety of backgrounds, the researcher interviewed most of the organisations' members as each introduced new insights into the processes of the organisation, the relational approach adopted by individual service providers and the organisational context.

With Company B, the researcher held a series of interviews with senior management, consultants with varying levels of experience and trainee consultants. The number of interviews held was smaller than in Company A, as most interviews held with individual service providers yielded similar insights into the service providers' relational approach and the context of the organisation. This will be further explained in the within-case analysis in Chapter 4.

In both case organisations, interviews were held with service providers based on arrangements made between the two parties, and lasted between 60 to 90 minutes. They were all tape-recorded (audio-recorded) after permission was granted by the participant. Interviewees were firstly informed about the aims and objectives of the study, as well as the purpose of the interviews and their contribution to the investigation. At this early stage, service providers were encouraged, where possible, to use examples from past or present projects throughout the interview. Prior to commencing the interview the researcher ensured that all ethical considerations

relating to the conduct of the interview were taken into consideration. Interviewees were presented with an informed consent form (a sample of the informed consent form is shown in Appendix D). This consent form also outlined all the ethical considerations for research, relating to the assurance of individual anonymity, any reference made to people or organisations, as well as confidentiality of the interview data. The researcher assured participants that they had the right to withdraw from the study at any time or even withdraw comments made during the interview or even request that the parts or the entire interview were off record.

During the interview, service providers were invited to elaborate on their accounts and contextualise their answers with reference to specific events or projects. This aimed at getting service providers to put into words concepts that were otherwise abstractly presented, so that common understanding was established. Contextualising answers also made the interview seem more informal and therefore interviewees more easily engaged in a form of conversation with the researcher. As mentioned earlier, one of the main challenges of the semi-structured interview is the establishment of rapport between the participant and the researcher. During the course of the interview, certain techniques were employed to improve the rapport between the researcher and the informants (Willig, 2001). For example, in some cases the researcher found that restating the participant's comments and incorporating them into further questions throughout the interview demonstrated that the researcher was indeed listening and learning. Furthermore, it provided the researcher with the opportunity to check for common understanding and also served to maintain coherence and continuity throughout the interview. In the case where service providers were vague or generalistic in their accounts, the researcher found it useful to express ignorance, encouraging them to state the obvious and thus put in words the otherwise implicit assumptions.

After the completion of interviews, where and if the situation allowed, the researcher asked for the possibility to observe a client meeting and/or an internal organisational meeting. Where access was granted by the service provider, a discussion was held to set the grounds for the role of the researcher and the ways of minimising risk of interference due to the presence of the researcher during these meetings.

3.5.3. Observation and Field Notes

Observation of meetings with clients and internal organisational meetings was a second data collection technique, and was used to explore the ways in which individual service providers approached and dealt with relationship situations. The aim was to observe them in their natural setting both as part of the client relationship and as part of the organisation. Observation techniques aimed at adding depth to service provider accounts by viewing first hand examples of their approaches in interactions with clients and in a way tune the researcher in to the relational experience. Observing internal organisational meetings was seen as equally important, as it helped to shed light onto the organisation, the individual service providers and their approach, as well as on the organisational culture and processes that may have had an impact on client relationships. Findings from observation at both internal and client meetings were incorporated into interview schedules for following interviews and aimed to help contextualise questions for each case organisation. As a complimentary research technique in the present study, observation was largely exploratory as it was used to get a feel for the approach towards relationship and the context of the organisation that would help ground the research by viewing the situated behaviour of service providers in meetings, the aim and structure of meetings, and the issues discussed.

Within each case organisation, the instances of observation varied. Within Company A, due to the exposure of the researcher to the field for a period of 4 months, several observations of client visits were achieved as well as observations of weekly internal meetings of management with all service providers. As the researcher resided at the organisation for a few days during each week, observations of informal conversations among service providers were possible. Within Company B, observations included client meetings in the initial stages of development including three workshops designed to introduce clients to the work of the organisation from where potential contracts may have emerged. As the organisation did not have a permanent head office, since service providers were often on the road or on client sites, observation of internal meetings was not possible. However, to compensate for that, informal conversations were held with a resident researcher who was at the time undertaking a research project for the organisation. The information gathered from this interview

was confidential and hence evidence from conversations is not included in the present thesis. These served only for confirmation purposes relating to the context of the organisation and its dynamics.

Within both organisations the challenge was to define the role of the observer within the observation situation and appreciate the effects that the researcher's presence may have had on research findings. Adopting interpretive assumptions and understanding the world as one of subjective reality and situated knowledge, the researcher understands that her role in the observation situations would necessarily affect the behaviour of actors, both service providers and clients (Silverman, 1997, 2005). Understanding this, the researcher needed to negotiate her role in the observation situations, in a way that her presence was not perceived as threatening. Therefore, in order to ensure that the researcher's presence would not interfere with the progress of the relational or organisational situation, an agreement was established beforehand with the service provider as to what role the researcher would play in internal and external meetings. Two dimensions, therefore, were taken into consideration for the choice and level of access to meetings: (a) the sensitivity of the meeting in terms of the stage of the relationship and the agenda to be discussed, and (b) the level of involvement of the researcher and disclosure regarding research aims.

Access to internal and external meetings was granted when (a) the meeting was relatively routine-based and (b) when issues to be discussed were not perceived as sensitive to either service providers or clients and usually did not require significant disclosure on the part of the client. For external client meetings, this meant that access was granted in most cases for introductory level meetings with clients. For internal organisational meetings, access was typically granted for routinely planned internal meetings where issues to be discussed were rarely 'threatening' for individuals or the organisation. During internal or external meetings the researcher held a purely observatory role, and her introduction aimed at establishing exactly that. In an attempt to establish her presence in the meeting as constructive rather than intrusive, the aim of the research was explained as '...to better understand the relationship situations in an attempt to find ways of adding value to clients...'

As relationships are sensitive social situations for the actors involved, it was

acknowledged that limited access would be granted for observation purposes, and that instances of social interactions observed would not constitute a representative picture of client or internal organisational meetings. However, as the aim of the research was not the generation of objective representations of client or internal meetings, instances of observation were insightful as they were used to add context to research findings and inform following interviews.

3.5.3.1. Fieldwork Procedure and Administration of Observation

In order to collect and record data from observation, an observation schedule was designed (shown in Appendix E) and use to record data in internal and external meetings. It also aimed at keeping the researcher focused on relevant issues. The observation schedules did not act as a checklist, but rather as a guideline or reminder to be alert and on the lookout for certain issues. It also acted as a template for taking field notes while remaining focused on the objectives at hand. The observation schedule was divided into two sections: (a) meeting details and (b) meeting progression. The first involved meeting details such as date, setting, details of participants and position within the organisation, stage of relationship and background of the relationship, previous meetings etc. This was obtained through a combination of prior to the meeting informal conversations with service providers and field notes taken during observation. The second section regarded the progression of the meeting with regards to the aims of the meeting, the issues discussed, level of openness and disclosure on the part of providers and clients, communication and how common understanding was established, how the meeting was opened, how sensitive issues (if any) were discussed, whether participation for either participants was active or passive and how this was evident, general demeanour of participants, how the meeting ended, on what grounds and what was expected from both participants.

Prior to the meeting the researcher would meet up with the service provider. Through informal conversation, details were given about the nature of the project, the aims and plan of action of the upcoming meeting, the background of previous meetings as well as the provider's appreciation of the client and project. At the start of the meeting, the service provider introduced the researcher as an academic collaborator where the

researcher was given the opportunity to explain the research aims, her role within the observation as well as establish that confidentiality and anonymity of participants and issues discussed would be ensured.

During the meeting, the researcher held a purely observatory role and aimed at minimising any distractions that the researcher's presence might have inherently created. Therefore, attention was drawn at minimising any actions the researcher took either in the form of participation or even in the form of observation, that is, through taking extensive field notes. The researcher ensured that during the meeting very brief notes were taken in the form of key words to remind the researcher of the major issues during the meeting. As soon as the meeting ended, and after a short conversation with the service provider, the researcher recorded all relevant findings from the observation schedule for the meeting into the full thought process. Field notes taken during observation acted as mental flags of important issues during the meeting, impressions or perception of attitudes and behaviours.

3.5.4. Organisational and Other Documentation

Where possible, internal and external organisational-relevant documentation were used in the present study. This was in the form of internal organisational documents, meeting documents or publicly available documents through case organisation's website and/or other publications. In the case of Company B, there was widely available documentation in the form of individual service provider publications, while in the case of Company A documentation included documents such as plans of action drafted by individual service providers, weekly reports on target setting. These acted as complimentary to other methods and were used to deepen the understanding of the context of the organisation, the role of its members and its approach to relationships.

All three data collection methods were employed for research within the two case organisations and served as complementary methods for adding depth and breadth to the enquiry. The consistency with which these were employed across and within both cases is an important consideration for the value and validity of case study research to meet research objectives. Therefore in order to ensure that fieldwork procedures were

consistent within and across the two case organisations, the researcher designed a case study protocol that facilitated the continuity and consistency of fieldwork research. Its purpose and importance will be discussed in the section below.

3.6. Preparation, Design and Operationalisation of Fieldwork Procedures - The Case Study Protocol

To ensure consistency and reliability of research aims, methods and instruments used across the two case organisations, the present study uses the case study protocol to help guide the research across both case studies. The case study protocol is a concise-action version of the methodology that enables the researcher to remain focused on the objectives of the study by outlining the entire data collection process (Yin, 2009). The case study protocol provides an overview of the project in terms of the aims and objectives being investigated, the background to the research, the design of the case study approach, identifies the data to be collected and the methods for its collection, outlines the interview and observation schedules, as well as the requirements and procedures for fieldwork. It further outlines the way in which data will be analysed and presented and explicates the necessary considerations for the study's validity (construct, internal and external validity) and reliability (the case study protocol used is shown in Appendix A). The value of the case study protocol lies in the ability it provides the researcher to maintain the chain of evidence, that is, to keep the research focused on meeting the research objectives and to make sure that the data collection in separate cases has been consistent so that results can be comparable.

Further to the above, the case study protocol in the present study has also facilitated the researcher to remain focused while keeping track of the direction the research had taken over its continuous exposure to the field. That is, as the research was inductive in nature, emphasis was placed not only on exploring pre-determined themes from the literature but also on capitalising on emergent themes resulting from data collection. As the research continued the researcher would update research instruments in order to be able to explore emergent themes in following interviews. In this way, the case study protocol facilitated the researcher to not only incorporate newly emergent themes into further investigation, but also to keep track on the direction the research

and fieldwork had taken. It facilitated in keeping the research focused on objectives while keeping a record of the development of emergent themes. The research instruments and exploratory model were updated after each data collection episode. Importantly, the case study protocol was updated after the completion of data collection and analysis of results in the first case, in order to refine it for data collection in the second case. This process is shown diagrammatically in Figure 3.2. This was considered important as it allowed the researcher to maintain focus on objectives and on how the research progressed to generate results.

Through the above discussion the researcher has demonstrated how limitations traditionally characterising case study designs have been addressed and how the researcher has moved from research objectives through to data collection. The researcher has outlined the procedures for design of the case study approach, the selection of case studies, and the design of research instruments to meet research objectives. How the research has met conditions of validity and reliability will be further discussed below.

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Figure 3.2: Outline of case study method used

Source: Yin, R.K. (2009) Case Study Research: Design and Methods (4th Ed.), Thousand Oaks, CA: Sage. p. 5

3.7. Quality of Research

Important in any research study is the assurance of quality or rigour, that is, the demonstration of integrity, competence and legitimacy of the research process through the research design, data collection and analysis phases of the research (Tobin and Begley, 2004). For these purposes, below are the considerations of quality as carried out in the current research to ensure quality of the case study approach, the methods used and the findings.

3.7.1. Construct Validity

Recall that construct validity of a study refers to the extent to which a study investigates what it claims to investigate, that is, the extent to which a procedure leads to an accurate observation of reality (Denzin and Lincoln, 2000). According to Yin (2009), one of the main challenges of case study research is to be able to develop and demonstrate a well-considered set of actions and establish correct operational measures for the theoretical concepts being investigated by linking the data collection questions and measures to research questions set. This has also been observed to be one of the major limitations in many case study research designs.

To do this, the researcher firstly employs triangulation of data collection methods and uses multiple sources of evidence in the form of interviews, observations and organisational and other documentation. This served as a way of adding depth to the inquiry as each method employed is seen to bring to light different aspects of the phenomenon. The phenomenon was still viewed in the totality of its context while the different data sources allowed the researcher to view service providers' relational approach through different lenses and from different angles.

Secondly, to ensure that findings of the study represented what the study had set out to investigate, the researcher has clearly outlined the various steps taken to move from research aims and objectives through to data collection. The researcher has outlined how the case study approach has been designed, how and why cases were selected and why they were appropriate for meeting research objectives. Furthermore, the

researcher has demonstrated that aims have been met through the design of the case study protocol and its associated data collection instrument schedules grounded in research objectives and previous theory. The data collections procedures have been readily explained as well as the ways in which the researcher has aimed to address biases and limitations of different methods used. The procedure for and analysis of data (explained and illustrated in detail in the following chapter) has aimed at maintaining the chain of evidence by explicating how research findings have developed. That is, through adequate illustration in reporting findings, the research has aimed at providing visibility to the reader as to how research findings were reached. In this way a reader would be able to trace the steps in either direction, from aims to findings and from findings to aims.

3.7.2. Internal Validity or Credibility

The internal validity of a study, or more appropriately in interpretivist terms the credibility of a study, addresses the issue of ‘fit’ between the research participants’ views and the researchers’ representations of them (Schwardt, 2001), and poses the question of whether the explanation fits the description and whether the latter is credible (Gibbert and Ruigrok, 2010). Silverman (2005) suggests that researchers using qualitative methods can address issues of internal validity, using the constant comparative method, comprehensive data treatment, and the deviant-case analysis. Internal validity in the present study is achieved through (a) the constant comparative method in terms of both research and analysis and (b) the use of an exploratory model to guide comprehensive data treatment in both research and analysis.

Firstly, the principle of constant comparative method was employed in research design, collection and analysis. The constant comparative method entails and ensures that data collection and analysis represented an iterative process in which every episode of data collection is preliminarily analysed and used to inform following data collection episodes. This was done as follows: The case study protocol that informed research and fieldwork would be constantly informed after each data collection episode. That is, after each interview or observation, depending on the preliminary analysis of the findings, the researcher would make additions to the case study

protocol and the research instruments, and would further attempt to inform the exploratory research model. This ensured that the case study protocol and instruments remained updated, as they incorporated all emergent issues to be used in following data collection. This iterative process of data collection and analysis was done within each case and was used to understand where research in each case had reached saturation.

Secondly, comprehensive data treatment suggests that a researcher needs to ensure that all cases of data are incorporated into the analysis, even deviant cases. This was operationalised through the use of the exploratory research model and the constant comparative method. That is, each instance of data collection was preliminarily analysed against the exploratory model, where analysis revealed recurring and emergent themes. The updated research model that resulted after each data collection case ensured that not only all cases were included in analysis, but that these were analysed alongside each other. The constant comparative method in this case ensured that all instances of data collection, even deviant cases, would be incorporated into the exploratory model and evidence of these would be explored against future data collection instances.

3.7.3. External Validity or Generalisability

External validity or generalisability of a research study refers to the extent to which the study's findings can be generalised beyond the immediate context and applied to a wider population (Yin, 1999). As already discussed previously, for researchers espousing interpretivist assumptions generalisation takes the form of naturalistic or theoretical generalisation, where expectations rather than predictions can be made. These are based on the understanding that research results are inseparable from the context in which they have arisen from. Taking this understanding, it makes little sense to try to project the current research findings onto other organisations, since the differences in context would necessarily create different and unique situations for relational practice. Rather, the aim of the current study is to highlight the complexity and entanglement of phenomenon and context that makes up the relational exchange from the experience of the two service organisations and offer suggestions as to how

business service providers can use the study's findings to appreciate and inform their own situated practice. Thus, findings can be used by service providers for reflection and not prescriptive application. Such reflection can aid organisations in better understanding how learning opportunities and needs in relationship stages can inform practice through aiding appreciation of the opportunities afforded by their specific and unique model and organisational context.

The value of the current study's results is reflected in their closeness to real life situations where the essence is to understand and be able to explain the phenomenon in its situated nature, producing results that are in turn situated and context specific. The variation in the case organisations through careful selection has aimed at exploring differing conditions and approaches and can contribute towards generalisation in that they provide an understanding of the complexity of the phenomenon in different settings. As already established, the results of the present study can yield expectations for the practice of service providers in that an appreciation of the context of service providers can be used to understand and shape learning opportunities. To illustrate the particularity and variation of contexts in the two cases, the current study further provides ample detail on the case study context in reporting results (Cook and Campbell, 1979).

3.7.4. Reliability

Reliability refers to the demonstration of the extent to which the procedures of a study are stable and consistent and allow for the research to be repeated with the same results (Yin, 1999; 2009). Adopting interpretive assumptions, the researcher recognises that although no interpretive research and findings can be fully replicated, as they are always the result of the researcher's prior assumptions and the situated nature of the inquiry, a researcher needs to ensure that all else can be designed to be stable and consistent (Silverman, 2005). In doing so, the current research ensures reliability in (a) designing and using a case study protocol for all the selected cases and participants which outlines the entire research process and details its instruments and their administration, and (b) through intensive documentation of procedures and appropriate record-keeping.

3.8. Reflection and Limitations

The researcher has demonstrated throughout this methodology chapter how the limitations traditionally associated with case study designs, including lack of rigour in case design and collection of data, have been addressed by the present study. However, it is still important to acknowledge that every research, no matter how well-planned and designed, always involves inherent biases and limitations.

Adopting an interpretive inductive approach to research, the researcher acknowledges that field research inevitably involves inherent biases. In appreciating these, the researcher is given the opportunity to manage her role and recognise her influence on the field research setting and its results. Firstly, the researcher acknowledges that she is not unbiased in entering the field or analysing research findings as the prior knowledge of the literature may have influenced both the course of the research and the analysis of results. That is, the need of the researcher to reflect and relate to established literature and analysis in the field in order to legitimise existing notions may have restricted her ability to remain objective. Secondly, as reality is said to be socially constructed and as subject and object emerge as partners in the generation of meaning (Crotty, 1998), it is acknowledged that results from interviews will not represent the objective accounts of service providers' practice, but rather subjective accounts that have been jointly produced as a result of the interaction between the researcher and participants.

What is suggested is that as the field research situation is a social situation in itself, and as people respond to the situations they participate in to create meaning, implications arise for the accounts of service providers in the current research. That is, service provider accounts may not be a reflection of their views of their social world but of the ones they wanted to display. Based on this understanding, accounts derived through interviews in the current research should not be mistaken for the spontaneous, unframed life-as-lived situation that existed before the interview (Hall and Callery, 2001). Rather, appreciation of these dynamics equips the researcher with a better understanding of the manner in which particular issues arise. The implications for the

interview process and analysis is that careful consideration of service provider accounts and recognition of the roles adopted may help to shed light on their attempts to 'manage' their 'existence' between their 'lived' and 'interviewed' self.

The study's limitations relate to two aspects of research; the number of case studies used and the level of access for observation of relational practice. Firstly, the restriction of the number of cases to two, suggests that results cannot be used for generalisation purposes. However as discussed previously, the aim is not to arrive at generalisations for wider populations but rather reach theoretical and naturalistic generalisations. The careful selection of cases facilitates this, as the maximum variations in the characteristics of the organisations place the two cases on opposite ends of the 'attributes-spectrum' and research essentially concentrates on two extremes that highlight the intertwined nature of phenomenon and context.

The second limitation of the study relates to the difficulty of access due to the sensitive nature of meetings. Access for observation of client meetings was only granted for initial meetings with clients which necessarily meant that these did not constitute a representative picture of how meetings at different stages progress. However, as the aim of the research was not the generation of objective representations of client or internal meetings, instances of observation were seen as insightful as they were used to add context to service provider accounts, giving the researcher the opportunity to view them in their natural setting as part of the relationship and the organisation and facilitated in informing following interviews.

3.9. Chapter Conclusion

The present chapter has provided an overview of the research carried out within the two case organisations to meet research objectives. It has outlined and justified the methodological design and fieldwork procedures, has explicated the provisions for quality and has reflected on the case limitations. The following chapter firstly explains how the data was analysed, and explores the main findings from the within-case analysis of each case organisation.

Chapter 4 -Within Case Analysis

4.1. Chapter Overview

This aim of Chapter 4 is to present the results of the within-case analysis of two case studies investigated. The within case analysis of each case aims to provide answers to the first and second research objectives and results of each case are presented under respective sections. This chapter provides the groundwork for the exploration of learning needs in the various stages of relationship development, as it lays down the context and relationship process and procedures through which learning needs arise. In the next chapter, Chapter 5, cross case analysis aims to address the third research objective, that is, to identify learning opportunities and needs across the stages of relationship development as these have been informed by the relational approaches of case organisations and the organisations' unique contexts.

The presentation of results and the discussion in this chapter are structured so as to:

- (1) Describe the organisation and its members along with their approach to relationships at each stage of relationship development;
- (2) Analyse the characteristics of the relational approach adopted as embedding conditions for facilitating or inhibiting learning

4.2. Procedure for Analysis of Primary Data: Description, Analysis and Interpretation

Data was analysed using Wolcott's (1994) guidelines for transforming data. Wolcott uses the term transformation of data to suggest that data can be transformed in different ways and to different ends through description, analysis and interpretation. Description follows from the assumption that data should speak for itself to answer the question 'what is going on'. Therefore, the analytical account of data should stay close to the data as originally recorded so as to tell the story of data as descriptively as possible. Analysis then becomes a process by which the researcher expands and

extends the data beyond a descriptive account, by identifying key themes and key relationships. Interpretation follows analysis where the researcher attempts to offer one's own interpretation of what is going on through which understanding and explanations are sought. This aids in transforming factual data to cautious analysis and begins to probe into what is to be made of them.

Following Wolcott (1994), therefore, the within case analysis for each case organisation (Sections 4.3.2 and 4.3.3 for Company A and Sections 4.4.2. and 4.4.3 for Company B) aim to firstly provide an account of the *description* of data by providing a profile of the organisations investigated, outlining and describing the service provider's approach and processes in stages of relationship development, based on accounts of practice and on observation evidence. The aim is to create the platform for further analysis by outlining how the process of moving through the stages of *opportunity*, *engagement* and *maturity* or *dissolution* works in practice for each organisation and how it is approached by individual service providers.

The analysis of data was done in two phases. Firstly, after each interview was completed the researcher would listen to the audio recording, pick up key themes as identified in the interview and these were then used to inform following interviews. Secondly, after the completion of primary data collection in each case organisation, all interviews were transcribed. For each interview, the researcher performed an initial reading of the text and made note of the major issues in the interview in order to acquire a sense of the various topics embedded in the data. After the completion of the initial reading of all interview transcripts, individual transcripts were re-read and the text was examined more closely. This facilitated a micro-analysis of the data where codes were identified for each interview. All codes resulting from interviews of each case were then organised into wider categories and key themes were identified relating to the processes/approach of service providers and success drivers at the stages of relationship development as well as personal and organisational facilitating conditions and perspectives relating to learning. In this step the researcher began to organise the data for cross-case analysis purposes. The same process was performed for analysis of results from the second case. When analysis was completed for both cases, key themes resulting from each case were cross-examined and placed under wider categories. At this stage the key relationships between themes were identified

through cross-case analysis. Once key themes and categories were identified through comparison of the results of the two cases, the researcher revisited transcripts for further examination of the data. This enabled an examination of the data in transcripts in relation to the categories developed through cross-case analysis. Each theme was taken separately and data was re-examined for information relating to that theme. This enabled the researcher to refine themes and explore how these were relevant in each case.

The results of the within-case analysis performed for each case organisation is presented in this chapter. Throughout this chapter, illustrative quotations of in-depth interviews are given to provide the voice and experience of service providers as directly as possible. Key themes/categories and interpretation resulting from cross-case analysis are presented in the next chapter (Chapter 5). The cross case analysis has aimed at transforming the data through what Wolcott calls *interpretation*. As already described above in this phase, the key themes identified through cross-analysis and comparison between cases were refined and further interpreted through re-examination of individual cases. This enabled the transformation of key themes into 'learning opportunities and needs' across stages of relationship development. In Chapter 5, key themes are identified with corresponding learning needs and the key relationships are explicated to illustrate how these became evident in the situated practice and context of the case organisations.

4.3. CASE STUDY 1 - Company A

4.3.1. Purpose and Scope

Company A was the first of the two organisations that was investigated. It was chosen to represent a start-up service provider that had only been operating for 12 months at the time of investigation. It was largely operating within a local market offering training and development solutions. It afforded the opportunity to explore the relational approach of a start-up service provider with a relatively standardised product highlighting the experience and challenges in its relationships with clients. As service providers vary in size and market-experience, the experience of Company A is seen as valuable to the current investigation, as it aims to highlight some of the challenges in terms of the learning potential and learning opportunities and constraints that could be faced by inexperienced consultancies.

For the purposes of investigation, data were gathered in the form of interviews with service providers as well as observation of client visits, seminars and internal organisational meetings. Data were also gathered through the company's website and publications. High level and openness of access into the organisation enabled the researcher to spend a period of 4 months 'alongside' service providers and senior level officials. The researcher was present at the organisation's premises for a few days during each week, however did not reside at the premises full-time as the nature of the work suggested considerable fieldwork time. Rather, the researcher sought to understand the client relationship from the perspective of the service providers through frequent formal (interviews) and informal contacts with individuals in the case organisation.

4.3.2. Profile of Company A

This section aims to provide a profile of the organisation and aims to describe (a) the history and background of the organisation, (b) the context in which it operates and the type of projects it undertakes, (c) the background and function of its members, and (d) its key processes and approach towards relationships at each stage of development.

This section presents the initial phase of *description* (Wolcott, 1994) in which the presentation of data aims to stay as close to the data as it was originally recorded. The aim is to present the organisation and its members through the voices of service providers themselves. This section is thus presented with considerable illustrative quotations, as transcribed from recorded interviews, which tell the organisation's story.

4.3.2.1. Background and History

Company A is a newly established training and development service provider which was set up in August 2008 and at the time of investigation had been running for 12 months. It represents an academic-based partnership in which Company A is the corporate front of University A. The company has evolved out of the University's success and its attempt to commercialise its business operations by engaging employers and providing higher-level-skills development within the workplace. The University had in the past held an in-house department for its commercial operations. However, in an attempt to become more commercially driven, the formation of Company A, as an independent commercial entity, aimed to distinguish the corporate front of the University as a dynamic commercial operation and to enable it to effectively act commercially by liberating the efforts from the slow and bureaucratic structures that traditionally characterise the public sector. Therefore, although Company A is a business unit under University A, in that it functions within the parameters of University procedures, it is operationally devolved in that it acts and manages its operations as a separate corporate entity. In the words of Sarah (BDM – Business Development Manager):

[Company A] is a highly visible initiative, which runs as a devolved structure, functioning within the parameters of mainstream University [For example] the finance systems [for Company A] operate within the central systems of the University, but they have been modified to enable a commercial service to be provided. All customer communication is managed by the [Company A] team. This includes invoicing, debt collecting and queries. The approach has proven to be highly successful ... ensuring that the actual customer face of [Company A] business operation is owned and operated by [Company A] (Sarah, BDM)

Its key proposition is its partnership with its parent university through which Company A draws the expertise and knowledge resources to create and provide

training and development solutions to employers. The aim is to build a corporate image for Company A based on the University's knowledge resources and expertise, but at the same time distinguish its services and operations from the traditional educational services offered by the University. To do so, the company operates under a new business model where services offered are business learning solutions that are first and foremost 'work-based' and are distinguished from University activity in that they are designed to be specific to business clients. Through interviews held with the Managing Director and members of the organisation this was stressed as a key differentiator of their business operations:

[Company A] is not about displacing current University activity, because the University is already very good at that. If it is a full degree that people want then that is what they need to get. We are about reaching people within the workplace and delivering work-based solutions. That is the key differentiator. We are not about just normal, come off-site, have ten sessions or whatever, a year programme. That is an important distinction (Dawn, Director)

Company A only services business-to-business activity and all solutions developed are work-based. [Company A's] offer does not compete with core university business. It is clearly differentiated in its offer of learning opportunities designed to generate work-related knowledge and for learners to apply this knowledge in workplace contexts. (Connor, WDF - Workforce Development Fellow)

The key to the above accounts, is that Company A aims to both associate itself with the knowledge and expertise of the University, but also aims to differentiate itself from the University offering, in that what Company A offers is not university education but rather customised work-based training for employers in the industry.

Within the local market the reputation of the partnering University was well established. Building on that reputation, Company A had hoped to establish itself quite quickly within the market by tapping into the local market in which the University was well established. However, results from the first year of operations have not been encouraging as limited number of projects were surfacing and most projects underway in Company A were projects inherited from the previous business model. Indeed some admitted that:

'We are only 12 months in, and I would say for 6 months of that we weren't really operating ... the truth is we are still trying to get established....we are not there yet ...

we still have a long way in getting people in the market to understand [our] proposition... ’ (Dawn, Director)

‘there aren’t many examples of new projects this year ... there are some previous examples in the way the University has worked.’ (Paul, Head of Corporate Sales)

Members of the organisation admitted that the rate in which projects were coming in was both disappointing and problematic. Indeed many attributed the lack of projects to the economic downturn which had affected clients’ budget on training

Interestingly, the downturn is affecting everybody. Managing directors, chief executives and further down the management line are having to reduce staff. They are having to consolidate business and they’re having to make cutbacks. So, that means it’s affecting marketing and training: the old adage that the first thing to be cut is marketing and training. So, for instance, at a local authority I went to see, they’ve reduced their training budget by half this year. That’s what’s happening, which makes it more difficult for us. (Kevin – BDM)

However it seemed that although the economic downturn had affected the number of opportunities available, the Director of Company A, admitted that:

...£39 billion was spent by industry last year alone on training, of which Universities got something like 1.2%. It is really small, the amount that we got out of it at training level. There is sufficient money within the marketplace that we are targeting, and we need to understand where that positioning needs to take place. (Dawn, Director)

Through their accounts members admitted that there was still a journey to be undertaken to establish themselves in the market as

...people and to be honest not only in the market but also within our network do not really understand the value of our offering. They just view it as overpriced education. (Ann – WDF)

The section below considers the context of Company A’s operations and the nature and types of projects it undertakes.

4.3.2.2. Context of Operations and Types of Projects

Company A operates within the training and development industry and aims to reach employers in the market through offering and developing what they call work-based

learning solutions. Work-based learning solutions involve the development and delivery of be-spoke training and development programmes that are relevant to specific business needs, are work-oriented with the aim of helping organisations achieve progress through their workforce and in turn help client organisations to improve key capabilities within the workplace. As such, Company A has aimed at repositioning itself away from other higher-education institutions and alongside private providers within training and development markets. The aim of Company A according to the Director:

...we are positioning ourselves alongside private providers rather than other HEIs [Higher Education Institutions]. I think that is a key thing for us to do. There is sufficient money within the marketplace that we are targeting, and we need to understand where that positioning needs to take place (Dawn, Director)

However, although closely related to training and development, the company does not identify itself with simply the term ‘training’ as they consider that a key part of their work-based solutions proposition involves a process of consultation which involves identifying, understanding and solving business clients’ challenges:

‘We try not to use the word training, because a lot of the work-based solutions start with an element of consultancy... As I say, we don’t sell [training], we solve. We go into an organisation and solve a number of challenges. We go in and do work with the senior team. Or we go in and do some workshops where we are more a facilitator than a consultant really, where we are enabling [the senior management team] to understand their situation... (Paul – Head of Corporate Sales)

Their key objective, and what essentially service providers claim differentiates their offering, is that it is customised to particular clients and aims to solve the client organisation’s challenges. Indeed, the expertise and resources essential to deliver the work-based solutions are drawn from the University, but they are developed to be work-based and have an impact on the client’s bottom line, and this is done under Company A’s initiative.

When we go into a business now, [...] we go in with a blank piece of paper and what we are really looking for are the challenges of that organisation of which more often than not lead to training and development outcome. Not always... sometimes it can be just at the strategic level, sometimes it might be a change in product and sometimes we might come out and just point in the direction of the university because actually what they would need is a student placement. (Paul, Head of Corporate Sales)

Therefore one of the key objectives of Company A is to deliver training and development solutions that are customised to meet client needs and inevitably this involves a process of consultation where the objective is to understand clients' needs and package learning solutions that can 'solve' client challenges. Work-based solutions could be anything from highly customised solutions to more standardised courses.

Towards the more standardised end, the organisation develops what they call 'collaboratives' through which client organisations can receive accredited training and qualifications for their employees. Collaboratives are usually joint-projects between Company A and client organisations, the aim of which is to evaluate and develop a client's in-house training programme to an accredited standard which can then be offered as a University-level qualification.

Collaboratives worked as follows: During evaluation, the in-house training programme was assessed in terms of its robustness at University qualification level and, where needed, modifications or additions were made. When the programme was accredited by the University's relevant committee, a qualified trainer needed to be assigned to deliver the programme. This could be either an academic within the university, or the client's existing in-house trainer who would be given the status of Associate Professor to qualify in running the programme. The essence of collaboratives was that clients were able to further develop their workforce by offering a university level training that was equivalent to that of trainees with a university qualification. Such projects involved relatively limited risk for clients as collaboratives rarely involved radical changes to already established training courses, and offered the luxury of ownership of the end service by the client, as in most cases this continued to be delivered by the existing trainer. Collaboratives were relatively low risk and low maintenance for Company A, as the work included evaluation and not development of a new training solution. Such projects secured a long-standing relationship between Company A and client organisation due to the association of the newly accredited training course and trainer with the University.

Although a lot of the projects that Company A was involved with at the time of investigation were mostly collaboratives, they emphasised that the accreditation

offering was only part of what they did. Their aim was to develop more into be-spoke work-based learning solutions, which involved customised solutions to meet client challenges or needs. These projects were more complex as from the onset they involved a process of consultation (as illustrated in previous statements) as the individual service providers needed to understand business needs, diagnose problems and propose solutions appealing to the business clients.

' part of our role is to get inside the client's head and understand what they really need... we need to actually listen to the client's requirements and understand what are they really asking for, you know 'they said this, but is that what they really mean? Is that symptomatic of something else that we can help with? ... and this is quite a challenge and we need to truly listen and be able to say well do they want or need accredited training? Is it actually consulting they need? Can we give them some workshops to get them off the starting dock? Do we need to give them some personal analysis, leadership development? Do we need to help them understand more about themselves and about how they are operating? Do we need to give them team development? So the skill is understanding what they are saying and understanding what they really need and then trying to package a solution in a way that suits that particular client's requirements. (Angela, BDM)

However, members of Company A admitted that in reality rarely anything was developed from scratch. That is, work-based learning solutions were in most cases compilations or combinations of work-based learning courses already in place or off-the-shelf solutions and were seen to meet project outcomes. The Company's promised *be-spoke* element was in these cases the unique to the project combination of established work-based learning courses.

Even though we are said to develop bespoke provision, very, very few things are ever developed from scratch, but it's how we build it back together and contextualise it to that business need and that business problem that makes it a different offering (Steve, WDF)

What we don't want to be doing is every time we have a new client to develop something new. So, if one client wants 'marketing' and another wants marketing, we might present them with the same Marketing module but deliver it in a very different way. In one, we might have classroom teaching and for the other we might have marketing workshops. (Kevin, BDM)

At the time of investigation, the organisation had been running for 12 months, and most projects completed or underway were projects inherited from the previous

business model (the University's previous in-house commercial operations) while only a limited number of new project opportunities were emerging. Most projects took the form of 'collaboratives' while only a limited number of projects involved customised work-based learning solutions and these were mostly inherited from the previous business model, through the University.

4.3.2.3. Background and Function of Members

Company A seemed to operate under a complex human resource structure where a number of constituencies within Company A and the partnering university became involved in the sale, design and delivery of Company A's solution. An organisational chart of the Company A can be found in Appendix F. The following discussion explores the background and function of Business Development Managers, Workforce Development Fellows and University academics and explores how each becomes involved in the design and delivery of solutions.

Company A employed a team of four Business Development Managers (henceforth BDMs) supervised by the Head of Corporate Sales. BDMs were the front line sales people responsible for generating leads and developing business, making and closing sales and then managing of client accounts. Of the four BDMs employed by Company A two had been inherited from the previously in-house commercial department of the University and they had transitioned into the BDM role from their former corresponding role within the University. They were inherently academics but had worked in an employer engagement role for many years. The other two BDMs were recruited from the industry where they had been employed in sales and consultancy roles.

The BDM role included diagnosing the client challenges and working closely with workforce development fellows (WDF role explained below) to develop the learning solutions. BDMs saw their role as inevitably similar to those of business consultants as their role inevitably involved understanding the client challenges and proposing solutions to meet those challenges:

From my point of view ...[the role's] got to be classed as a business consultant,

because there is so much.... I mean you are ranging from development courses, management development courses to putting graduates into businesses for two years, a year, two years on a knowledge transfer partnership. That's not development, that's seriously getting involved in someone's business... You need to be able to work as a consultant and understanding every single area of [the client's] business or certainly the fundamental areas of it and be able to hold a conversation around it and identify certain areas [of development]..... (Chris, BDM)

BDMs were essentially the sales team that needed to generate new business opportunities and their role was critical for Company A, as the organisation was in great need of new business. BDMs did not have expertise in specialised areas, therefore to develop solutions they needed to collaborate with workforce development fellows.

Company A also employed seven Workforce development fellows (WDFs) of whom five were located within the faculties of the partnering university and two were housed within Company A. All of them reported directly to the Head of Learning. WDFs were the links between the University's resources and the corporate front. They closely collaborated with BDMs and were responsible for translating business needs identified by BDMs into learning solutions.

Among our primary roles is ...we use the generic term 'employer engagement'. So our job is – and I interpret that as to be able to meet with employers whether they are public sector or private sector; whether they're big or whether they're small. Try and help them determine what their needs are in terms of either knowledge transfer, if it's required; management development, if it's required; specific skills training, if it's required; some sort of technical skill etc. (Steve- WDF)

Furthermore, they were responsible for locating the resources to deliver the solutions from either within the partnering university or from outside training suppliers. WDFs represented the link between the University's institutional knowledge resources (from which resources are usually drawn) and Company A's commercial operations. For this reason they were considered as the '*knowledge gatekeepers*' that facilitated the design and delivery of work-based solutions. WDFs were academics but had significant market experience. This was considered important for their role as it equipped them with a commercial awareness that was regarded as essential in translating clients' challenges into learning outcomes and solutions.

Although not employed by Company A, the organisation collaborated closely with academics within the partnering university for delivery of their solutions. The partnering university was Company A's primary supplier for delivery of work-based solutions. Throughout the five faculties of the University, academics were subcontracted by Company A to deliver the solutions developed by WDFs. In many cases, academics worked closely with WDFs and contributed to the design of solutions.

Throughout interviews many noted that the complex human resource structure of Company A, created problems in the design of solutions as it created a number of layers that hindered quick response and flexibility. Furthermore, the complex structure also created hostility among the various constituencies involved as the roles of each had often become blurred and as each brought a different perspective to the potential solution. This will be further explored with illustrative commentaries in the section below.

4.3.3. Relationship Processes and Approach during stages of Relationship Development

Within the relationship process BDMs, WDFs and academics from the partnering University all become involved in various stages to diagnose, design and implement Company A's solutions. The following section considers the processes of managing client relationships across the stages of development, delineating the organisation's approach and the roles of the various contingencies in each.

4.3.3.1. Opportunity Stage

Generation of Leads

Initial contacts with clients were initiated by BDMs, in their effort to generate new business. As already explained in the previous section, BDMs were responsible for developing and expanding the client portfolio, in that they had the responsibility of acquiring new clients and developing new projects with existing clients. As the organisation was newly established at the time of investigation, the need for generating new leads and business opportunities was high.

To do this, the team of BDMs concentrated on a number of ways for generating leads. Firstly, Company A's sales strategy was based primarily on establishing Company A within the local market, exploring profitable sectors, and to some extent matching University capabilities with sectors in the market. At the time of investigation the sales strategy was still developing. The sales strategy was explained by the Head of Corporate Sales as follows:

Part of the sales strategy is the geographic element. We have a local employer base that we want to be very close to, and very much sort of secure, you know, unlimited revenue through the guys on our doorstep. Just because it is easier to work that way. Our primary intention is to get that local base firm, and then use that as something that gives us a climate to move out. In other elements we look at specific sectors and say, "Well, where do we think there is a need". Indeed, the key consideration is the budget... where we are trying to get to a point where we can understand where the money is so we can, hopefully, follow the money. That will primarily dictate the sectors that will be of interest to us. I mean clearly there is an element of matching the capabilities that we have within the institution too; where would that apply? In terms of technology that might be to engineering companies for example, there is a close correlation. Probably the business skills are more generic, and there are maybe more receptors. (Paul, Head of Corporate Sales)

This entailed that BDMs needed to have or establish an understanding of the local market and in many cases that meant that they needed to be on the phone with clients to secure potential appointments. BDMs would therefore scout the local market for potential clients and as the company lacked a clear segmentation strategy for generating leads, the criteria used were rarely sophisticated enough to uncover areas with real potential.

Secondly, new client leads were also generated through a pool of personal contacts of BDMs, WDFs and university collaborators. This was considered particularly important for Company A as it enabled it to tap into and take advantage of key relationships of the various constituencies within the market. This would in turn help to establish the organisation through these contacts and create a network through which the organisation could expand.

I have been in sales all my life in one shape size or form, and people buy people. With the best will in the world they do not buy an organisation, they buy people. Therefore, we have got a number of contacts, where people have got the key

relationships with sitting faculty [at the University] or with our BDMs and WDFs so our strategy this year is to work alongside that. (Dawn, Director)

Myself and my colleagues are all active within the event industry, and relatively well known in terms of working in events and around events. So good links in industry, all of my colleagues have that, we've all come from industry and into academia. So when we first started I went out to all my contacts and started exploring possibilities there... There's also a few associations which represent the industry and I sit on the council too. So, it's good to be on the council of the National Outdoor Event Association, because you can start to shape their direction in terms of what they're offering their members ... What we try to do is focus that around training and education and information needs. (Connor, WDF)

Although the above seemed particularly promising, it seemed that Company A had incurred challenges regarding the generation of leads. Firstly, although an effort was made by Company A's management to engage collaborators within the University for potential referrals, during interviews members of Company A admitted that although there was a general support from the senior team at the University for Company A, this was not operationalized into potential leads and referrals.

The influence at the top [at the University] has been great. In all honesty, I suspect sometimes people say they agree but don't always demonstrate that in practice... There is a need for a cultural shift within the organisation [University] to embrace us as a partner rather than something we are doing to them...some people at the university, and quite at senior level, thought we were just a sales-on arm at the university. We still have a lot of communication work to do ... [as] Company A seems [to them] a bit of an itch where as it needs to grow substantially and become a key part of their practice... it's still a journey to be undertaken...It's about understanding that we [Company A] have a field of practice and that is work-based learning. So, we are not just a sales infrastructure nor just an admin team - we are a work-based solution provider ... and that's quite a big challenge for an organisation like the University... To be honest, we still have a long way to go in getting people to understand what Company A's proposition is." (Dawn, Director)

Adding to the problem, members also admitted that there was a general hesitation among collaborators at the University to refer work to Company A, as Company A was seen as competing with their work. Consider the quote below:

People [at the University] tend to be sensitive and protective of their contacts. "I've worked really hard on this account, why would I want Company A to come in and take all that?" ... to give you an example when we're talking about [putting up] case studies on own website, we've got hundreds of cases in the University, but when you talk to them to put that on Company A website, [the response is] "Oh no you've not done that"I think once people understand we are not there to take anything off

them, undermine anything they are doing, displace what they are doing, people become far more comfortable. That route, and to be honest if we had brought more business in, the journey would have been easier (Rob, BDM)

The experience for Company A has been that within their twelve months of operations limited referrals were made by collaborators at the university. Furthermore, during interviews there was a notable tension regarding the generation of leads and ownership of the client contact between BDMs and WDFs. Some WDFs felt that they had taken on the job of BDM as in many cases they were the ones generating leads due to their links within the market and due to their knowledge of University resources. Many felt that BDMs were not sufficiently equipped with the knowledge necessary in approaching clients and lacked an understanding of the market and the ways of approaching it. This resulted in many instances where potential leads remained unexplored as there was a tendency for members of Company A to be protective of their contacts.

The tensions, between BDMs and WDF and between Company A and the partnering University described above, coupled with a sales strategy that was still developing, resulted in limited number of potential leads arising. A newcomer in the organisation indicatively said:

When I first came here, I've been here nearly four weeks now, I rang everybody and said, "How many meetings have you got? I want to come out and sit in on a meeting." Apparently, no one's had any meetings for four weeks, because, I have sent that e-mail out two or three times and the only conclusion you can come to, is that no-one has sat any meetings in three or four weeks (Chris, BDM)

First Meetings

When an opportunity was identified, initial meetings were held with clients at the client's premises and the aim of BDMs was to introduce the organisation and discuss the possibility of collaboration. During these first meetings, BDMs explained that they had to overcome a number of challenges, including the fact that Company A was not known to clients. The following comments are indicative of this situation:

Very often we are asking clients to take a leap of faith with us, because we are new to them. I think we are trying to be more personal about it, so make the personal connection ... That first meeting is about a range of things ... It's that whole rapport,

it's the fact that 'Do I trust this guy' Yes it is an informal chat but you need to be as open and honest as you can about it' (Rob, BDM)

Making a personal connection and establishing personal trust was considered particularly important at this initial stage. Through interviews, BDMs suggested that during those initial meetings they had to take on a counselling role, and what was important was asking the right questions to ensure that you understand the client's challenges and also show empathy:

I think it's about almost having counselling-type skills, and showing some sort of empathy. It's a bit like a counselling role really, when you're in front of a client. A lot of the skills that you would get from a counsellor like ... helping people reflect, and paraphrasing and all the rest of it. I think those skills are really important to make sure the client knows that you understand what their problem is... counselling skills that you need are things like paraphrasing. Paraphrasing would be when somebody explains something to you. Then you explain it back to them in your own words and make sure that you understand it. There are things like that, open questions, making sure you've got empathy with the person and good listening skills. (Kevin, BDM)

In a first meeting, what I would do with a company would be to do a brief, try and answer some of these questions: what the nature of the business was; the background to the requirements, maybe looking at which direction that company were going; what they thought that their particular needs were. (Angela, BDM)

In order to be able to make that personal connection, BDMs recognised that they needed to be asking the right questions. To do this, it was considered important that the BDM established an understanding of the organisation and its challenges prior to the meeting. Furthermore, making the personal connection was only part of the challenge. BDMs recognised that they needed to establish to the client that there was value in the collaboration with an organisation such as Company A. As such, some BDMs aimed at presenting and explaining successful previous projects to illustrate how Company A has in the past helped clients.

...[in initial meetings] you've got to paint pictures and tell stories. So, the story I've just told you [success story about a customer] is what I'd tell all the customers to give them an idea of the breadth of work that we do'. (Rob, BDM)

Developing and establishing rapport as well as building a case for the organisation was part of these initial meetings. However, within the team of BDMs some noted that they did not have confidence in the skills of some of their team members, as in

many cases they felt that they either did not have the commercial knowledge to have those intelligent business discussions with clients and in other cases they had limited understanding of the market to begin with and the ways of approaching it.

in order to go and sell to a business you have to have quite a good understanding of how businesses work. You have to have an affiliation with their operation. Unless you have actually been in the commercial world, it makes it really quite tough to go there and understand some of the issues that they are bringing up, and then be able to respond in a very competent manner. (Paul, Head of Corporate Sales)

Furthermore, many BDMs acknowledge that it was critical that within the first meeting or at least within the first few meetings they presented a proposal in terms of ideas of how Company A could assist the client in developing workforce capabilities or meeting organisational challenges. Particularly they suggested that:

... we need to be quick because that might be the only opportunity we get to see them... the first meeting will be trying to get a list of needs that we think we can respond to. From that meeting ... learn more about the organisation, and then the right way would be to say, "We think we can help you here. Can we go away...?" Not necessarily after the first meeting, it may take one or two, but pretty quickly to be saying, "I think we can help. Let me go away and work up what that solution would look like." We try to get to the point very quickly where we have something on the table to discuss and say, "Look. Does this satisfy what you are looking for?" (Kevin, BDM)

Hence, the discussion in first meetings quickly moved to how this could be operationalised to address client issues. Due to the limited time frame from first meeting to proposal generation, some admitted that an in-depth understanding of the customer was very difficult and therefore their efforts concentrated more on 'quick wins' usually operationalized in off-the-shelf standardised solutions:

Because [Company A] is so new ... I think what we're trying to focus on at the minute, is quick wins in terms of £5,000 - £10,000 deals. Get into businesses with quick products and then the ideal there then, would be to network throughout that business and start looking at other areas ... In terms of money coming in and deals, it would be quicker. As opposed to a six, ten month consultancy project, that may take six to ten months to actually get off the ground. (Paul, Head of Corporate Sales)

This was not surprising as the time spent with the client was relatively short, in one or two meetings, and in that it was difficult to fully understand the clients challenges. One of the challenges of the short time frame from first meeting to proposal

generation was that in many cases, as the time did not allow for an in-depth understanding of the client organisation, the potential for collaboration was based on the BDMs' appreciation or perception of the opportunity or of the client problem. Due to the fact that the organisation was in desperate need for new business, in many cases BDMs were seen to chase up projects in which there was no real potential for collaboration. Consider the below example:

...we carried out the meeting with this lady, of a company. Sat down with her and she talked and talked... which is great, told us all about the business. But, because we got loads of information about the business, we came away like ... "Well the meeting went really well [said other BDM]... And I'm like, "We got nothing from her, absolutely nothing. She's told us all about the business...but she's not said, "this is the issue we've got and this is the issue we need to solve." So we can go, "Great, big circle around it, that's the one... Or we'll have three of those." There's nothing. But the fact that he [other BDM] had a nice meeting was enough, for him to come away thinking... he would have made up stuff but realistically there was nothing there. So you've got to be realistic, you've got to be clinical in your time, with whom you're dealing with. If there's nothing there, then just say, "There's nothing there" and you move on. (Chris, BDM)

Clearly, first meetings were critical for the development of potential projects. However, it seemed that the number of challenges relating to client's unfamiliarity with the organisation, the short time frame afforded by clients and thus the limited understanding of clients' challenges by BDMs, coupled with the lack of assessment with regards to the real potential for the project and the eagerness to bring clients in and show potential for meeting targets, were all reflected in the number of projects underway as well as the potential for new ones in the twelve months of Company A's operations.

Proposal Generation

If initial meetings were considered as not discouraging, BDMs would work closely with WDFs to produce a proposal of the envisioned solution. The collaboration of BDMs with WDFs aimed to transform and translate the perceived client needs into corresponding learning outcomes for the project. These learning outcomes were in turn designed into a workable proposal of what the proposed solution could include. In the cases where in designing the solution there was a need for further clarification of client needs or challenges, WDFs would accompany BDMs to follow-up client

meetings to provide professional academic guidance to clients. Three major challenges were evident in interviews at this stage. The first issue as many admitted was that there was lack of urgency in getting proposal through to clients.

In terms of the way [other BDMs and WDFs] do it, of getting proposals back to people is criminal really... When I'm having the conversation with fellows ... they're sort of saying 'Right okay, drop me an e-mail and we'll arrange a meeting for next Tuesday and we'll sit down and have a chat about it. Then I will get back to you, after that, probably Friday... If you are trying to get into companies that won't be good enough. ... [when they have developed the proposal] they email it [to the client]. They email proposals. They email them back to the client and sit and wait for a week until they hear from them... Nobody as far as I am aware will get a proposal [and say] 'Right, I've got a proposal, back on the phone to ... get the solution sorted' (Chris, BDM)

This lack of urgency meant that in many cases, where there was actually a potential for collaboration, the delay in generating and getting proposals through to the clients meant that a potentially viable lead could have gone cold. The second major issue that became relevant at this stage was that as the design of the solution required close collaboration between BDMs and WDFs in translating business needs into development solutions, it was very important that there was clarity and consistency of purpose between the two teams. However, from the research interviews it became evident that there was an obvious tension between BDMs and WDFs and this was reflected in the lack of consistency regarding the priorities of solutions as well as a lack of trust among them regarding the skills of each.

The most obvious and manifest way that leads to a tension is that Business Development Managers are looking for the most cost effective proposal they can develop, clearly that delivers learning objectives to get the quote as cost-effective and as competitive as they can. Whilst we [workforce development fellows] are much more interested in trying to develop a broader relationship, and less frankly focused on one short term piece of business. (Steve, WDF)

In many cases this tension impacted both the nature of the solution but also the time frame through which solutions were prepared.

The third major challenge at this stage, as admitted in interviews by both BDMs and WDFs, was that as the processes for generating solutions that were usually associated with the processes of the University, were complex and time consuming, in many

cases this resulted in off-the-shelf solutions that were easier and less complex to compile. Consider how a WDF has explained the challenges in the processes of creating be-spoke (customised) solutions:

The truth is if we're knowledgeable we try wherever we can to use solutions that have worked in the past; then we try and contextualise those to meet the needs of the employer. So if for instance somebody says to me, "Yes our real issue here is we've got a lot of people that know how to manage, but we've got very few people that know how to lead.". So either I know of a pre-existing off the shelf solution that could be de-texturised, or I know who to go to [within the University] and say, "Look, this is their needs; is there something we can do here? Does it pre-exist, or do we have to build it?" Now the real challenge there is frankly if you have to build it it's extremely difficult to cost. The hidden cost of actually doing something from scratch, developing it as a module, putting it through QED, if it's delivered off site, going through the site visit, if it's collaborative, their people will do some, we'll do some. we don't have a set of processes that are designed to support employee engagement in the way that it needs to be sorted. So what do you then say to the client? We've developed this absolutely unique programme for you, and it will cost us X amount to develop it, and then Y amount to deliver it. Or alternatively I've got something which looks pretty much like what you've described and I need to contextualise it a bit, but instead of costing you 35k it cost you 15k, what do you want? So it is a challenge. Do you use what's there, which has been developed by skilled subject experts for a particular audience, it's been hung, the materials are there and the resources are there, it's gone through QED, but actually might not fit what your client needs... It does lead to a tendency to say, "Well what's available off the shelf? (Connor, WDF)

As a result of the above issues, in most cases, the proposed solutions that were offered to clients took the form of combinations of existing work-based modules offered by the partnering University. The appropriate combination of work-based modules was designed to meet the learning outcomes set, which was in turn seen to meet client needs. However, as explored above, the challenges in the process from initial meeting to proposal generation meant that in many cases the solutions offered did not aim to solve client challenges but were rather attempts to secure quick wins within the market.

4.3.3.2. Engagement Stage

If the client agreed with the proposal, a contract was negotiated and drawn up. A contract secured commitment of Company A and senior management at the client organisation to engage in the project. Due to the nature of the solutions offered by

Company A, during interviews BDMs and WDFs both explained that this phase was challenging in that it involved what they called ‘two phase’ sell. That is, as solutions offered were in most cases training and development solutions, Company A needed to secure both commitment of senior management, but also needed to ensure satisfaction with the receivers of the training solution that were in most cases the client organisation’s employees. This posed a challenge for Company A in that BDMs and WDFs needed to develop a value proposition that satisfied and met the challenges of the client’s senior management, but also needed to ensure that this was demonstrated as an impact on bottom line. In other words, they needed to ensure that delivery of the solution had an impact on the people that received the training.

‘There are always two sells to whatever we are doing. Your primary sell is to the organisation. Then you actually have an internal sell to the employee who has actually to undertake the transformation in some guise. (Dawn, Director)

You might have a wonderful relationship at the top level, with the manager, but the students [employees who are receiving training] might not like the deliverer. (Ann, WDF)

This proposes challenges for the design and delivery of the solutions, but also imposes implications for the management of the relationship with clients. During the stage of engagement, client decision makers would act as overseers and approvers of the solution development process, which was developed almost exclusively by Company A. The proposal was further developed and distilled by WDFs into the particulars of the training and development solution, specific modules, sequence, time frames, type of assessment for each, etc., based on the requirements of the learning outcomes agreed on with the client.

Once a solution had been developed, approved and agreed on by the client, WDFs were responsible for involving the appropriate knowledge resource within each University faculty, that is, the academics who would implement or deliver the designed solution. WDFs could become actively involved in delivery or simply support their academic colleagues within the university during delivery. At this stage, the hand over from WDF to the deliverers of the solution posed significant challenges as what was developed as a solution needed to be communicated and delivered as such. Therefore, effectiveness of the implementation at this stage was seen as two-

fold. Firstly, it rested on the effectiveness of the structures and content of the developed solution and secondly on the effectiveness of delivery. What was important at this stage by WDFs was their ability to blend the solution into something that academics could deliver. In many cases they suggested that:

Academics are used to lecturing. It is a huge transition for them to adapt to a work-based teaching style ... They would be used to dealing with traditional students, not people employed in the workplace. So it's different, in that you can't just go in, you can't just deliver a course... it's like death by PowerPoint... You've got to do activity-based learning and link it back into people's own context, which is the workplace, and quite often academics, not necessarily through their own fault, because they've not had experience of it, don't know how to do that. You've got to show them. What I've done in the past is I've provided the structure for people and showed them some exemplar lesson or actually help them design the lessons. Once they get it they can then do it themselves. (Kyle, WDF)

During the engagement stage, therefore, WDFs would tend to sometimes supervise delivery while BDMs were involved in account management, that is, seeing that the project reaches completion. One of the challenges identified by BDMs at this stage was that due to the indirect nature of solutions, it was very difficult to provide measurable outcomes and as such most of the satisfaction with the solution would be in the hands of deliverers.

...it is not always easy to link something measurable to the training. A lot of the benefit can be in actually how the employees [who are receiving the training] feel, and how they feel about going to work. Well, that is not necessarily an easy thing to measure. (Angela, BDM)

Managing therefore consistency of diagnosis, design and delivery was rather complicated in that it involved a number of different constituencies, from varied backgrounds and the process of transition from one stage to the next did not only require management of the client but more importantly management of the internal operations and relationship.

4.3.3.3. Maturity Stage

Company A had no projects that had reached this stage. However, some members suggested that the way BDMs approached current projects and relationships with

clients was problematic in that the emphasis was more about getting new business and less about managing existing accounts. Some members suggested that it was critically important that BDMs remained as overseers of the project and revisited client organisations after the completion of delivery. This could facilitate building confidence in the value of the project and would facilitate in maintaining satisfaction by showing an impact on bottom line.

...you need to re-visit clients. You need to have a clear understanding of how this has helped them. Again it almost refers back to another serious business conversation. ok, there's the first one, that's the presentation, it's closed. It's been delivered, and now we've got to re-visit in six months, three months, whatever it is, or on a quarterly basis. To then and have something really measurable that says, "That's improved, that's improved, that's improved, all this has happened." It has to happen from the client's point of view. They need to understand that, if you are going to grow that relationship. That it has worked. They need to understand the value. What you don't want to do is get wrapped up with "Okay, there's the budget, we've spent the budget, and we can now say that we've got this management development programme for all our staff (Chris, BDM)

It could further lead to potentially new projects with existing clients or it could just facilitate in maintaining the lines of communication and collaboration open so that they could be revisited at a later stage. Furthermore it could help Company A in getting established as it would have something measureable to show to prospective clients rather than just building on the trust to the individual.

4.3.4. Analysis of Results – Characteristics of the Relational Approach as Embedding Conditions for Learning

The previous section has aimed at describing the organisation, its members, the processes and approach towards relationships, and has aimed through illustrative quotations to tell the story of the organisation as this developed through data collection. The discussion aimed in this way to stay as close to the data as it was originally recorded. The aim of this section is to begin the initial analysis of the results of Case A. To do so, the following section aims to analyse the approach to relationships adopted by Company A, through identifying and analysing the characteristics of the approach. Taking into consideration that relationship approaches may range from distant to more collaborative, characteristics identified are explored

under the following categories: (a) the nature of project solutions and the associated view on knowledge, (b) the identities adopted by service providers and the power dynamics of the relationship, (c) the nature of interactions, the level of participation and the nature of dialogue among participants.

The analysis of the characteristics of the relational approach adopted here begins to paint a picture of the embedding conditions for learning in relationships. To be able to encourage learning relationships, as has been discussed in chapter two, organisations need to be able to embrace approaches that encourage and demonstrate learning in action, approaches where participation and dialogue is key and where the ability to read and learn from the local context provides the basis through which to actively embrace learning in relationships. The characteristics of the relational approach presented here provide evidence as to whether the approach adopted by service providers facilitates or impedes learning in relationships. Throughout the analysis, the consideration of the effects of the organisational context aids in adding depth to the reasons that may impact the relational approach adopted by service providers.

4.3.4.1. Nature of Solutions and Views on Reality and Knowledge

Depending on service provider's view of reality and knowledge, either as independent and abstract or as situated and contested, it is argued that service providers would adopt approaches that resonate with these views and that these would be operationalized through their approach to relationships. Within Company A, the approach of service providers demonstrates a view of reality and of knowledge as existing independently of any interpretation of it by individuals or the organisation. This was operationalised in service providers' insistence on assigning generic pre-existing solutions to different projects. The view that by combining pre-existing courses in new ways could apply to any situation, irrespective of the context of the client organisation, proposes that service providers in Company A viewed solutions as existing prior to and independent of the context of the client organisation. In the case of collaborative projects, since 'solutions' (that is, in-house training programmes) were already in place, appropriate modifications were not made based on an assessment of the in-house programme's relevance in addressing client issues, but

were rather made for accrediting such programmes at a University standard. Consider the following explanation of a successful collaborative project:

Our collaborative with Organisation X was a true collaborative. It was their programme that they were already doing ... on receptive management... that had no accreditation to it... One of the reasons Organisation X wanted [to develop this into an accredited programme], was because when [the current in-house deliverer] went on to retire, they wouldn't lose all that expertise. We had to do work with [the client] to get it up to the level of academic rigour that we were comfortable with and it is now a Company A course.... (Ann, WDF)

In the case of 'bespoke work-based learning solutions' for example, the context of the client was taken into consideration only for the purposes of arriving at the right combination of courses to fulfil the work-based learning outcomes set. Consider a BDM's account of a successful bespoke work-based learning solution:

I've been involved with OrgZ which is a mid-size SMA, a family firm. The Managing Director moved into the company, and he said they were in the last century with all the processes, the practices, with the family firm. It needed dragging into this century. So, he approached me and said, "I've got some ideas, but I need help. I can't do it all myself." So, I put in quite a number of interventions. We got a student to look at an automatic clock-winding project for the company, and that was proved very, very successful. We did a customer service programme with some of the admin and support team. We did a senior management development programme, where the managers did a particular project linked to their function, so marketing, finance, factory manager or whatever, and made improvements (Kevin, BDM)

In the above reference to a successful project, the elaboration of solution design included modules that were in easy to compile as these pre-existed as modules at the University, but had not been developed or customised to the client's needs or requirements. This pre-determined notion of the solution was not only evident in the operationalisation of specific projects, but was also evident in initial meetings with clients. In the very early stages of the relationship, service providers were observed to 'push' generic solutions and ideas onto clients in an effort to secure the contract. This was particularly evident in an observation of a client visit as described below:

A first meeting was arranged with a junior level manager at the client organisation and the meeting was held at the client's premises. Prior to the meeting, the BDM explained to the researcher that he thought there was a potential for a project, as through a search of the web he discovered that organisation did some in house training for its collaborators and this could potentially turn into an opportunity for a

collaborative project. So, in preparation for the meeting, the BDM explained that he had drawn up a possible 'collaborative' solution that could be presented to the client at that initial meeting and possibly expanded further after a few discussions with the client. (Observation of client visit)

What is evident in the above observation is that the BDM even before the first meeting, had already decided and elaborated on a solution that could be 'pushed' onto the client without any prior understanding of the client organisation and its needs. The examples presented above indicate that resulting solutions were based on a perceived understanding, rather than actual understanding of the client's needs, and again these tend to be generic solutions based on blends of existing courses combined in ways to meet the perceived client needs. This trend was evident throughout most service provider accounts and in a way it seemed to make sense; how could service providers provide context-specific solutions on such a limited understanding of the client needs? Resorting to pre-existing generic solutions therefore became the safe way to go.

Adoption of such actions demonstrated an approach to relationships that promoted solutions that existed prior to and were independent of the situated context of the client organisation. Within such solutions, knowledge was treated as abstract and disembodied, as it was viewed to exist prior to and independent of the knowing subject and context. The emphasis in these cases was placed on the conversion and codification of expert knowledge resources so that these could be made explicit within work-based solutions. It was apparent in service providers' accounts that the definition, design and delivery of the proposed solution, either in a collaborative or work-based solution form, rested with the service provider (BDM or WDF), who possessed the necessary expert knowledge to perform these activities.

Because of our commercial experience... at least my commercial experience ... having worked in the energy industry for 25 years ... I have a skill set to translate what clients want into appropriate solutions ... the ability to go into an organisation and to frankly be able to have a number of specialised skills and understanding so that you can talk to them in their language about a whole host of issues and not be found lacking, to more importantly to understand the models and concepts that you can apply to different problems. You need to be able to do that. So often we will find ourselves in the position of saying, "Ah this is what you need" (Steve, WDF)

As such then, knowledge transfer was observed to be one-way from the expert

service provider to the client, and its successful appropriation was based on the effectiveness of the mechanisms designed into the solution and delivery by the service provider. This view of knowledge in service providers' approach is not surprising, as the academic platform through which BDM and WDF operated in is largely associated with the production and transfer of such abstractly existing knowledge.

Academic Background Imposing Challenges on Understanding and Operationalization of Work-Based Solutions

The academic background of most service providers seems to provide some answers for their insistence on the power of abstract knowledge and the adoption of generic standardised solutions. Stemming from a background that is based on the production and transfer of abstract knowledge, BDMs and WDFs viewed themselves as the possessors of this expert abstract knowledge. As such then, the relationship became the platform through which expert knowledge could be transferred to clients to solve and address client challenges. Service providers, stemming from an academic background, viewed their approach as unproblematic as they viewed that client issues could be solved through the right use and combination of academic resources. Not all of Company A's members however shared this appreciation. Rather, individuals stemming from an industry background saw this approach as problematic in that they recognised the limitations in the pre-defined solution model. However, it seems that even in the case of BDMs and WDFs that had industry backgrounds, this approach towards solutions was prevalent and was seen to be the result of them adapting to and conforming to 'the system'; that is, the organisation's internal procedures that favoured such generic solutions. The effects of the academic background on the choice of approach are demonstrated in two ways.

Firstly, it became clear that the academic background imposed restrictions on certain BDM's and WDF's understanding of what solutions were possible under the new work-based learning model. What was observed was that in most cases bespoke client-oriented solutions viewed by management as the core of Company A's proposition gave way to standardised training programmes that were mostly off-the-shelf solutions. This was partly the result of the confusion or misconstruction within the network of academic BDMs and WDFs as to what was really possible under the

new proposition of work-based solutions. Members' difficulty in understanding these new possibilities resulted in difficulties in the ability to diagnose and propose appropriate solutions for specific business needs.

... For the first nine months I think [some members] struggled to understand what we were actually doing. Because they couldn't see where the difference was [with the previous model]. I think they still struggle to completely understand the solution.
(Dawn, Director)

This was especially difficult for BDMs with academic backgrounds (and previously associated with the University) who were used to selling university courses, not solutions. Although there was a general understanding of the new proposition, there were limitations in operationalising and translating the new philosophy into actual work-based learning solutions. For example, although in most accounts a '*blank paper approach*' was claimed to be adopted (the new lingo of the new work-based approach), this was rarely the case. Recall the observation example given above, where the BDM had already decided and prepared an outline of a proposal even before the first meeting. Under the new model, BDMs were encouraged to enter meetings with no predetermined solution in mind so as to allow for the joint production of the proposed solution with the client.

We have encouraged people to go in with a blank piece of paper, find out what the challenges are, and then come out and put together a solution, of which could be a course. It may be a workshop. It may be a piece of research. It will always be work-based. It is quite difficult sometimes for people to get their heads around that. (Paul, Head of Corporate Sales)

This was however a double edged sword. Due to the difficulty of some BDMs in understanding how the new model could be operationalized, and their limited commercial exposure, the result was that they would retreat back to their comfort zones; that is, selling predetermined courses, or off-the-shelf solutions. Having been grounded in an academic role prior to Company A, these BDMs were used to selling standardised university courses and the change into focus to work-based solutions meant that they had to transition into a new model for approaching solutions.

Because it is a very complex sale and proposition, it is much easier to be able to go out and sell work placements and suggest courses... I think that [some] haven't got the business background that enables them to have those very competent

conversations that are needed... so they go back to what they've done in the past.
(Dawn, Director)

This was also reflected in the nature of projects undertaken as most were low-maintenance ('*collaboratives*' - existing in-house training programmes requiring accreditation) while limited initiatives were truly client-oriented.

Secondly, the effects of the academic background can also be seen in the process of translating business needs to work-based solutions. As the system and network of collaborative relationships involved in fulfilling project outcomes (from BDMs to WDFs and academics) were grounded in academia, it seems that even in the case where individual service providers viewed and aimed at promoting contextualised and customised solutions to meet individual client's needs, such endeavours came into conflict with what was deemed appropriate and possible by the network of collaborators. The multitude of layers and constituencies involved in the process of diagnosing, designing and implementing solutions, necessarily required communication and negotiation among them, to arrive at a shared understanding of the proposed solution. This became essential because as BDMs were involved in diagnosis, WDFs were involved in design and academics were involved in delivery of the solution, there was a need for a common understanding of vision and purpose among process collaborators to be able to ensure consistency throughout the relationship. Consider the example below:

I'll give you an example... we had a meeting with [a major lead] and it all went very well. They were actually very specific about what they needed. [The client] at that time said, "Well, actually it's for our team leaders in the call centres, you know people that run small groups of teams" they wanted to support and help them improve efficiency through management of the teams. So great! I went back to [the WDF] to sort out a proposal. We had a dialogue and came back, after a week ...he said 'it will take me forever to customise this and get it through the channels, but I've put together something that might just be easier to go with ... very low level stuff in my view, basic team leading skills, delegation, leadership and stuff like that.(Rob, BDM)

What is suggested is that attempts at customising solutions by some members at the stage of diagnosis would fail in transitioning to the stage of design or delivery, as the result of the negotiation among BDMs and WDFs would usually resonate with the type of solution that could be supported by the system. Furthermore, the academic

system in which solutions were developed, involved complex bureaucratic processes that in many cases cost Company A potential projects due lack of urgency. Consider the example below:

I've done some work for.... a housing association.... There are three levels of identifiable management, the team leaders, middle managers and senior managers. We have developed a programme for them, I think we started the discussions in January and agreed the programme is broad terms round about February, with a delivery date of July ... the first launch day was July 10th. This was a bespoke customised project that we agreed would be delivered in their premises... Believe it or not I was still getting the agreement to allow us to deliver it on their premise signed off by QED on the 9th. It's not because I can't manage things, it's because our processes that actually allow us to deliver new programmes are designed around an academic start time of October. You've normally got from the end of one academic year to the start of another academic year, or maybe even longer to get newly validated stuff through. It's entirely appropriate for some programmes, it's entirely inappropriate for bespoke solutions for employers. (Steve, WDF)

The procedures and processes used for designing and delivering the solution seemed themselves to be as unclear and troubled as the definition of the solution. In processing a solution from initial contact to actual delivery, the involvement of a multitude of layers and constituencies in the organisation and its partnering University, created a complex, slow and inefficient process that got tied to on-going loops of design-evaluation-approval procedures. The challenges felt in terms of slow response, distorted communication, and frustration of service providers and clients was reflected in the limited number of actual projects undertaken and the true potential for new ones.

Therefore, the choice of the proposed solution was rarely only the result of a BDMs or WDFs appreciation and view on knowledge, but was importantly also reflected in the appropriation and viability of this within the academic system that supported work based solutions. Thus, it seems that individuals were forced to conform to the common ways of practicing and therefore adopt standardised solutions. Based on the above, it seems that the organisation's background and reliance on academia has sustained the adoption of standardised off-the-shelf solutions associated with abstract knowledge, either through (i) informed choice and world views, (ii) resulting from conformity to common practice and available processes, (iii) resulting from distillation in old ways of working and resistance in transitioning to new ways of working.

4.3.4.2. Power Dynamics, Levels of Risk and Identity Construction

The approach adopted by Company A's service providers, based on evidence from interview accounts and observation of client visits, indicates a conflicted approach to relationship exchange relative to the power dynamics inherent in their relationship with clients. Service providers' approach towards relationships has through their accounts supported an identity of an expert service provider whose source of power stems from their possession of expert knowledge which is seen to guide and dictate projects. Consider the following comment by a WDF:

It has been my experience that some organisations ... will engage in a dialogue with you, just to tap into the knowledge of a subject expert and they'll talk a bit about strategy development, or leadership... You'll suddenly find that actually the dialogue is not about how do we work together, but, "What do you know that I can steal from you" (Ann, WDF)

Building on the knowledge and expertise of the University, BDMs and WDFs presented themselves as experts in the field of work-based learning. This was illustrated in the way they engaged in relational exchanges with clients where they acted as experts in the diagnosis, design and implementation of solutions. In initial meetings, for example, BDMs' efforts concentrated on 'selling or pushing' the company's services to potential clients who had limited knowledge of what Company A stood for, what it did and how it could facilitate or improve clients' operations. Within the first couple of meetings, attention was drawn to project budget, and the possible commitment of the client to a contract. Consider the example given by a BDM below:

So we went in, sat down with [the client]. We ran through this proposal with him, five minutes, and [other BDM] just came straight to the money at the end. "Oh you probably want to know how much this is going to cost." He hadn't quantified anything in terms of – this is why we've done it and this is what's going to happen, and these are the reasons for it. At the end of it, if you do all that, if it's £20,000 or £200,000, if there's a value in it. (Chris, BDM)

Such actions seemed to resonate more with service providers whose specialised expert knowledge base grants them the position through which they can exert power over clients to commit to contracts early on in the relationship process. However, this approach seems to be inconsistent with the power dynamics evident in Company A's

relationships with clients, where the powerful party in the interaction seemed to be the client. Recall that in the majority of cases first contacts were not initiated by clients in their efforts to solve organisational challenges, but rather by service providers in their attempts to generate viable project opportunities. Therefore, in most cases clients were unaware of Company A and its proposition, and even in initial meetings they were asked ‘*to take a leap of faith*’ with an organisation they did not really know and for a project they were not sure they needed.

In such meetings, the aim of service providers was to demonstrate the value of Company A’s proposition which took the form of portrayals of Company A’s expert knowledge base and resources. The aim was to convince clients of the value of Company A’s proposition and build confidence in the organisation and the individual expert through explanations of previous success stories. Even though service providers seemed to be the dependent partner in the exchange situation, their approach and actions did not resonate with that.

What became apparent, however, was that such behaviours did not seem to be motivated by the service providers’ perception of power in the relationship, but were rather the result of the desperate need to bring in new business and secure the contract within the short time frame afforded. Due to the unfamiliarity of clients with Company A and its proposition, and due to the breadth of services provided by Company A, it seems that in reality clients were faced with increased risk in engaging in projects due to (i) the perceived value of the project, and (ii) expertise and perceived credibility of the organisation and/or the individual service provider. The increased pressure to meet budget targets, while occupying a weak position within the market, created a vicious cycle in which service providers pushed too hard to commit clients to projects and clients opted out due to this unorthodox exertion of power by service providers.

Levels of Risk associated with Unfamiliarity with Service Provider and Generalist Proposition

As a newly established service provider, it can be argued that Company A occupied a weak position within the market as at the time of investigation, the organisation was still trying to get established, trying to develop its sales strategy, and to distil its

methods and services. Although associated with the University and using its reputation to build a strong base for building its commercial operations, the evidence of the number of projects under the new initiative were scarce.

Many service providers admitted that clients were sceptical about collaboration with an organisation with such a short history and success stories. The organisation's weak position within the market seemed to have had an impact on its power position within the relationship, as often organisations were asked to '*take a leap of faith*' as the organisation was so new to them. In approaching clients, service providers needed to overcome barriers created by the organisation's position that were felt in two ways. Firstly, the unfamiliarity with the organisation and its work-based proposition was translated into increased risk of collaboration for clients and lack of trust in the expertise or capabilities of the organisation.

We need to build that trust in [Company A]... In many cases clients feel that academia is quite stuffy, quite stiff and starchy. It's quite important that [clients] see us as a work-based service provider. (Rob, BDM)

On approaching clients, therefore, service providers were faced with a situation in which they needed to mitigate or minimise the risk and uncertainty associated with collaboration, begin to create a platform for trust in the organisation and a case for the value of collaboration for the client. All this needed to be established within the space of a couple of meetings, as this was all that clients were prepared to allow.

'in the first meeting what I try to do is get [the client] to understand what we do, that we are there to solve their challenges or develop their capabilities. You need to create a strong case in that first meeting. You might not get the chance to see them again so you need to make them understand what [Company A] can do. (Angela, BDM)

Therefore, the first couple of meetings were informal ways of presenting the organisation and exploring collaboration options. Although occupying an unprivileged position during interactions with clients, the approach of service providers was in many cases focused on establishing the value of their organisation's knowledge and expertise, where the value for clients was presented as the ability to tap into the specialised expert (university) knowledge.

I think that it's important that they understand the breadth of what's available... of

the expertise we have. We have 5 faculties in the University and we have subject experts in practically every area... in terms of the type of solution .. it could be anything from leadership training for the directors and doing individual development, to 360 degree analysis and working with them to understand really how they should be operating with a leadership team, to actually saying we want to do customer service training for the whole of our organisation so we need to do MVQs, we could do sort of a certification or we could do telephone training there and also have managers trained in how to monitor customer service'. (Kevin, BDM)

However, even this demonstration of the breadth of services offered by Company A, seemed to pose problems in clients' understanding of the range of options available to them and their potential value in terms of the type of the solution. That is, what was presented and could potentially be 'sold' as Company's services could include practically anything from be-spoke employee development or university accreditation provision for training courses in any field of management, engineering, computing, etc. Although this tendency to branch out to various areas came from the company's effort to attract any work possible, as it was in no position to turn down work and in no position to be choosy as to the type of work that came in, it seems that this left Company A as sort of a training generalist; a sort of jack of all traits. Although this provided for potentially a wide client base, it was implicated in increased risk for clients, as its generalist nature provided clients with little confidence in the expertise of individuals.

To overcome such risks it seemed that the organisation needed to be concentrating more on capitalising on the personal contacts of its members, as in most cases the most successful contacts were seen to be the result of personal contacts of BDMs, WDFs and management. Where service providers had significant market experience within specific sectors, this created a pool of contacts with real potential. This was due to the fact that prior personal experience with individual service providers and/or knowledge and satisfaction with their work created a platform for cooperation based on trust in the individual service provider, that is, interpersonal trust.

... most of the contact I've had were with clients I had worked with [in the past]. This is my approach. So it was easy for me to go in and see [the client] and say 'you know what, we could do this for you' ... you know, build a solid case. He knew my work and he was more than happy to have a first chat... I also know a lot about his business. (Connor, WDF)

Interpersonal trust therefore in such cases acted in moderating the risk associated with the interaction, and facilitated first meetings by overcoming barriers to entry into the client organisation. Presence of interpersonal trust in these cases moderated the lack of trust in the organisation. Although personal contacts seemed to be particularly important for Company A as they facilitated initial exchanges by minimizing the risk of collaboration, their exploration and exploitation seemed to be problematic within Company A. One of the key sources of such contacts would be through the collaborators at the University.

However, it seemed that most of these contacts remained unexplored due to the strained relationship that Company A had with the collaborating university. As indicated by BDMs, WDFs and management, the relationship with the university collaborators was mostly antagonistic rather than collaborative. The establishment of Company A as the new lead business front of the University meant that now all commercial operations needed to be channelled through to Company A. This created an antagonistic attitude towards Company A among many university collaborators based on their fear of displacing University work, previously provided by them. Although significant efforts were made to ensure commitment of collaboration from the university, Company A seems to have underestimated the efforts that it needed to engage in to aid the transition to the new business situation by supporting the cultural shift and restoring the distorted-by-the-new-situation power balance.

Here we are twelve months in and that hasn't worked. It's not just the relationships or even the way the process works with the faculties and the way that they're seen as a supplier. Having seen it in practice, there's actually competition – what Company A have done is they've set up an internal market really. I don't think you can see a faculty as simply a deliverer, because first of all they'll be protective over their expertise and their course, secondly if they see Company A go outside to staff a course which they themselves could staff, whether they would or not it doesn't matter, but they would see if that course was of poor quality, it would reflect badly on them as a faculty. (Kyle, WDF)

The result of this tension with collaborators was gravely felt, as service providers were left with significantly less potentially viable client contacts, fewer academics willing to collaborate with Company A in terms of delivery, and as such there was a diminished pool of expertise from subject experts at the University. Gunn, R (2012) observed that the nature of relationships being sought by Company A and the

partnering University (and eventually client organisations) might have reflections of Zeroth Law. Zeroth Law of thermodynamics is a generalisation principle of thermal equilibrium which states that if two systems are in thermal equilibrium with a third system, they are also in equilibrium with each other (Tanaka, 2002). Transferred to the case of Company A, Zeroth Law would suggest that in order for Company A to be in equilibrium with the client it importantly needed to be in equilibrium with the partnering University. As the relationship with the University seemed to affect Company A's relationship with clients, Company A needed to importantly address this tension.

4.3.4.3. Participation, Nature of Interaction and Dialogue

In analysing the approach of service providers to relationships with clients, it becomes important to explore the nature of participation in the relationship and the nature of dialogue, as well as the roles relational partners were seen to play in diagnosing and design the solution.

From the interviews and the observations during client visits it seemed that interactions between service providers and clients were largely exchange-oriented, as they were characterised by simple exchange of information to perform the task at hand. Recall that first meetings were about establishing a case for the Company A's expertise and asking questions to understand the client's business. Interactions therefore were seen to simply facilitate the establishment of a basis for understanding of the client on which expert knowledge could be applied.

Interactions did not seem to contribute towards joint production of meaning and joint development of the solution. This could largely be attributed to the time spent with the client, which was shown to be relatively short. The short time frames experienced from initial meetings to proposal generation and subsequent early pressures to commit to formal contracts, however, were not only the result of service providers' choice of approach, but also are largely seen to depend on the time afforded to service providers by the relationship situation and the client. As clients were the powerful party in the exchange, it was usually the service provider who was in need of the collaboration

and not the other way around. Therefore, service providers needed to build a strong case for collaboration early on so as to maintain contact with clients and create a possibility for collaboration. To do so, therefore, in the short time window afforded, service providers had the task of introducing the company, convincing clients of the value of collaboration and proposing a viable solution. This left little space for open dialogue, as the power dynamics among relational parties did not allow for this.

What was observed therefore was that dialogue was directive, in that it was guided by the service provider's purpose to secure the project. Dialogue among participants in initial stages of relationships did not in reality facilitate a common understanding of each other nor did it serve to establish norms of practice. It seems that even in cases of engagement in projects, dialogue between relational participants continued to maintain the same characteristics, as it facilitated the transfer of knowledge from service providers to clients in the design and implementation of solutions.

Within the relational engagement, service providers and clients were observed to act as, and remain, distinct entities, where the service provider was the expert and the client is the 'student'. Service providers were seen as the owners of the end result, which had resulted from effective transfer of knowledge to clients. This was enhanced by the characteristics of the solutions, in that the receivers of the training solutions were client's employees and not the decision makers.

Management Pressure and Control

The nature of dialogue as directive, the nature of participation and interaction as exchange-oriented and distant could be traced back to internal organisational issues. Particularly, it can be traced to the increase pressure put on service providers by management to meet budget target. In an effort to become more commercially driven, Company A's management had enforced measures to monitor service providers' approach and work performance, in other words, as they saw it, '*push them to become more commercially driven*' (Director). The need to monitor service providers' work and the enforcement of formal monitoring structures was a result of management's lack of confidence in their abilities and commitment to perform. Management's view of the small number of projects was attributed to the underachievement of service

providers based on their academic sector background, their limited previous commercial experience, and their difficulty in understanding the potential of the new proposition. The following comment by the Director is indicative of this view:

Part of the rule of sales is, “you have to do an awful lot of research around your company before you go in.” If you haven’t done that... well that was something alien to this team. Very alien, I mean, “Why haven’t you done that?”... in order to go and sell to a business you have to have quite a good understanding of how businesses work. You have to have an affiliation with their operation. Unless you have actually been in the commercial world, it makes it really quite tough to go there and understand some of the issues that they are bringing up, and then be able to respond in a very competent manner. And many of them haven’t. (Dawn, Director)

Therefore, one of the major tasks employed by management was ‘to motivate’ or push individuals to perform through setting and monitoring new demanding budget targets. To do this, management put increased pressure on individuals to meet budget targets. In that context, BDMs were asked to quantify their work (in terms of number of contact efforts per week, budget potential resulting from these) and report their progress at weekly sales meetings, where progress and the way forward was ‘discussed’, as evidenced by the following comment:

...currently the weekly meeting is to get people on task. One of the cultural things in this organisation was that people weren’t managed. We’re trying to enable people to become commercially astute. The sales meeting will be also around what else they have been doing, how the relationships are going, but this is about getting people focused. It is really archaic actually and ...well it is where we shouldn’t be in my view. It is where we are having to be because we are starting further back with the team we have got. Because that should be a normal, you shouldn’t have to be monitored on that, because you should be thinking like that. “I’ve got to get this many in, do this many...” you know. We are kind of having ... it is almost a training session. “How many phone calls have you made this week? How much?” (Paul, Head of Corporate Sales)

These meetings, though, did not resemble learning or support venues through which BDMs could share lessons learned or benefit from discussion with fellow BDMs. Rather, the purpose of these meetings according to management was to enforce a sense of responsibility/obligation of reporting towards management so that individuals would be forced to follow up leads and show progress. During observation of a weekly sales meeting, it was apparent that the driving slogan was ‘budget, budget, budget’.

The increased pressure to meet such budget targets negatively impacted on the approach adopted by BDMs in several ways. Firstly, as BDMs had to report on their weekly contacts made, they were seen to chase up any possible opportunity irrespective of the assessment of project possibility. They had to do this so that they could have numbers to show for, leaving less time to spend on researching and understanding the market to identifying viable client leads and longer-term projects. The effects were felt in the large numbers of contacts that did not progress to the next levels (proposal, signed contracts, etc). Secondly, the increased pressure to adhere and meet budget targets has also impacted on the priorities BDMs set at initial client meetings. Despite the already fragile nature of initial meetings with clients, due to the perceived risk of collaboration, lack of confidence in the organisation and its proposition, the situation was made worse by BDMs' priorities in interaction. Dialogue would be directive, guided by service provider's purposes, and very early on service providers would discuss the viability of the potential collaboration in terms of the client's budget commitment and would also push clients for contractual commitment.

This created disincentives for collaboration and on which many clients exited. There were also long-term impacts resulting from the poor approach of individual service providers, in that clients contacted for possible collaborations could not be contacted again, thus creating a large pool of possibly lost opportunities for collaboration. Finally, effects of increased pressure to meet budget targets was also experienced in decreasing lack of motivation among the team, as such control structures communicated management's lack of trust in the abilities and work of BDMs. The result was that many admitted that they would simply fabricate rough numbers that had little resemblance to their actual estimation on work progress.

4.3.5. Overall Relational Approach and its Potential for facilitating Learning

What is evident from the above analysis of the approach of Company A's service providers is that service providers, by informed choice or by adaptation to the academic system in which Company A operates, approach relationships as independent experts who objectively apply standardised bodies of knowledge to diagnose client problems, as well as propose, plan and implement solutions. As such,

clients and service providers engage in exchange-oriented interactions that are guided by directive dialogue, which at each relationship stage is dictated by the service provider's purposes. The limited time spent with the client, the increased risks involved in collaboration, and the internal organisational pressures to get established in the market all resulted in distant client relationships and projects with no real long term potential. Throughout the analysis, it has become evident that even before engaging on relationships, the internal organisational challenges in terms of the complex human resource structures, the processes that allowed limited flexibility, and the increased pressure to meet budget targets, jointly contributed towards a disadvantaged position for service providers, as well as significantly affected their approach and their effectiveness.

What seems evident from the above is that in order for Company A to better manage and engage in successful relationships, they need to begin to understand the current way in which their relationships progress, their major challenges and their main sources of ineffectiveness. Such learning can begin to paint a picture of how Company A can begin to better manage relationships with clients. Based on the analysis of Company A's approach in this chapter, it becomes evident that Company A needs to begin to recognise how (a) the internal system of operations impacts relationships with clients, (b) begin to address such issues to increase flexibility and response time, (c) downsize on the levels of constituencies involved in solutions, or (d) engage them as a team throughout all stages of relationship development. However, although the attempt should be to streamline the internal processes in order to facilitate, and not impede, the successful management of relationships, it can be argued that as these may involve radical changes to the current way of operating, the positive effects of such efforts may take years to be achieved as they may be accompanied by internal conflicts and resistance to change. Therefore, changing internal procedures based on an understanding of how these impact on relationships is critical in the case of Company A, but this is a long-term investment that needs to be grounded in a change in the way service providers approach relationships. In order to become a learning organisation, Company A needs to create a culture among individuals where primacy is given to learning in relationships with clients, so that this can be supported by the internal support system. Challenges are felt both in the context of company A's operations, but also in the personal views and styles of

service providers.

Therefore, being able to learn from relationships requires a transition from distant and non-inclusive relationships, such as those characterising Company A's relationships, to collaborative relationships where emphasis is given to participation and inclusive open dialogue. To do this, Company A and its service providers, by recognising the constraints of the current system, to engage in actions in interactions that minimise the negative effects of this, and engage in appropriate roles and actions in practice based on the constraints of their current situation. That is, the road to becoming a learning organisation should start with self-recognition and aim through dynamic affordance and productive enquiry to take advantage of the positive opportunities of a situation and make adjustments to its constraints. Therefore, to increase flexibility and to increase credibility, service providers need to start thinking in ways of overcoming barriers in relationships with clients. To do this requires a shift in understanding that learning through relationships can provide evidence for how to improve and modify the current approach relative to the opportunities and constraints evident in each business relationships. That is, what is suggested is that there are no wrong or right approaches to relationships. What is important is adopting the appropriate approach and appropriate actions relative to the context of relationships and challenges of particular contexts.

As such, service providers need to stop just 'talking the talk', they should start 'walking the walk'. That is, rather than proclaiming expert identities they should be able to demonstrate themselves as experts to clients through the actions made in practice. Indeed, the road to doing this requires significant efforts and investments, it requires a transition to changing thinking, and it requires learning to take advantage of what the context affords and how that can be used towards adapting approaches. When striving to become a learning organisation and aiming to encourage learning relationships with clients, it is critically important as illustrated in the case above to learn from the local context, appreciate its opportunities and constraints and adapt appropriate actions in practice that demonstrate learning in action.

4.4. CASE STUDY 2 – Company B

4.4.1. Purpose and Scope

Company B was the second service provider investigated. It was sampled to represent an established service provider within the UK national market, with wide market experience and pioneer in the field of systems thinking and change interventions. It provided the opportunity to explore the relational approach of an established successful service provider highlighting the experiences and challenges in its relationships with clients. The experience of such an established service provider is viewed as valuable to the current investigation, as it aims to highlight how the organisation has developed successful processes for effective relationship management. The investigation also aids in uncovering what the company's experience suggests are the drivers to their successful relationship performance.

For the purposes of investigation, data were collected through interviews with service providers, observation of a two-day client seminar and organisation's publications. For the purposes of the research, site access for observation was relatively more restricted than in Company A owing to the limited time consultants had to expend as a result of their in-the-field practice, as well as the sensitive nature of consulting interventions. Therefore, to complement research, informal conversations were held with a resident researcher who had gained access as a participant observer on the premise of running a research project on behalf of Company B. Evidence from these conversations were seen as insightful, as it provided evidence of an insider perspective on the organisation that would have otherwise not been possible.

4.4.2. Profile of the Organisation

This section provides a profile for the organisation and aims to describe the (a) history and background of the organisation, (b) the context in which it operates and the type of projects it undertakes, (c) the function and background of its members, and (d) its key processes and approach towards relationships at each stage of development. This section presents the initial phase of *description* in which the presentation of data aims to stay as close to the data as it was originally recorded. The aim is to present the

organisation and its members through the words of service providers themselves. This section is thus presented with illustrative quotations as these were recorded in interviews to tell the organisation's story.

4.4.2.1. Background and History

Company B is a highly successful change management consultancy and has over 25 years of market experience, with major clients within the UK market; it has recently expanded its operations to Netherlands and Australia. Over its 25 years of operations, the organisation has defined and refined its method which is the core of their operations. The method represents the organisation's philosophy of practice and is communicated and maintained through publications and presentations by the organisation's Director, an outspoken and controversial management thinker who is the pioneer of the method and the 'face' of the organisation. The Director is well known for developing a systems thinking methodology for improving performance in service industries. The philosophy rests on systems thinking theory and intervention theory where the main principle is to help organisations move from a command-and-control perspective to a systems thinking perspective. Consider below the Company's as explained by the Managing Director:

Most managers think you can't make a change without a plan, without a cost-benefit analysis, without a project team, milestones, deliverables. I don't agree. Have you ever seen plans that say we're gonna get worse? Have you noticed how managers never go back to their plans to see if they were right? I say the only plan is to get knowledge and the thing that I developed is ...how do you study a service organisation as a system. It starts with ...get out and study and when you've got knowledge you understand, the what and why of a current performance as a system, you understand demand, you understand about failure to demand, you understand how the current system is stopping your people serving customers, how what your managers are doing is sub-optimising the system... Now you are in a position to redesign it. Because you've got knowledge and the interesting thing is that when you finish studying the system, you have sufficient knowledge to be able to predict against new measures in what directions you are going to improve, but you never know by how much (John, Director)

Based on systems theory and intervention theory, this *modus operandi* outlines the intervention process by which consultants help client organisations make an informed choice to transform themselves from a current way of working to a systems way of

working. Within the designed method, systems theory provides the platform on which to look at and understand the organisation from an outside-in perspective as a system, while intervention theory provides the process of how one goes about changing that. Their fundamental principle according to consultants is:

... our fundamental starting point is that performance is the way that it is because of the system, the system is the way that it is because of the way leaders think about the work, the way the work should be done. So therefore, any intervention has got to fundamentally help leaders make informed choices about how to change thinking. (Ibram, Senior Consultant)

What we bring is perspective and method. What I mean by perspective is ...we don't go in and tell people the solution how to make the work better or design management of work. It's more about helping people discover that for themselves... it's about learning how you look at organisations to understand work and by what method do you do that, and having understood that, how do you go about changing it. (Barry, Senior Consultant)

Company B maintains a strong position within the market and is among the leaders in the field of change management. This has been the result of the reputation created on the organisation's pioneering method in systems thinking which has been highly marketed through publications, seminars, speeches and most importantly a well-developed and maintained network community. The sustained word of mouth approach has in the last ten years of the organisation's operations created a strong pull of demand based on the consultancy's specialised service and its philosophy.

4.4.2.2. Context of Operations and Types of Projects

The organisation's services are specialised change management interventions under the systems thinking perspective. Therefore, all projects undertaken by Company B concern change initiatives. The organisation has over the years undertaken many projects with major UK organisations both within the public and private sectors.

The nature of such change initiatives suggest that the projects are usually associated with high levels of risk due to their complexity and the investments required by clients to make radical and fundamental change to their organisations. Interventions are complex, as they require leaders in client organisations to radically change their current ways of working and make material changes to their organisation. However,

as people and organisations are naturally resistant to change, this has resulted in situations where the rate of failed or incomplete projects has reached about 75% of cases. This is characteristic of the industry and not just Company B.

4.4.2.3. Function and Background of its members

The organisation employs 65 consultants that have wide experience in working in change interventions in both public and private sectors. Although each of Company B's consultants have a personal style in approaching relationships, Company B has a well-defined method that is used by all consultants in interventions and managing relationships with clients. Throughout all consultants' accounts in interviews the same references were repeated, and the method employed in approaching relationship did not differ from one to the other. This consistency among Company B's consultants has been part of the processes created by the organisation to ensure and maintain consistency in their method.

We practice what we preach. What I would say is that in terms of, as an organisation what we've done is we've put in place a number of processes to help ensure that we maintain a level of consistency in terms of the principles that we use and how those principles are applied. (John, Director)

As a result of that, consultants all have the same frame of references, and thus adopt the same methods. These have been acquired through personal learning, that is, through reading relevant material, but also importantly through exposure in practice.

All of Company B's methods are based on normative methods of change. It means that you have to unlearn before you learn. So where we come in terms of the method that we use is Gerard Egans 'The Skilled Helper'. What we've done is take that model and adopt that model for how we do consulting. All consultants... including myself when I first joined... what you learn is that framework and then effectively every day what you're doing is ...you're doing self-diagnosis and applying that framework in any given situation, whether you're talking to a front level manager or whether you were talking to a senior director. (David, Consultant)

In order to ensure consistency in their approach to relationships and change interventions, the organisation employs what they call a mentee-mentor relationship to enable newcomers to learn how to become competent change interventionists:

...we have what we call mentee-mentor relationships. For example, I'm one of the people that have been around a while, so I'm a mentor. [Jane] has been here 10 weeks, so I'm her mentor. What does that mean? What that means is it's kind of really important that newcomers are responsible for their own learning, but it's kind of also important that what I'm there to do is ensure that we are maximising the opportunity for them to learn, yes? Now, typically, how long does it take to help someone who knows nothing to become a competent consultant... and what I mean by that is someone who is chargeable to the client. For example, [Jane] worked on this intervention alongside us, but as far as the client is concerned, she's free. Why? Well, because she's not in a position to be able to lead the intervention, and until she is in that position, she's not chargeable. So it's a cost of development, if you like. We would say it takes anywhere between 12 to 24 months for someone to be self-sufficient and competent where they can pick up a piece of work and go do it. What matters is how often you go through the 'get knowledge, improve, make normative sustainable', so that's the loop... and we would say you probably need to go through that loop about three to four times. (Ibram, Senior Consultant)

Newcomers work alongside old-timers and through a 'mentor-mentee' relationship, become involved and experience the practice of change initiatives. Newcomers are responsible for their own learning while mentors are there to ensure that they are maximising the opportunity for new-comers to learn. Newcomers are required to demonstrate internalisation of learning through self-assessment and continuous immersion in practice before becoming legitimate competent members of the community of consultants.

4.4.3. Relational Processes and Approach during stages of Relationship Development

The following section considers the approach to relationships throughout the stages of relationship development based on accounts from interviews conducted with service providers.

4.4.3.1. Opportunity Stage

Initial Contacts

Through significant market experience and word of mouth maintained through specialist and academic publications of the Director, and emphasised through networking membership, the organisation enjoys a 'pull' approach to generating

demand, in that clients beat a path to their door. This has been established over the years of the organisation's operation.

When I started with [the Company] quite a while back, we had a purpose. Our purpose... our reason for being was... we wanted to have people beat a path to our door. Our purpose is to help organisations improve performance, and through however we do that, the outcome that we were striving to achieve was how through word of mouth, through reputation, have people beat a path to our door. A consequence then is that in terms of ...how do you get work? You don't. It comes in. Now, I would say we achieved that probably about eight to nine years ago. (Barry, Senior Consultant)

Most contacts tend to arise from individuals with at least a basic understanding of what Company B stands for and what it does, resulting from either studying publications, attending seminars, etc.

We have people that have read stuff, people that have seen speeches and seen John speak or whatever it may be. As a consequence of that, they then say, "Hello, can we have a dialogue?" (Andy, Consultant)

Because consultants are strong believers that their consulting services cannot be 'sold' but 'bought', since it is necessary for clients to buy into the understanding of what the organisation does, first contacts represent open dialogues between consultants and clients for clarifying clients' purposes and establishing an appreciation of the clients' understanding of consultant's work. This first meeting, therefore, involves what consultants call a qualification process, an assessment that is established through dialogue. It aims at understanding the individual's level of authority within his/her organisation and assessing the suitability of his/her position for collaboration.

That qualification is basically where we have a dialogue and we're saying, "Talk to me about why you want to talk to us. What is the problem that you're trying to solve?" In that dialogue what we're trying to understand is this person of the right level, because over the years what we've learnt is because of the nature of this change, if you are a first level manager working in a typical 200, 300, 400-person organisation, there is no way that you can make material changes because the system by design will not let you. (John, Director)

This is considered important since due to the nature of the change intervention, individuals have to occupy a position of authority in their organisations. According to consultants, they need to be 'leaders', in that they have to possess the power to make material changes. Consider the following quotation:

...we would ask whether they have tested that with their superiors. So what we do is we build a little process with them where effectively through telephone conversations or emails, what we're giving them is ...giving them advice on how to start to build a case up in the organisation. So you get to a position where you're now with, if you like, the decision makers. What's kind of important then is to ensure that they understand what this is. (Keith, Consultant)

Lower and middle level managers are encouraged to go through what consultants call 'a process of engagement' in which consultants provide guidelines and support to help them try to engage senior levels of management. This is guided by the necessity to engage the organisations' leaders, which becomes critical and deterministic for the viability of any change initiative.

4.4.3.2. Engagement Stage

Once decision makers become engaged and interested in exploring the possibility of a change initiative, clients and consultants begin to work together. Although no formal contract binds the clients to the change intervention at this stage, clients and consultants engage in joint activities to explore the organisation's challenges and begin to create a case for the change intervention. At this stage, there is no formal and binding commitment on the part of clients to go through with the change.

'Scoping' and 'Check'

Spending time and doing a lot of work with senior managers prior to engaging in the intervention is the first stage in the organisation's method known as 'Check', which typically last between 3 to 6 months. The aim of 'Check' is to *help* clients change the current way of thinking by beginning to understand their organisation as a system. It is the stage where clients and consultants work alongside each other to understand the client's process end to end.

Before we do "check", which is ...understand... the what and why of the kind of performance as a system, we spend a lot of work with leaders to ensure they understand what the hell they're letting themselves in for... my job is to help them. My expertise is to configure a process of a series of processes for them to go through, the consequence of which will be ...they've had the opportunity to acquire knowledge. (Andy, Consultant)

The word 'help' is crucial here, as the goal of consultants is not to convince leaders,

but to help them acquire the necessary knowledge that is required in order to be able to change their systems. Change for consultants is conceptualised in normative terms, in that people need to unlearn before they can learn. Therefore, the consultants help clients through a series of processes that are designed to provide leaders with the opportunity to understand the challenges of their organisation as it functions currently and begin to acquire the necessary knowledge to change it. It is during Check that consultants and leaders, through ‘*scoping*’ work, examine and flow chart the relevant process end to end. To do this, consultants’ schedule becomes tied with that of leaders who together examine and experience the process from start to finish, establishing an understanding of how the process works and why it works the way it does. Consider the following example of a scoping exercise given in an interview by a consultant:

We took the three leaders [in the client organisation] and we started at the front end of their system which is where a demand comes in, through to that [point where the] potential customer is now a customer and has a policy set up and, what I would call acquisition and set up of customer, that’s the process or system that we were looking at. We then spend probably about five days with them over about a two-week period where we got them to work alongside us, and we did a sort of a switch role play. So I would model for them some questions and sit with the frontline people, then I would get them to do the same to the next person and effectively get them to understand and observe how work works and it works the way that it does (David, Consultant)

The purpose of such scoping work is to help leaders understand the following: If one were to look at the organisation’s process as a system, what that would look like? This represents an action-learning process in which clients and consultants go through theory, application of theory, reflection and then consolidation and challenge. What the joint activities achieve is that consultants begin to communicate to clients an understanding of what it feels like to be them. At this stage, what is important is not commitment from leaders. A consultant strongly stated in an interview:

‘Commitment is useless here; it has no value; what we need is understanding. And the only way to get understanding is for us and [clients] to spend time understanding the implications of a lot of what we talked about and how that applies to the system’. (Ibram, Senior Consultant)

What is deemed essential in this stage is the development of a common base of understanding. That is, once scoping work has finished, leaders are asked to articulate and verbalise what they have learned. This provides the opportunity for consultants to assess whether leaders have really understood. In the words of Andy (Consultant):

... 'it's judgement and it's about how they verbalise what they're learning. It's also simple things like...they committed to turn up?... did they turn up when they said they were going to turn up?... did I get them full time and in body and in spirit? And I get them to articulate and verbalise to me what they've understood. That is what gives me a sense of ...have these guys truly got understanding or are they just regurgitating my words? (Andy, Consultant)

Such dialogues are important as they provide consultants with confidence and they communicate commitment in leaders' understanding and willingness to change, and by extension in the potential and viability of the intervention. Commitment is considered thus to be the outcome of such scoping work based on the establishment of value utility, and therefore by extension the establishment of trust.

'Plan'

At the end of 'check', clients and consultants have discussions about the way forward. Recall that up until now clients are not committed to going through with the intervention, as consultants' services in the check phase are preparatory for establishing the ground on which a decision to embark on the intervention is judged and justified. The next stage called 'Plan' builds on the commitment of leaders to engage in the change intervention and is concerned with redesign of process. It is also concerned with clients learning how to improve and demonstrate efficacy of alternative methods. 'Plan' starts with redesign developed into a high-level plan by the consultant. The plan is solely designed by the consultant, while implementation concerns clients learning to implement and manage change. In the words of Barry (Senior Consultant) *"our job is to design the intervention, not theirs, that's our expertise, that's why they've hired us."*

Such plans are radical, given the nature of the intervention and require radical actions on the part of clients. To demonstrate this consider the below example given by a consultant in an interview. The consultant had been working with an organisation and progressed through the stage of check and was now presenting the organisation with a proposal. In order to test the leaders' commitment to the proposed change initiative the consultant told leaders the following:

First, I told them I need the board full time, because this now tells me how serious are

they about this. Second, right now you have a number of change initiatives going on. I need you to stop all those right now. I know they're in midstream but I don't care, they're all wrong. By default they cannot be right because we've already agreed that what we've got is a command and control logic, so by default everything we're doing is borne out of that logic, therefore is crap. So stop all change. The third thing... I said to them was ...if you're going to stop all change, what we might as well do is fire all the change people. So, clear your diary, stop all change, fire all the change people and then work with us to learn what is possible. Are you happy with those four things? ...and clearly there's a dialogue and a debate, but they turn around and say "yes, happy with all of that." And then I say to them, "Clearly as far as firing new change people is concerned, what I need you to do is fire them in your head. I don't want you to physically go out of here and fire all of them, but what you have to do is in your head they have to be fired." (Ibram, Senior Consultant)

Therefore, as consultants walk clients through the plan, they actively test clients for commitment at each step, in an attempt to understand how serious clients are about the initiative. In developing the intervention, consultants play a directive role in helping leaders learn how to change their systems by (a) addressing what needs changing to improve performance, (b) what actions could be taken with what predictable consequences, and (c) against what measures this should be taken (to ensure the organisation learns). The plan stage ends with a demonstration of the efficiency of the alternative methods which are established through pilot implementation. What is important at this stage is that consultants demonstrate to clients how a change intervention can yield results and improve effectiveness. Consider the below example given by a consultant:

I was working with an organisation and we'd done scoping, we'd done check and we'd actually even done plan ... that is the redesign. It was motor and leisure finance administration. So this is ...you want to buy a car, you want to buy a caravan, you want to buy a motorcycle, you come to this organisation, get a loan and then you pay it back, that's it. The system was highly fragmented in terms of ...you had a motorcycle arm, a caravan arm, a leisure arm, a car arm, and so on and so forth. The redesign, rather than having all those functional specialisms, configured itself against demand. In order to do that, because what you have is typically anywhere from a two to five year relationship depending on the terms you want to have the finance. What the team had learnt was in the current system, because the work was fragmented, you had lots and lots of different people dealing with the same case or the same customer, and depending on who they interacted with, they got different responses, and different agreements, and different commitments, and so on and so forth. What we had was no consistency and no seamlessness from a customer's perspective. So the redesign was effectively built around ...how do we configure ourselves and organise ourselves to own the customer end to end through that ...and

build a true relationship with them and therefore configure propositions and terms in the way in which they work with customers. As a consequence of the redesign we'd improved productivity by something like 500%. We'd improved how well this system was delivering what matters to customers by 2,000%. So, ...massive improvement, massive. So, by redesigning the system differently, what the team came up with was a system that improved performance significantly, demonstrably through the numbers that I showed. (David, Consultant)

The demonstration of outcomes based on implementation of the change initiative provides a basis on which clients can make an informed decision of whether to make the change normal and sustainable, which moves the intervention to the next stage 'do', turning change into a reality.

'Do'

As clients have already acquired the skills and have learned how to develop and manage change, this stage involves the actualisation of system changes. This stage involves taking the planned action and monitoring the consequences versus prediction and change. Since enforcing change entails the taking of difficult and risky decisions, consultants stress that it is important that clients have developed and own the plan of change, in that they are the drivers of change. As initiatives provided by consultants are change *interventions*, by definition consultants view themselves as catalysts of change. According to one consultant, "...we're interventionists, that's what we are. We are catalysts of change. By design, a catalyst does the work and disappears, otherwise it is not a catalyst." (Ibram, Senior Consultant).

Therefore, managing dependence becomes important here, in that when interventions are complete, clients should be able to run the change project without the consultants. Consultants view that they have just been there to help, to direct the way to change and facilitate client learning.

4.4.3.3. Maturity

Due to the fact that change interventions are project oriented, it becomes quite hard to extend project opportunities within organisations. However, consultants suggest that what is important is that they build relationships with individuals.

So we are working on long term relationships with leaders. I would say as a consequence of a change intervention, what we end up with is a relationship that lasts for life. Because what happens, if I take you back to the guy that I talked about I worked with eight, nine years ago, he was their customer services director, went on to be managing director. About eight, nine years later, he moved to a bank, and when he moved to the bank he got the interview process in September, got the job in November, started in December, I got a call in November, "Hello, I'm moving. I'm not starting until December but I need you to start talking to these people, I'm going to give them your number because clearly we've got a job to do". What I would say, I've been doing this for 18 years, the people that I worked with 10 or 12 years ago were middle to senior managers, now they're executive directors. So now they're going into positions where they're not just influencers, they actually have the power.
(Barry, Senior Consultant)

To manage these relationships, consultants place a great emphasis on networking. Some consultants admit that over the years they have built network of contacts within individual leaders with some maintaining contacts with about 500 individuals. Maintenance of such contacts on a personal level is supported by individual consultant's blogs, twitters, newsletters, etc. Company B though has created a networking group, where individuals who have worked with Company B, and have accepted and changed their worldviews to systems thinking, become an extension of the organisation's network and are often referred to as members and encouraged to maintain contact with Company B and with other members. This issue of membership seems to run at the very core of Company B's philosophy and is particularly important in helping to maintain word-of-mouth and open channels of communication.

4.4.4. Analysis of Results – Characteristics of the Relational Approach as Embedding Conditions for Learning

The previous section has aimed at describing the organisation, its members and their processes and approach towards relationship and has aimed through illustrative commentaries to tell the story of the organisation as this developed through data collection. The discussion has aimed to stay as close to the data as it was originally recorded. Following from that, the aim of this section is to analyse the approach adopted by Company B, through identifying and analysing the characteristics of the

approach. Taking into consideration that relationship approaches may range from distant to collaborative, characteristics identified are discussed under the following categories: (a) nature of change interventions and the associated view of reality and knowledge, (b) identities adopted by service providers and power dynamics of the relationship, and (c) nature of interactions, level of participation and nature of dialogue among participants. As discussed previously, analysis of the characteristics of the approach adopted begins to paint a picture of the embedding conditions and the potential for learning in relationships.

4.4.4.1 Change Interventions under Systems Thinking and views on Reality and Knowledge

As consultants view organisations and processes in terms of systems, interventions are seen to be grounded in a systems thinking perspective and require the adoption of an outside-in perspective. In doing this, through embracing systems thinking for managing change in organisations, change by consultants is seen as driven by a change in the world view of the people who influence the system, in other words the worldviews of leaders of an organisation. The emphasis by consultants is that in order to change a system you firstly need to change the way you view it. Therefore, reality resulting from change in world views then facilitates and enables changes in the system. This is part of the organisation's key philosophies and it is deeply rooted into their methods. To help organisations change themselves through systems thinking, initiatives for change are designed in normative terms. This means that consultants view that organisations need to unlearn from current ways of thinking in order to embrace learning in new ways of thinking. This understanding is driven by consultants' views that reality exists out there but that there are right and wrong interpretations of reality.

We believe that change requires a transition in someone's thinking from a command-and-control perspective of viewing work and organisations to a systems thinking perspective... so what we bring is ...we try to do ...is help organisations change their way of thinking. If you want to increase productivity then you need to change the way you view productivity. (Keith, Consultant)

The implication of this in practice is that consultants view that there are right and

wrong ways of interpreting reality and that embracing the correct view can enhance organisational results and performance. In other words, consultants believe that viewing organisations from a command-and-control perspective is a wrong way of viewing organisational performance. Therefore, any actions taken under such an understanding are inevitably wrong. Recall a consultant's comment in Section 4.4.3.2. (Engagement Stage) made to a client:

...I need you to stop all your change initiatives... they are all wrong... by default they cannot be right because we've already agreed that what we've got is a command-and-control logic, so by default everything you're doing is borne out of that logic, therefore it's crap... (Ibram, Senior Consultant)

What they suggest is that the right way to view organisations and performance is through a systems thinking perspective. It is only when leaders at the client organisation view organisations in the right way, that any change initiatives can be implemented. In this way reality is contested in that reality can change based on people's interpretations of it. The problem of productivity for example can be viewed differently and interpreted differently based on one's changed view of reality away from a command-and-control logic to a systems thinking logic. That is, when leaders learn to change their worldviews and how they view work, consultants believe that they can begin to think about organising work in the right ways. Consultants argue that to change peoples' views of how work is done requires a fundamental transition in recognising the inefficiencies of the old ways of viewing the system to the value utility in embracing a systems thinking perspective. As such they view that people need to unlearn before they can learn.

To acquire a new worldview, consultants believe that leaders need to acquire the necessary knowledge to do so and emphasis is placed on experience in practice. That is they view that learning is situated in practice and it is leaders' participation in practice that enables them to learn. According to them, this will be relationally constructed between experiencing and relating to the system and its people. In this process, transition to the new correct perspective will be contested and negotiated between the system and the relational partners. Therefore, learning is viewed as situated since to acquire knowledge leaders need to be immersed in practice, they need to experience practice, and they need to experience change in order to learn how

to manage it. Consider how the Director has explained this in the quote below:

Firstly, it starts with recognising that they've got some problems in their thinking. In order for them [clients] to understand, you need to give them work to do in their own system, when they discover that it's their [current] thinking that is a big part of the problem. So, if you take a simple service design ideas that service management is all about 'how much work is there to do', 'how many people have we got and how long do they take'. Now I know that that is fundamentally stupid but they don't. So if I stand up in a room and say 'this is fundamentally stupid' they'll think I'm weird at best... But if I give them work to do, they'll start understanding what's wrong with those ideas. The first bit of work would be 'Let's get out and listen to calls'. So they start understanding the nature of demand on the system. 'Let's break those demands into value and failure' and they will learn that there is probably 40, 50 60 % failure demand coming into their system. But their first idea in that paradigm of how much work is there to do, is not a helpful idea, because there is an awful lot of work coming in that we are treating as work which we shouldn't..... Similarly they think - within this core paradigm - they have to manage the activities of the work that is, how many things do you do in an hour.... However, 95% of variation of work is through faults in the system, nothing to do with the work. So if I stand up and say that in a room, they will think I'm an idiot. But if I give them work to do, they discover that the major causes of faults and errors are in the system and have nothing to do with work. They will then come back with a 'eureka'. So it's only be giving them things to do that [clients/leaders] can start undoing their current thinking. (John, Director)

This involves the acquisition of skills of managing change, which have developed in practice and in relation to practice and are the products of experience and negotiation. Through experiencing and relating to practice, leaders become competent users of the skills and knowledge of managing change. The implication of this view on knowledge is that the product of consultation is not viewed as the knowledge transferred to clients, in terms of the changed process, but involves transition in client's learning how to manage change and how to change thinking. The outcome of consulting interventions therefore is that knowledge is owned by individuals but has been produced and shared through practice. This view of learning and the associated approach to relationships adopted by consultants is deeply rooted in the philosophy of the organisation and it is what ensures consistency in their method.

The above described philosophy of learning in practice is deeply rooted in the formal procedures of Company B's practice and provides solid guidelines and directions for consultants in engaging in relationships with clients. The commonality in consultant's accounts, their reference to the academic foundations and influences to their practice

such as Egan's skilled helper (2001), suggests that they are firm believers in the method and its philosophy. Many claim that they have been converted to Company B's thinking and method. Therefore, the formal procedures in place and the adherence of all consultants to these has enabled them to define the basis of practicing, that is, how to progress relationships, how to address interventions, and how to deal with leaders.

4.4.4.2. Power Dynamics and Identity Construction

Based on consultants' accounts of practice, it is suggested that consultants adopt the identity of an 'expert' in the process of consultation and their source of power comes from their expertise and knowledge in helping leaders change thinking and in designing change interventions. The following section considers the sources of consultant's power and aims to analyse how power is used and exemplified in practice and how it affects relationship development.

Throughout the relationship, consultants are seen to adopt the identity of an 'expert' and play a directive role from the stages of initial contact through to collaboration, in the stages of 'check', 'plan' and 'do'. Firstly, in initial contacts with clients the expert power base of consultants seems to stem from the strong position of the organisation in the market. This strong position grants consultants' power over clients in initial interactions in that it allows for consultants to be selective on the type of projects and clients they take on. Consultants can exploit this position of power partly because they are not driven by the pressure to bring work in but to assess and engage projects that have real potential. The affordance of choice provided by the strong position within the market facilitates the effectiveness of the approach adopted, as it grants the consultant the opportunity to assess client's understanding and leadership engagement early on, evidence of which are the necessary building blocks for beginning to make a case for intervention. This position of power also allows consultants to walk away from interventions where the client or project is judged to be problematic or disengaged.

Furthermore, the organisation's reputation and the well-defined and specialised nature

of method grants consultants their source of expert power based on their expert knowledge on the method and its change intervention. In other words, consultants believe that clients perceive consultants as experts and they aim to tap into this expert knowledge base to help them bring about change in their organisations. Clients in these stages need to demonstrate understanding of Company B's method, almost to 'convince' consultants to take the project. Consider the below example given by a consultant:

...We would say to the manager, "Okay, so you're interested in us? Have you read the book?" "No, I haven't." "Well, maybe you should read the book." So we send them the book. We give them things to do. For example, if it's a manager that's read the book and is really enthused and engaged, but he's a low level, what we would say is, "Have you tested this with your superiors?" (Keith, Consultant)

This creates a situation in which consultants have the power to dictate the terms on which collaboration will take place. This seems to be illustrated in the investments clients are required to make in establishing and demonstrating to consultants even before they engage in the project that they understand the method and its implications and that they have managed to engage decision makers. When consultants and client decision makers decide to embark on a collaboration, the relationship moves through check, plan and do. Consultants are seen to exemplify the identity of an expert throughout stages of relationship development and this is demonstrated in the directive role that consultants play in exchange interactions.

Firstly, consultants suggest that the collaboration begins with the consultant as 'helper' having the upper hand, derived from the expertise and knowledge they can bring to the client organisation in helping leaders acquire the necessary knowledge of how to change their systems.

...Our power is expert power. Our job is to help leaders gain an alternative perspective ... so we build a series of processes... scoping for example is to help you understand if I were to look at your organisation as a system, what that would look like. Through expert power what we build is referent power... As a consequence of expert, we then build a relationship with them which moves into referent and expert. (Barry, Senior Consultant)

What consultants suggest is that collaboration in the Check phase aims to transform

the power dynamics among clients and consultants, where consultants direct and guide the way for the clients to acquire the skills and knowledge relevant to change thinking. As clients and consultants work together through scoping exercises, clients begin to understand and commit to the initiative, and this is where consultants suggest that power is transformed through the experience of working together and is no longer seen as the consultant having the upper hand. As the clients become committed to the intervention and move to re-design and plan the change, the balance of power shifts back to the consultant who has the expertise to design the change intervention, and in that exerts power over clients to make significant investment to changing their system.

Consultants suggest that in this stage due to the experience of working together, perception of power has transformed into referent power in which the trust and commitment that has developed towards the consultant mitigates the perception of power as coercive and enhanced the perception of power as suggestive. In practice, however, the exertion of power by consultants in the plan phase is demonstrated as non-negotiable and coercive, as clients wishing to take on the initiative have no choice but to abide by the consultants' directions that are usually radical and risky.

The possession of consultants' expert power, stemming from capitalisation on consultants expert knowledge, seems to create a non-compromising attitude of consultants in interactions. Consultants' accounts in interviews support and legitimise this attitude in terms of the power granted by their expertise. In fact, it seems that the strong adherence to the organisation's methods and philosophy has also enabled the development of common attitudes among consultants associated with a no-nonsense no-compromising approach. It has enhanced a perception of superiority of self, based on perceived superiority of method. Indeed, the well-defined and structured method has been a recipe for success, demonstrated in the consistency of practice across consultants and the effectiveness of intervention results. In practice, however, it seems that this non-compromising attitude has often forced clients to disengage from interventions. Although many consultants seem to admit to a high rate of incomplete interventions, they attribute it to clients not having the nerve to see through the difficult decisions. To illustrate this, consider a consultant's account of a project that although had reached the stage of redesign, it fell through as the client organisation

decided to go with only parts of the change solution offered:

Now, we would not be associated with that, hence why we walked. Now, would I treat that as an unsuccessful intervention? No, because our job is to help the client make ...they made an informed choice, they could see the current operation does this, the new operation does this, and this is 2,000% better and 500% better... yes, they still wanted to not to go through with it (David, Consultant)

It seems that the consultant's perception of expert power in the relationship has benefited Company B, as it afforded the opportunities for exploring and assessing viability of projects. Yet, it has become a liability for effectiveness when it facilitates non-compromising attitudes in interactions based on the perception of power granted by the superiority of the process.

4.4.4.3. Nature of Interaction, Participation and Dialogue

The consultants' approach to collaboration, as has developed so far, seems to illustrate an approach where participation in practice is key, and where the dialogue among clients and consultants not only serves to create a strong collaborative atmosphere but also serves to transform clients' world views on how work should be organised.

Emphasis is placed on close collaboration and participation in the client's processes. Consultants suggest that it is only when consultant and client's project teams experience practice that they can begin to co-construct a common understanding of the system and the proposed change. As such, collaboration is operationalised in the joint activities between clients and consultants in the various stages of *scoping*, *check* and *plan*, and is considered to be the platform on which clients can understand, experience, learn to manage and own the change in their organisations. During the initial stages of scoping and check, clients and consultants experience and openly discuss the system and its challenges in an effort to reach a mutual understanding. Open dialogue during early stages achieves a sense of mutuality in understanding, and creates a basis for justifying investments to the collaboration, as these have been the result of mutual understanding based on negotiation and open discussion.

..what's critical is that you get them to recognise that you understand what it's like to

be them. Having done that, build a position with them such that you can give them an alternative frame of reference. If I can give somebody an alternative frame of reference, by de facto, I've got their trust, because the only way they will take... so you turn around and say, "I've got a problem, I need to reduce costs in my operation and I've got extreme pressure to do that ...and what I want to do is ABC," and I help you through dialogue and conversation, actually showing you, seeing it for yourself, help you see that actually, what you're about to do is actually going to increase costs, not reduce costs. (Andy, Consultant)

The implication of this understanding for practice is illustrated in the joint activities that consultants and clients engage in to facilitate the road to change. The outcome of collaboration is commitment of participants, as it is what is achieved through dialogue that creates a sense of understanding on which consultants and clients become committed to the change intervention. Dialogue also creates a basis for development of trust in the individual, not based on the premise of their expertise, but on the experience of collaboration, legitimised through the achievement of an alternative perspective.

Consultants are therefore experts in the consultation process and possess the knowledge of designing learning processes for change thinking. Such processes resemble knowledge creation and sharing processes of *legitimate peripheral participation* (Lave and Wenger, 1991) that exist within communities of practice, in which newcomers in this case, newly-conformed change thinkers not only learn from old-timers (that is, consultants), but they must also participate in the practice, and this *immediate* contribution is what *legitimises* their ability to change thinking. As such, learning involves firstly active participation and interaction with consultants who recognise this participation as the building of knowledge and competence, but also the development of the ability to demonstrate and verbalise learning as competent change thinkers.

In practice, consultants suggest that demonstration of learning by clients becomes vital in assessing the clients' internalisation of learning. Internalisation of learning by clients is therefore assessed and thought to have occurred when clients can incorporate and adopt 'change' language and terminology into their everyday language.

As the practice of consultants is heavily infused with change-terminology and language, the articulation and verbalisation of understanding infused with the new language communicates clients' true transition from command-and-control to systems thinking perspectives. Dialogue at this stage becomes transformative, as it is through intensive, open and purposive dialogue that clients can begin to change their world views. It is dialogue that can lead participants to negotiation and dissonance through to renegotiation and new reality. Therefore, the success of collaborative efforts is seen to rest on dialogue between clients and consultants, a dialogue which is open, generative, and transformative.

Despite the focus on joint activities, participation in practice and open dialogue between clients and consultants, relational exchanges remain as those between self-contained individuals who adopt and maintain their formal roles. Consultants occupy a '*validator*' or '*skilled helper*' role where their goal is to help an organisation make a free and informed choice about enforcing and managing. Although consultants become embedded in the practices of the client organisation, they see themselves as interventionists, whose purpose is to act as catalysts of change and disappear after change has become normal and sustainable. Adopting the role of a catalyst suggests that through collaboration they operate in ways that create distance from ownership of the outcomes, so as to build dependence out of the change initiative. As such, the roles developed for clients are seen to complement this approach, since clients are the leaders and owners of change and change outcomes. The prescribed roles of participants seem in a way to secure the position of the consultant as an independent distanced interventionist, who for a while has been embedded in the clients' practices to help clients make informed choices about change. Consultants do not enforce change; clients do. As such, consultants cannot be attributed blame or own the responsibility of failure to change or produced outcomes.

The maintenance of such formal roles, the strict adherence to the prescribed method, and the non-compromising attitude among consultants, seems in cases to have impacted the ability of Company B's consultants to respond to external challenges in the client organisation, which has in turn led to detachment from projects.

4.4.4.4. Internal and External Pressures on the Relationship

Despite Company B's well-defined method and consistent approach, the reality of failed or incomplete change interventions is as high as 70%. These numbers, of course, are characteristic of the management consulting industry, not just of Company B. Change intervention initiatives are in nature complex, high risk and largely dependent on the internal organisational politics and the pressures of the client's environment.

As change initiatives are largely based on the commitment of individual leaders in organisations to change, detachment from projects seems to have been the result of changes in the client organisation's structure, conflicted internal politics, and resistance to change. Although these are largely out of the consultants' control, it seems that consultants' strict adherence to method and the 'blind belief' of its superiority, illustrated in their unwillingness to compromise, has left them in a position where they have failed to 'move on', missing opportunities for salvaging interventions in client organisations. Detachment of managers from interventions seems to be the greatest source of failed projects. This points to a need to recognise and manage internal organisation politics, which directly have an impact on the effectiveness of the intervention, and to moving away from the currently adopted distant role into a more engaging one, which in itself requires a shift in method.

4.4.5. Overall Relational Approach and its Potential for facilitating Learning

What seems evident from the above analysis is that Company B consultants embrace through their philosophy and practice an approach to relationships where learning is central. They engage in close collaborative relationships with clients where the joint activities between the two participants shapes the relationship and transforms it into a collaborative trusting relationship. They do act as experts but they view that their expertise lies in the process of consultation, in helping clients firstly change thinking and then learning how to manage change in their systems. Indeed, their strong position and reputation and the grounding of all consultants in a well-defined method, enables them to have the upper hand and guide the relationship. Firstly, the strong position of the organisation and its reputation provides clients with confidence in the

expertise of consultants, and secondly the method which is grounded in close collaboration and joint activities allows clients to build on that confidence and work on maintaining the relationship.

However, it seems that learning in consultants' accounts mostly regards client learning where consultants are there to help clients learn. Reference to learning from relationships to inform practice is limited and in most cases consultants have been seen to adopt distinct formal roles where they are seen as catalysts of change. In other words, they are seen as the experts who have been there to help clients learn how to manage change, but they themselves do not admit to learning anything from clients or the relationship. Although the organisation's method and approach has been a recipe for success, it seems that many admit to high failure rates of interventions, but attribute the responsibility to the client. The organisation's approach seems to have created personal attitudes of expert superiority and internal organisational processes that are resistant to change. The reason is that the confidence in consultant's superiority of method has meant that consultants have in many cases remained 'consciously oblivious' of the challenges faced by clients. For an organisation whose philosophy rests on promoting change through learning, it seems surprising that they have not managed either to change or to learn.

The processes through which consultants approach relationships create strong embedding conditions for learning from relationships. However, what seems apparent is that consultants need to approach relationships from a more flexible position. That is, they need to become more flexible and adaptive to clients' concerns and constraints. They need to reassess the way in which dialogue is approached in the later stages of engagement to the project so as to create open platforms through which consultants can identify the early warning signs of detachment from projects and intervene through appropriate actions to maintain decision makers' engagement and confidence in change initiatives. Consultants need to recognise that they also need to learn from clients to manage the local context, as this can facilitate and help clients through managing internal organisational conflicts that bear on the success of the relationship. Although the relational approach adopted allows for collaborative and constructive interactions, it seems that the attitude of consultants has left them myopic to the local challenges of client organisations and has impeded their ability to learn.

4.5. Chapter Conclusion

The discussion in this chapter has aimed at presenting the results from the research undertaken within the two case organisations. It has aimed through exploring service providers' approach to relationships with clients within their organisational and relational context to develop an understanding of the drivers and constraints to relationship success and the potential for learning. Therefore, the discussion has described the profile of the two case organisations and has aimed at analysing the characteristics of service providers' relational approach to understand and explore its potential for learning. To begin to think in terms of learning needs, this chapter has identified the context and current operations of the two service providers and has through the analysis of their approach aimed to lay down the context through which learning needs become relevant. The two case organisation present different embedding conditions for learning and direct attention to various factors that positively and negatively affect relationship maintenance and success.

The aim of the following chapter is through cross-case analysis to interpret these in terms of learning needs that become relevant in stages of relationship development as informed by the research and analysis of the two case organisations. The discussion in the following chapter concludes the analysis of data, by presenting how the approach adopted by the two service providers and their challenges can be 'interpreted' in terms of learning needs that can facilitate dynamic affordance and productive enquiry.

Chapter 5 - Cross Case Analysis and Discussion

5.1. Chapter Introduction

The preceding chapter has presented the findings of the within case analysis of each case organisation investigated. It presented their profile and through an analysis of the characteristics of service providers' approach to relationships has aimed at exploring their potential for learning. It has further illuminated the various organisational and relational conditions that have influenced the approach adopted by service providers in practice. The present chapter aims to examine the two case organisations in a comparative perspective to identify learning opportunities and needs that become relevant in stages of relationship development. The cross-case analysis identifies key themes from the two cases organisations which are treated as complementary in order to expand the data.

5.2. From Critical Factors to Knowledge Needs to Guidelines for Practice

Learning needs for the purposes of this investigation are essentially what service providers need to learn about how to better manage and develop relationships. They derive from an understanding of the critical success factors that drive relationship success at each stage of relationship development. In other words, learning needs are what service providers need to learn about assessment and management of the critical success drivers at each stage of the relationship. Critical success drivers and learning needs presented here are stage specific in that they need to be explored and managed at the stages in which they become relevant as they largely dictate the progression of relationships. Identification of learning needs can ultimately be incorporated into service providers methods and approaches to aid in successful relationships management.

Figure 5.1 below outlines this process from critical success factors to learning needs and guidelines for practice.

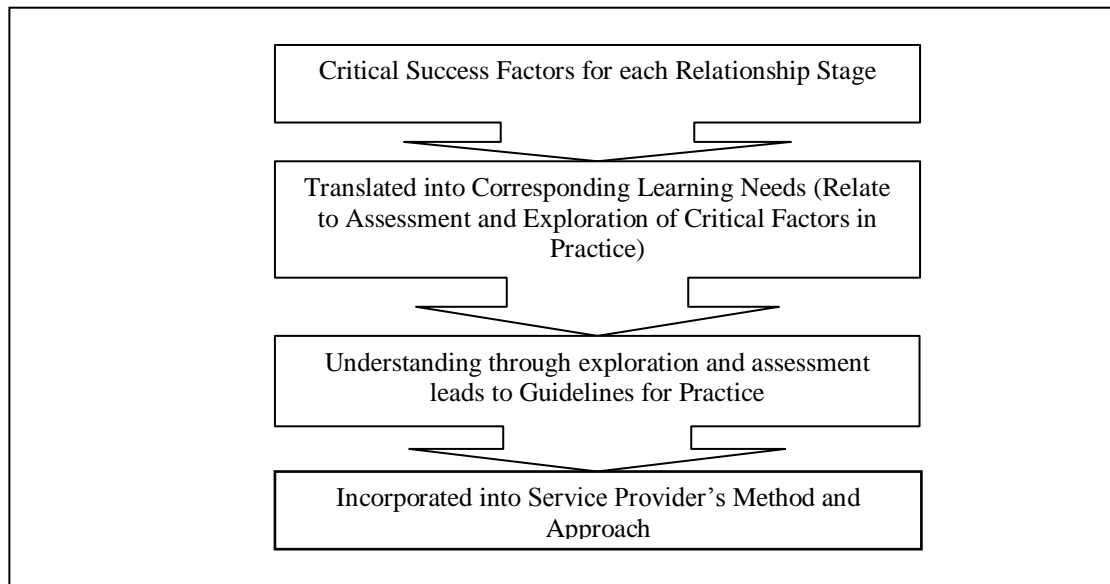


Figure 5.1: From Critical Factors to Learning Needs to Guidelines for Practice

Source: Created by the author.

From the analysis of the approach adopted by the two case organisations, the cross-case analysis in this section aims to identify the critical factors that drive relationship success and the corresponding learning needs that become necessary for managing relationships. These are identified and considered in each of the relationship stages—opportunity, engagement and maturity/dissolution stages—and then translated into learning needs and guidelines for practice.

5.3. Stage 1 - Opportunity: Critical Factors and Learning Needs

At the opportunity stage service providers and clients begin to explore the possibility of collaboration. This stage is associated with high risk perceptions due to the lack of experience of working together; it is very fragile, as participants are not yet committed or dependent on each another, and have not yet invested resources (Dwyer, Schurr and Oh, 1987). Therefore, minimal costs are associated with termination at this stage, thus making it easy for clients to exit. This stage is critical for the future relationship success as it lays the foundations for everything that will follow. The critical factors identified in the opportunity stage from evidence of the two cases and explored below are: (1) assessment of client risk and viability of collaboration, (2) compatibility of relational approach to level of risk, (3) ensuring engagement/ initial

commitment of decision-makers, and (4) goal congruence. These factors, which have been derived from key themes in service provider experiences with the challenges encountered at this stage, are discussed in the following sub-sections.

5.3.1. Assessment of Client Risk and Viability of Collaboration

Context: Evidence / Findings

At the initial stage of opportunity, assessment of the client and the viability of collaboration are critical for creating a solid basis for embarking on relationships. This is clearly illustrated in the experience of the two case organisations. In the case of Company A, recall that the lack of client assessment prior to engaging in a relationship has left service providers chasing up projects that may have never materialised. Particularly, it has left them myopic to the risks clients faced in embarking on collaboration, as well as to the possible barriers to clients' commitment at this early stage. This has in turn meant that in practice the appropriate actions were not taken to tackle the risk and commitment barriers.

On the other hand, Company B's experience suggests that assessment of the client is a vital component of their practice, ensuring thus that only viable projects are taken on. This relates to an assessment of the potential for collaboration based on clients' understanding of the level of risk and investment associated with the project. That is, what is important for Company B service providers is that clients understand what *'they are letting themselves in for'*. The experience of service providers across the two organisations illustrates that client assessment is important in two respects. Firstly, it ensures that the service provider can assess the level of risk perceived by the client regarding collaboration and the effects that may pose for their commitment to collaboration. Secondly, it allows service providers to clarify expectations and lay down from the beginning the investments needed for the project to establish common understanding of what the project entails. The question then becomes: On what grounds should assessment be done?

The type of assessment becomes contingent on (a) the complexity of the project and (b) the perceived confidence and value in the service providers' expertise. To

demonstrate this, consider the examples of Company A and Company B. In the case of Company A, the levels of client risk, as discussed in the previous chapter, related to the unfamiliarity of the client with the organisation and its proposition, as well as with the lack of confidence in the value of their expertise. Therefore, with regards to assessment, it is deemed essential that service providers understand the risk of collaboration experienced and perceived by clients, due to their unfamiliarity and lack of trust in the organisation, and by extension in the value of the collaboration. What is deemed essential in such cases is for service providers to be able to recognise the sources of client risk and adopt actions to minimise risk perceptions.

In the case of Company B, service providers admitted that the organisation's reputation and strong position has provided clients with trust in the service provider's expert knowledge base, thus mitigating the risk of collaboration at this initial stage. However, as change initiatives undertaken were complex and required significant investments on the part of clients, what was deemed essential by service providers was an assessment of whether clients understood the level of risk and the investments necessary to go through with the project. Therefore, in the case of Company B, assessment of the viability of the project related to an assessment of *client's* understanding of the level of risk of collaboration based on the complexity of the project.

Resulting Learning Need(s)

The resulting learning need relates to the strategies available to the service provider for *assessment of collaboration risk*. Based on the evidence from the two case organisations, different strategies become relevant depending on the level of risk with regards to (a) perceived value of service providers' expertise and (b) the complexity of the project. Figure 5.2 helps explicate the different scenarios and the corresponding assessment requirements. The figure has been created by the author based on the types of collaboration risk in embarking on relationships in the first stage of opportunity as these were evident from the results of the two cases. The purpose of the diagram is to facilitate service providers to learn from the local context and assess the level of risk in potential relationships and collaborations through understanding its sources. Such an understanding can aid service providers in adapting their approach in interactions so as to minimise collaboration risk and facilitate relationship progression.

		Perceived value of Service Provider's Expertise	
		Low	High
Complexity of Project	Low	<p>(a) Moderate Risk</p> <p><u>Sources of Collaboration Risk</u> Low perceptions of value in service provider's expertise</p> <p><u>Mitigating Conditions</u> Low complexity of project</p>	<p>(b) Low Risk</p> <p><u>Sources of Collaboration Risk</u> Limited risk</p> <p><u>Mitigating Conditions</u> Low complexity of project High perception of value in expertise</p>
	High	<p>(c) High Risk</p> <p><u>Sources of Collaboration Risk</u> Low perceptions of value in service provider's expertise High complexity of project</p> <p><u>Mitigating Conditions</u> No mitigating conditions for risk</p>	<p>(d) Moderate risk</p> <p><u>Sources of Collaboration Risk</u> High complexity of project</p> <p><u>Mitigating Conditions</u> High perception of value in expertise</p>

Figure 5.2: Level of Collaboration Risk

Source: Created by the Author

As illustrated in Figure 5.2, the sources of risk can be traced to two categories, which are plotted against the two axes. On the vertical axis risk relating to the complexity of the project is considered. This relates to the perceptions of risk due to the complexity of the project and the incomplete understanding of the investments necessary for project engagement. On the horizontal axis, risk with regards to perceptions of value and credibility of service providers' expertise is considered. This relates to the level of risk perceived to exist due to the lack of confidence in the expertise of the service provider and by extension the potential value of the collaboration.

The above figure explicates the four scenarios in the assessment of collaboration risk. For example, in scenario (b) as the project complexity is low (projects are fairly standardised and thus there is clarity of expectations regarding process and outcomes) and as the perception of service provider's expertise is high, the overall level of risk associated with collaboration is considered to be low. In scenario (a), the low value of

service provider's expertise creates perceptions of risk in embarking on collaborations. However, as the project's complexity is low and thus expectations of outcomes and procedures are clear, this acts in minimising risk perceptions in embarking on a collaboration. As such, overall perception of risk is considered to be moderate. Similarly, in scenario (d) perception of risk is also moderate. Although the risk associated with embarking on a complex project is high, for both the clients and the service providers, the high perception of value in service providers' expertise acts in minimising risk perceptions. Finally, in scenario (c) the high complexity of the project as well as the low value perception in providers' expertise overall creates high risk perceptions for engaging in collaboration.

In assessing risk, service providers need to explore the level and sources of risk based on (i) the perceived value of their expertise and (ii) the complexity of the proposed project. Understanding this will enable service providers to develop appropriate strategies and take appropriate actions in practice for addressing it. For organisations that occupy strong positions within the market, such as Company B, the specialised nature of service providers' expertise provides assurances for value in the collaboration, and thus acts in mitigating risk of collaboration. However, the risk of collaboration rises with the complexity of the project, and as such service providers need to develop strategies for addressing this by focusing on clarifying expectations of investments and outcomes. Scenario (d) is indicative of this situation. To deal with such risk to collaboration, service providers need to focus on helping clients make an informed decision to embark on the relationship by understanding the risks and the investments necessary to engage in the project. Such an assessment at this stage can facilitate intentions to commit to the project, based on clarity of expectations and appreciation of the investments necessary for collaboration for both parties involved.

On the other hand, for service providers whose value of expertise is tentative for clients, such as Company A, this is considered to add risk to the collaboration. In cases where the nature of the projects undertaken is relatively standardised, such as in the case of 'collaboratives' undertaken by Company A (indicative of scenario (a) in Figure 5.2 above), service providers need to recognise the sources of client risk, and engage in actions in practice that can help in mitigating risk perceptions by building and demonstrating credibility in the value of the collaboration. In the cases of be-

spoke work-based solutions, however, as the nature of the project is complex in itself, the high risk of collaboration may pose significant difficulties in engaging in a relationship. Scenario (c) can be illustrative of such a situation. In such cases, service providers will need to assess whether there is viable potential for collaboration as the difficulties in minimising collaboration risk may be too difficult to overcome.

5.3.2. Compatibility of Relational Approach to Level of Risk

Context: Evidence / Findings

Closely related to the above, the compatibility of the service provider's approach to the level of collaboration risk has been shown to largely affect initial stages of collaboration and largely dictate its course. This was evident from the results of the two case studies and these are discussed below.

In the case of Company A, the approach adopted by service providers seems to have been incompatible with the level of client risk associated with collaboration. This was because in this early stage of opportunity, the expert roles adopted by service providers and the insistence on the credibility of abstract knowledge for meeting clients' needs, were unsuccessful in alleviating client risk, as the source of perceived risk was the credibility of that knowledge and of service provider's expertise.

In the case of Company B, the approach adopted by service providers, where emphasis was given on participation in practice and dialogue, albeit guided by expert providers, seems to have been appropriate in moderating the risk of collaboration relating to the complexity of change initiatives. This is because it provided opportunities for deconstructing complexity through processes of joint exploration and collaboration. Deconstructing complexity here is defined as the process of breaking down complex tasks and exposing assumptions. In this way, service providers and clients were in a position to work closely together to gradually examine and understand the client's environment and problem.

What is suggested is that by understanding sources of collaboration risk that are evident in the local relationship context, service providers can adopt strategies that take advantage of the opportunities in the relationship, but also importantly minimise

its constraints. For Company A, where risk perceptions seems to stem largely from the perceived value of service providers' expertise, what is suggested is that the aim of service providers should be directed at *demonstrating* their credibility through actions made in practice. This could involve expending relationship specific investments so that through dialogue and extended interactions service providers can begin to build a case for the value of collaboration. This will act in moderating perceptions of risk, as the credibility of service providers will have been established and demonstrated through experience of working together.

Resulting Learning Need(s)

In understanding the importance of the compatibility of a service provider's approach to the level/sources of risk, a learning need arises that relates to *assessment of compatibility and adaptation through dynamic affordance*. Expanding on Figure 5.2, which illustrated sources and levels of collaboration risk, Figure 5.3 outlines the characteristics of the approach to relationships that become more appropriate for different levels and sources of collaboration risk.

		Perceived value of Service Provider's Expertise	
		Low	High
Complexity of Project	Low	<p>(a) Moderate Risk</p> <p><u>Purpose:</u> Demonstrate Credibility of Collaboration Value</p> <p><u>Approach/Actions</u> <u>Collaborative Characteristics</u> Investment of resources (time and human resources)</p>	<p>(b) Low Risk</p> <p><u>Approach/ Actions</u> <u>Expert Characteristics</u> Direction Maintaining distance</p>
	High	<p>(c) High Risk</p> <p><u>Purpose</u> 1. Demonstrate credibility and value of collaboration 2. Deconstruct project complexity</p> <p><u>Approach/ Actions</u> <u>Co-constructive Characteristics</u> Investment of resources by service provider Close collaboration Joint Diagnosis Open Dialogue</p>	<p>(d) Moderate risk</p> <p><u>Purpose:</u> Deconstruct project complexity</p> <p><u>Expert and Collaborative Characteristics</u> Direction Close collaboration Joint diagnosis Open dialogue</p>

Figure 5.3: Assessment of Approach Compatibility to Level of Risk

Source: Created by the Author

In cases where the perceptions of risk are low, such as in scenario (b) in Figure 5.3, the approaches associated with expert characteristics, such as direction and maintaining of distance among partners, could be considered acceptable (if not preferred) in interactions. This is due to the confidence in service provider's expertise and the low project complexity. Similarly, in moderate-risk cases, such as in scenario (d), approaches adopting expert characteristics could still be acceptable due to the confidence and value placed on service provider expertise to guide the process. However, due to the high complexity of projects, these approaches need to be grounded and complemented by collaborative characteristics such as open dialogue, joint activities, and inclusive participation. The main purpose of these collaborative characteristics is to help deconstruct project complexity, in other words, help break down and simplify complex tasks. This will enable participants to engage in joint activities, expose and understand assumptions and expectations and together reconstruct common understandings.

On the other hand, when risk pertains to the service provider's credibility and expertise, as in scenario (a), in order to minimise collaboration risk, service providers need to be guided by the purpose of demonstrating and establishing their credibility. What seems important here, however, as illustrated in the case of Company A, is that to do this requires *demonstration* of credibility through actions made in practice. Recall, that in Company A, although the purpose of initial interactions was the establishment of service provider credibility, this was not demonstrated as actions made in practice. Building credibility will require purposive actions in the form of expending investments. The same applies to scenario (c), where expending investments can aid in minimising part of the risk involved in collaboration. However, as projects in this case are complex, it is likely that service providers will need to adopt approaches where the purpose is to co-construct both the value of the collaboration and the expectations pertaining to the project and its outcomes. Such approaches are likely to be characterised by significant investments, close collaboration, inclusive participation, open and constructive dialogue and joint activities.

The ability to assess and adapt the relational approach according to the sources and

levels of collaboration risk is particularly important in the first phases of relationships where participants have not yet had previous experience of working together. Assessment is likely to lead to modifications in the approach of service providers, with a move away from expert to more collaborative characteristics at most instances. More collaborative characteristics in the early stage of opportunity are likely to lead to perceptions of commitment to the relationship by service providers and clients alike, which can in turn begin to build the foundations for the creation of trust.

5.3.3. Ensuring Engagement / Initial Commitment of Decision-Makers

Context: Evidence / Findings

Drawing from the results of the within-case analysis of the two case organisations, it seems that the engagement of key organisational decision-makers is critical for the viability of relationships in the initial stage of opportunity. Specifically, evidence suggests that for any project to have real potential or to materialise, service providers need to ensure initial commitment from decision makers in the early phases of collaboration. The criticality of this factor is recognised by both case organisations, where the ability of service providers to engage decision makers is largely seen to be dependent on the perceived credibility of service providers and their power in interactions.

In the case of Company A, it seems that although engagement of decision makers is considered critical for service providers, the organisation's position of power in the relationship poses difficulties in ensuring initial commitment. Service providers suggest that being able to locate the key people in an organisation was crucial as within the short time frame afforded by the client, service providers needed to be building their credibility with the people that could take decisions. However, it seems that the approach adopted did not facilitate that. In most cases, the pressure to meet budget targets in order to establish the organisation in the market resulted in the following: (a) any viable lead was followed up by service providers, which resulted in cases where contacts within the client organisation were not the decision makers and had limited power in making decisions; and (b) as initial contacts were not motivated by client's needs but by service providers' attempts to generate potential needs, clients

were usually sceptical towards collaboration at this stage.

Within this context, as clients were the powerful party in the interaction, initial meetings involved attempts on the part of service providers to convince the client of the value of collaboration. However, service providers' early pressures to commit clients to contracts before demonstrating the value of possible collaboration (as illustrated in the results of the within-case analysis) seemed to act in alienating initial contacts. Therefore, the challenges here were two-fold: On the one hand, service providers needed to build the case for value of collaboration, through demonstrated actions and investments made in practice. On the other hand, service providers needed to then find ways of progressing through to committing decision makers. The progression from initial contact through to commitment of decision makers was difficult, as the understanding of collaboration has been created further downstream.

For Company B, the case was quite different. Its reputation, specialisation and the perceived credibility of service providers' knowledge, attracted contacts and potential projects. As these clients were already motivated to explore the possibility of collaboration, initial commitment became easier through establishment of common understanding. These contacts were not in all cases senior managers or 'leaders' as service providers suggest, so the challenge rested on how to engage leaders that had the power to make material decisions. To do this, Company B service providers transferred this responsibility onto the initial client contact, whereby through support and guidance, they encouraged them to engage their senior managers by building a solid case for collaboration. This however seems to have been afforded by their strong position. That is, as service providers are viewed as experts, the motivation to engage in the relationship was largely driven by the client's need to tap into the specialised expert knowledge of service providers. In this way, clients were more willing to exert efforts to engage their decision makers, as this would communicate their intentions to go through with the project.

Resulting Learning Need(s)

In appreciating the importance of engaging decision makers, a learning need arises with regards to how to pave the road towards initial commitment or engagement of decision makers. Considering that an organisation's position can enable or encumber

the way to engaging senior management, service providers need to understand the challenges of their position and build processes that facilitate their path to securing the commitment of decision makers. For more established service providers, this process is easier as (1) the need for collaboration has originated at the client organisation, and (2) the credibility of their expertise makes it easier to gain access into higher levels of management. This is a more difficult process for less established service providers where (1) the potential or pursuit of collaboration has not been recognised prior to service provider's initial contact, and (2) the lack of confidence in the credibility of service providers' expertise can pose a major barrier to accessing higher levels of management.

To facilitate the road to engaging decision makers, it seems that service providers could aim to approach and build on their personal contacts in potential client organisations. Personal contacts of service providers, as illustrated in the cases of both Company A and Company B, afforded service providers with the opportunity to build on the interpersonal trust that existed between the client and the service provider, due to their previous experience of working together. This could create more collaborative atmospheres where the service provider could be given the opportunity to demonstrate the value of the collaboration. This could begin to build a case towards ensuring initial commitment. Following from that, the approach of Company B can be particularly insightful in suggesting ways in which service providers can build on existing contacts to gain access and engagement to senior level management. Following their example, therefore, service providers can build on the commitment of initial contacts and through guiding and supporting can motivate them to pursue engagement of senior level management. When approaching decision-makers therefore service providers will already have established an inside ally.

5.3.4. Goal Congruence

Context: Evidence / Findings

The results from analysis of the two case organisations suggest that achieving congruent goals at the early stage of opportunity was important in facilitating relationship success. The experience of both case organisations highlights the

importance of reaching goal congruence in two ways: The experience of Company B highlights the benefits of achieving goal congruence while Company A's experience points to the challenges in failing to achieve goal congruence.

The research results from Company B explicate the importance placed on the establishment of common understanding, while service providers' well-defined method highlights the way in which this is achieved, namely through 'scoping' and 'check'. Recall that in the case of Company B, for any potential project undertaken service providers and clients were required to work together over extended time periods, where the joint activities undertaken enabled the establishment of commonality of purpose, common understanding of the client's problem and the ways of approaching it. The result of this process was goal congruence and was a product of clients' and service provider's experience of working together.

On the other hand, the experience of Company A suggests that the challenges arising from lack of goal congruence at this early stage may cause collaboration to collapse at later stages of development, due to conflicting views of purpose, expectations and respective roles among relationship participants at later stages. The lack of congruent goals was seen to be the result of service providers' need to secure commitment to the project early on, without allowing for time to explore commonality of goals and expectations. This usually meant that congruence of goals was simply brushed over in the context of a few discussions with clients and usually represented each party's perceptions of the goals of collaboration and not jointly established understandings. As the amount of time spent and the level of joint activities were kept at a minimum, this did not allow space for checking for commonality before engaging on the project.

Evidence from the two case organisations suggests that clients and service providers need at this early stage to negotiate and establish common purposes, define expectations of collaboration and ultimately reach common goals for collaboration. This is important to be achieved at an early stage as it helps to set down a healthy basis for future collaboration. It helps in minimising risk of collaboration as it provides an assurance of the commonality and solidarity of purpose among partners. This, of course, does not happen overnight, as suggested by evidence from Company B's experience. Clients and service providers need to work together over a period of

time to establish common goals, expectations, and understandings. This is something that can only be developed with one another and in relation to one another. This in turn enables parties to feel more confident about collaboration, as the goals achieved have been the result of joint production, negotiation and agreement. What is deemed critical for reaching goal congruence is that its establishment is contingent to the time clients and service providers spend together and on the level of participation in interactions. This will be discussed below.

Resulting Learning Need(s)

The learning need that arises relates to how service providers can reach goal congruence in the stage of opportunity. As discussed above, establishing goal congruence will ensure that assumptions of relational partners give way to common understandings and expectations about collaboration. The evidence from the two cases suggests that reaching goal congruence is contingent on the time spent with the client and on the level of participation encouraged in interactions. This is also contingent on the dependence structures of the relationship that facilitate or restrict opportunities for extending interactions and participation.

Firstly, evidence from Company B suggests that due to the prolonged time spend with clients in the first phase of ‘check’, service providers and clients are able to reach a position where through joint activities and ‘scoping’ exercises, they begin to create a common view of the project and of the expected outcomes. The ability of service providers to spend extended periods of time with clients is facilitated by their strong position in the relationship where they are viewed as experts. Therefore, clients are more willing to expend time due to their dependence on service providers’ expertise. In the case of Company A, the time spend with clients in the stage of opportunity was exceptionally short. This made the achievement of common and compatible goals particularly difficult. As such, goal congruence was brushed over in the space of a few discussions. The short time frame seems to have been a result of the power/dependence structures of the relationship as the time afforded for collaboration was to a great extent determined by the client. Due to the lack of confidence in service provider’s expertise and the unfamiliarity with the organisation, service providers in the case of Company A appeared as the dependent party in interactions. Operating within the tight time frames afforded by the clients created challenges in

achieving goal congruence.

What becomes important for service providers is the recognition of the inherent barriers in their current model or approach that prevent them from engaging in particular activities to ensure goal congruence. What is important here is that service providers could address this by finding ways of extending the time spent on projects. This may require expending investments, in the form of time and human resources, that can potentially expand the time frame afforded by clients and allow for joint activities to materialise.

5.4. Stage 2 – Engagement: Critical Factors and Knowledge Needs

When clients and service providers decide to engage in the project, this moves the relationship into the *engagement* stage. The engagement stage encompasses all the interactions through which clients and service providers work together to fulfil project requirements and meet relational outcomes. At this stage, depending on the type of project, e.g. change intervention, training and development solution, etc., projects vary in terms of the specific activities that become relevant for meeting project outcomes. However, what is important for the current analysis is that irrespective of the type of project, all successful relationships at this stage are perpetuated by and dependent on the development of relational codes of practice that dictate the terms of the engagement.

This stage will be considered in two phases; (1) the establishment and development of hygiene conditions of practice and (2) the development of relational conditions. Hygiene conditions are seen as the intentional results of the activities undertaken by clients and service providers. Relational conditions are seen as the indirect result of the activities taken by clients and service providers that have developed through repeated interaction and socialisation. They have been developed as a result of actions but are also seen to guide actions and behaviours of relational participants. Knowing how these have developed, through what actions, and how these affect actions of participants, could help service providers in managing their development at appropriate times.

5.4.1. Hygiene Conditions of Practice

5.4.1.1. Establishment of Norms of Practice and Communication

Context: Evidence / Findings

Evidence from service provider accounts across the two case organisations suggests that as service providers and clients begin to work together to achieve project outcomes, the establishment of norms of practice and communication becomes critical. At this stage, service providers and clients begin to experience what it is like to work together. Since they come from different organisations and are brought together under a newly formed situation, they have to learn to work together. What becomes important, therefore, in the early stages of engagement is that participants need to lay down the terms within which work is to be undertaken and the way in which they are to communicate. As participants have established commonality of goals and purpose in the earlier stages, the question becomes, who dictates these norms and how? Evidence from the two case organisations suggests that norms of practice and communication were a function of the distribution of power (dependence structures) in the relationship and the corresponding roles adopted by participants.

For example, consider the case in which the powerful party in the relationship is the service provider, as in the case of Company B. In this case, clients seem to be dependent on service providers, based on a perception of dependence on their expertise for meeting and realising outcomes. Therefore, through occupying a position of power, service providers have the ability to take on directive roles in interactions and this exertion of power is justified and accepted. That is, due to clients' dependence on service providers' expertise, clients are seen to willingly accept the directions of service providers regarding how work should be done to achieve outcomes.

In the case of Company B, evidence from the investigation suggests that as the service providers are viewed as experts in helping clients accomplish change, service providers admit that clients become dependent on them to direct the way towards

achieving that. As such, the dependence structures (clients' dependence on service providers) affords service providers the power to direct and dictate norms of practice by designing the processes and the various steps through which participants have to jointly go through to realise change. In doing so, they are essentially adopting directive roles to guide clients through the intervention, and therefore to a large extent dictate the norms of practice and communication. In these situations, the dependence structure necessarily leaves clients following the directions of service providers, and in that, clients seem to adopt follower roles. Thus, what seems evident in this case is that the power of service providers granted by client's dependence on their expertise, grants service providers the power to dictate the norms of practice and communication between participants.

Alternatively, in the case where service providers are not the powerful party in the relationship, as in the case of Company A, the directive role cannot *a priori* be justified. Evidence from Company A suggests that when the project is underway, service providers act as experts where they dictate the process through which the development of solutions needs to go through. This seems to have been evident in the way interactions with clients were approached where dialogue between service providers and clients was kept to a minimum and was directive in nature to facilitate service providers' purposes. As experts of abstract knowledge, service providers viewed that they were the ones that possess the skills necessary in designing and implementing solutions. As such, solutions were designed almost exclusively by service providers. This approach seems to have been incompatible with the power dynamics in the relationship where the service provider did not have power over clients in interactions. This might have been acceptable in cases where the project was fairly standardised, as in the case of collaboratives. However, the directive role adopted by service providers seems to have been incompatible in cases of more customised projects as it served to create a distance between service providers and clients.

Based on this inverted dependence, norms of practice in these situations could have been approached through adopting more collaborative approaches in interactions. Service providers could do this by engaging in interactions that facilitated negotiation and open dialogue among participants and enabled flexibility into how potential

project could unfold. That is, through adopting facilitator and/or supporting roles, which are by nature collaborative, service providers could communicate an intention for joint establishment of norms of practice and communication with clients. In turn, this could serve in moving the relationship towards more even distribution of power, as service providers would have in practice demonstrated their credibility both as experts and as relational partners.

Resulting Learning Need(s)

The learning need that arises with regards to the establishment of norms of practice and communication relates to the *adoption of appropriate roles based on an appreciation of the dependence/power structures* that guide the relationship. Based on the results from the two case organisations discussed above, the establishment of norms of practice and communication seems to be a function of the power/dependence structures in the relationship and the corresponding roles clients and service providers adopt based on that balance or imbalance. That is, as evidence from the case of Company B suggests, powerful service providers have *a priori* more justified power to direct norms of practice, leaving limited space for negotiation. On the other hand, dependent service providers, as in the case of Company A, do not have the power to justify direction. Therefore, they need to allow for flexibility through negotiation between partners to dictate norms. Understanding relationship power dynamics, therefore, can help service providers identify the appropriate role to be adopted for interaction and the level of direction/negotiation that their position affords. The resulting learning need therefore relates to learning from the local context to understand one's own position of power/dependence relative to that of clients and the effects that has on the roles that are more appropriate in practice to aid in successful engagement. To illustrate this consider Figure 5.4.

Based on the results of the two case study organisation, Figure 5.4 has been developed to illustrate the relationship between the power dynamics in the relationship and the appropriate roles that need to be adopted in practice. The figure helps illustrate the level of direction or negotiation acceptable in interactions relative to the position of power and dependence on the relationship. The value of the figure lies in helping service providers understand and assess the appropriate roles that need to be adopted in practice.

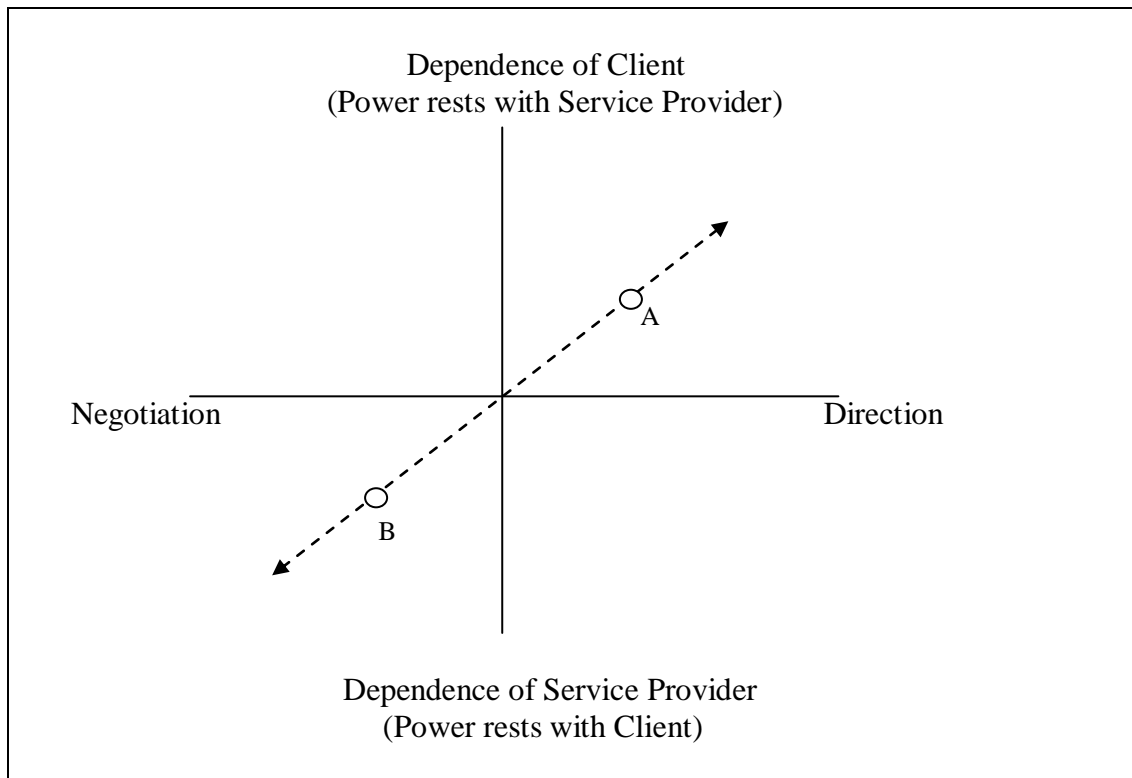


Figure 5.4: Dependence/Power vs. Nature of Role

Source: Created by the Author

Figure 5.4 illustrates that the accepted level of direction/negotiation in the relationship between the client and the service provider directly corresponds to the dependence of the one on the other. As clients' dependence to the relationship increases, direction by service providers in determining courses of actions and/or norms of practice is more accepted and less negotiated. Point A in Figure 5.4 is indicative of such a situation. On the other hand, when clients' dependence decreases, the level of direction by service providers becomes less accepted and there is a need for negotiation for jointly establishing norms of practice. Point B is indicative of this situation.

To illustrate how the above figure can be used to guide appropriate roles in practice consider the examples of Company B and Company A. In Company B, as discussed above, the level of direction evident in interactions is acceptable due to the high value placed on service provider's expertise, allowing thus service providers to guide the project and the norms of practice. When relationships develop over time, however, clients are seen to move away from such dependent positions, as they themselves have

developed the skills and knowledge of viewing the organisations as systems. At this stage, the non-compromising attitude for direction by service providers may no longer be accepted, as was evident in some examples of detachments from projects in Company B. The value of recognising that the position of power has shifted can enable Company B's service providers to adapt their approach to relationships by encouraging negotiation and flexibility so that participants can jointly establish the norms of practice.

In Company A however, the level of direction by service providers seems to have been incompatible with the power dynamics in the relationship, and in many cases it distanced relationships between clients and service providers. As discussed above, in recognising the power dynamics in their relationships, service providers could facilitated closer relationships through adopting facilitating and supporting roles and allow for negotiation. Over time, as service providers would have been able to actively demonstrate their credibility in interactions, clients would be more willing to accept direction from service providers.

The value of the above lies in recognising that to engage successfully, service providers need to continuously assess the appropriate roles to be adopted based on understanding the relationship power dynamics as experienced in the local relationship context so that they can facilitate interactions and prevent conflicts.

5.4.1.2. Development of Commitment

Context: Evidence / Findings

The perception of commitment to the relationship is deemed critical for the success of a relationship. As business service relationships are project-oriented and therefore tend to be more short term, the commitment to the project of both service providers and clients seems to be a critical principle on which the project runs and is materialised. Commitment is seen as the willingness of each party to continue to collaborate. As such, it facilitates the relationship as it provides confidence in relational partners of their partners' intentions to maintain the relationship.

Evidence from the two case organisations differs as to the role of commitment in projects and its importance for relationship success. In the case of Company A, commitment was seen to be more exchange-oriented as it facilitated the contractual commitment of clients to going through with the project. As solutions were in most cases training and development solutions, the commitment of decision makers was only relevant in moving the project from opportunity into engagement. This was because, in the majority of cases, the actualisation of the solution was usually delivered in other lower levels of the organisation, that is, at the level of the client's employees that would receive the training. Therefore, commitment was relevant only to commitment of decision makers as this was explored in Section 5.3.3 above.

Relevant for the purposes of the current study seems to be the importance of commitment and its determinants based on evidence from Company B. In Company B, commitment was seen as the outcome of the joint activities undertaken by service providers and clients. The level of client commitment to the project was seen by service providers to be determined by the willingness of clients to expend investments, as these communicated clients' intentions of going through with and committing to the project. Such investments within the context of the relationship are considered in terms of investments in time, resources and risk-taking actions that aim to communicate commitment to the relationship as they are expended solely for the purposes of the project. The level of such investments and the distribution across service providers and clients was observed to be dictated by the relationship dependence structures. Consider how this arises from the evidence from Company B.

In the case of Company B, service providers suggest that perception of client's commitment to the relationship was largely seen to rest on the investments made by clients. These were seen as vital for determining project/ relationship progression, since lack of client investments or willingness to expend investments was seen as detrimental to the relationship; that is, service providers would walk away. Client investments were viewed in terms of the clients' willingness to (a) invest time in the project and (b) take risky actions to facilitate the change intervention. Such investments were not optional but prerequisites for continuing exchange, in that once a decision to engage in the project was taken, service providers would expect clients to adopt risk-taking actions as directed by them. This was seen to communicate a

sense of commitment on the part of clients of their willingness to take any action necessary to support the initiative undertaken. Some requests for investments were intentionally radical to test the clients' willingness to 'obey' the consultants' rules. As indicated in Chapter 4 (Section 4.4.3.2), such requests would be, for example, "stop all in-house change initiatives" or "fire all your change people". Although such irrationally radical requests would never see the light of day, they served as an indicator of how far a client was prepared to go to commit to the project. This coercive use of power was largely seen to be the result of client's dependence on the service provider and the need to invest in order to maintain the relationship. This also justifies the service provider's uncompromising stance and the acceptance of this by clients. However, what was evident in quite a few cases was that Company B's uncompromising position had cost them a number of contracts, as some clients were in many cases unwilling to take such risky actions without negotiation.

Commitment during the stage of engagement, therefore, was seen to be the intentional result of investments made by or required of relationship partners. These were seen to be a function of the dependence structures that guided the relationship, in which weak partners were observed to make more investments to the relationship (either as a result of requirement or of the need to maintain the relationship). Investments were seen to operate in two ways. Firstly, they communicated clients' or service provider's commitment to the relationship, and secondly they acted in enhancing dependence of the dependent party. This in turn created a situation in which dependent partners became more dependent to the relationship.

Resulting Learning Need(s)

As commitment is the intentional result of investments by relational partners, a learning need arises with regards to the level of reciprocal investments needed by clients and service providers to ensure lasting commitment to the relationship. The accepted level and direction of investments seems to be determined by the dependence level of partners, as discussed above. What is suggested though is that commitment to a relationship should go beyond what is accepted for sustaining relationships to what is possible in successful relationships. That is, service providers should aim at moving relationships to closer levels of interdependence, where investments to the relationship are not a result of coercion of either partner to commit,

but are the result of trust and solidarity. In these cases, investments are easier to secure commitment as they are expended relatively effortlessly, as the parties feel more secure to commit.

The example Company B suggests that investments guided by the dependence structures facilitate commitment to the relationship, which is, however, uneasy and insecure for the invested party. These investments are not expended willingly to communicate commitment to the relationship, but are in most cases compelling for continuing exchange. Such investments are not ‘healthy’ assurances of commitment, as they facilitate and enhance the existing dependence structures by coercively binding partners to the exchange. Although these are seen to exist naturally, as they are defined by the level of balance or imbalance of power in the relationship, they are only sufficient in ensuring short-term one-sided commitment.

What is suggested is that service providers could aim to achieve healthy commitment that stems from ‘solidarity’ and not coercion. Such commitment is healthy because it binds clients and providers together on a common ground, where both willingly invest in the relationship. The level of investments by relationship participants might still be unequal, with clients investing more than service providers, but it is no longer one-sided. Strategies for achieving that might relate to the establishment of joint-ownership of project outcomes and negotiated design and production of solution in which partners exist and operate on equal standing, with each partner contributing to the relationship and with each partner invested in achieving outcomes. That is not to say that relationships exist naturally in that state. Service providers may need to work in bringing the relationship to that stage with the process of transformation being negotiated and conflicted.

What service providers, therefore, need to learn about how to facilitate healthy commitment should result from an assessment of (a) *the current dependence structures of the relationship* and (b) *the corresponding investments necessary for balancing commitment* among relational participants.

5.4.2. Relational Conditions

5.4.2.1. Development of Trust

Evidence from the two case organisations investigated suggests that trust was important for the success of the relationship. What became important was the role of both interpersonal and organisational trust as direct facilitators of consistent and smooth collaboration and as indirect determinants of relationship success. The discussion below considers how effects of trust were exemplified in the two case organisations investigated.

Service providers in Company B suggest that as clients and service providers work together over a period of time, they begin to develop trust in one another through *mutuality*. Trust through mutuality develops among participants based on the belief that the experience of working together to understand the challenge and purpose, and the joint activities taken to meet the challenge, has created mutually relational partners. The experience of Company B however suggests that partners are never truly relational partners, as due to the nature of the relationship, ownership of the project outcomes largely rests with the client.

Mutuality in service provider's accounts in the case of Company B refers to the client's belief that the service provider has acquired an insider perspective and can justifiably provide an alternative frame of reference that is relative to the organisation. In other words, it represents the client's belief that the service provider understands what it feels like to be them and can therefore offer viable and justifiable suggestions that are directed towards the well-being of the client organisation. This sense of mutuality has developed as a result of the extensive participation in the client's practice and the joint activities participants undertake together throughout the relationship. Trust in the service provider therefore is demonstrated in the acceptance of the alternative perspective offered which has resulted based on insider's understanding. Whether change outcomes are fulfilled or not, service providers suggest that the satisfaction with the individual service provider, his/her behaviour and approach over repeated interactions creates trust in the service provider as expert. In this way, service providers suggest that established trust facilitates collaboration

since leaders are keener to expend investments on service providers' request based on trust. As service providers are viewed to be operating under the philosophy of the organisation, client's trust in the individual service provider translates into the trust in the philosophy of the organisation, and by extension it translates into trust in the organisation.

In the case of Company A, the importance of trust in relationships was exemplified in two ways. Firstly, during the development of work-based solutions or collaboratives importance was placed on the trust that existed or was created between service providers and clients as driving success. Secondly, importance was also placed on trust that resulted from client's satisfaction with the delivery of the solution. However, the evidence from Company A suggests that the organisation faced challenges in developing and maintaining trust in client relationships. The challenges faced by Company A regarding trust development related (a) to the nature of training and development solutions and the indirect nature of outcomes and (b) to the fragmentation of the processes of diagnosis, solution design and delivery among the various members of Company A.

Firstly, the nature of training and development solutions offered by Company A seemed to pose challenges to the development of trust. As the nature of solutions offered involved what service providers called a 'two-phase sell', Company A needed to manage its relationships and build trust at different levels of the organisation. That is, it needed to build trust at the decision-maker level and also importantly at the employee level, as the latter were the receivers of the training solution at the client organisation. Therefore, even if trust had developed between service providers and the client's management, possible dissatisfaction in delivery of the solution largely affected the success of the relationship. Furthermore, as the outcomes of such training solutions were indirect and measurement to show impact on the client's bottom line was considered difficult, this meant that the value of the service was in itself difficult to assess. Therefore, to develop trusting relationships emphasis needed to be placed on client's satisfaction during interactions.

In ensuring satisfaction during interactions, Company A also faced a number of challenges. Particularly, the organisation's complex structure involving several

constituencies in diagnosing, designing and delivering training and development solutions seems to have created a distance between service providers and clients that deemed the development of trust difficult. To illustrate this consider the following. In a typical relationship, the following members of Company A became involved: BDMs were involved in the stage of diagnosis, WDFs were involved in the stage of solution design, and academic collaborators were involved at the stage of delivery. As service providers suggest that trust develops based on trust in the individual service provider, the fragmentation of the process between different members of the organisation meant that in many cases the interpersonal trust created with one member of Company A became lost in transition when the project was transferred from one member of Company A to the next. As such, this lack of continuity in the client interface made trust development difficult. The above challenges created a process through which prospective and existing projects suffered from lack of trust in the service provider and the organisation.

Evidence from the case organisations suggests that trust is indeed important in facilitating relationship success. Two issues are important in learning how to manage trust. Firstly, as results suggest that trust develops through perceptions of mutuality and satisfaction over extensive interactions, service providers need to actively participate in relationships, and through demonstrated actions and activities made in practice aim to achieve mutuality. Secondly, as trust in most cases develops in interpersonal terms, it is important to ensure provider continuity throughout the relationship development. Provider continuity can be defined here as the same participants interacting over time. This will facilitate continuity of interactions which could in turn enable service providers to maintain trusting client relationships.

5.5. Stage 3: Maturity or Dissolution

5.5.1. Trust Extension and Project Extension through Personal Relationships

Context: Evidence / Findings

As business service relationships are project oriented, they are necessarily short lived, in that the relationship essentially ends with the completion or termination of the

project. Depending on the type of business service, the possibility for extending the relationship with the client organisation to other projects varies. Results from the two case organisations suggest that there is great potential in building long-term relationships with individuals. As organisations are fluid in that people progress or change, investment in maintaining trusting relationships with individuals that transcend the boundaries of the organisation enables relationship extension and fosters opportunities for repeated collaboration.

Evidence from Company A and Company B are used to illustrate how, in each case, relationships with individuals were considered important for extending collaboration. In the case of Company B, according to service providers, the key to success for extending collaborations was the maintenance of long-term relationships with individuals. Their experience suggests that a lot of the contacts they receive are from individuals they have worked with before who have either moved to new organisations or have moved up in their organisation. To manage therefore such relationships, Company B places a great emphasis on networking. This is done by individual service providers through maintaining web blogs, twitters and newsletters, but also through the organisation's networking group. The aim of Company B is to create a network through which individuals who have worked with Company B and have accepted the 'systems thinking' perspective effectively become an extension of the organisation network. In service provider accounts they are often referred to as 'members' and are encouraged to maintain contact with Company B and with other 'members'. This issue of membership seems to run at the very core of Company B's philosophy and is particularly important for the organisation's operations, as it is vital in spreading the word for gaining new members and retaining existing ones.

On the other hand, Company A's example suggests how trusting relationships can provide opportunities for and facilitate future collaboration. From the experience of service providers it was clear that the most successful contacts were from service provider's or collaborators' personal contacts. These represented trusting relationships maintained with individuals they had worked with before. In this case, the trust in the person (service provider or collaborator) facilitated in not only providing an opportunity for further collaboration, but also helped to minimise client risk involved due to the unfamiliarity and lack of trust in the organisation. Personal contacts were

therefore seen as the organisations golden ticket to get established. However, it seems that although this was recognised, the strained relationship with collaborators suggested that a lot of these contacts were lost, as discussed in Chapter 4. Furthermore, lost opportunities for extending trusting relationships were also evident in the failure of service providers to extend relationships with existing clients. Consider that once a solution had been delivered, service providers would rarely follow-up with decision makers at the client organisation to ensure satisfaction with the service and the relationship. Emphasis was more about getting new business and less about managing existing accounts. Following up with clients after the completion of the project could be highly beneficial in extending relationships since this could help to maintain open lines of communication and collaboration and could potentially act to sustain and extend trust that had developed through the relationship.

The examples of the two cases suggest that investing in maintaining and building long term relationship with individuals based on trust can create opportunities and reduce or eliminate biases in exploring new collaborations.

Resulting Learning Need(s)

The learning need that arises relates to how service providers can leverage long-term relationships with individuals by extending trust. As trust does not happen overnight and as organisations invest in establishing trusting relationships, evidence from both cases suggests that when the project ends trust can be extended through well-maintained personal contacts. Firstly, service providers need to recognise that there is great value in maintaining long-term relationships with individuals in client organisations, and they should seek to actively maintain these relationships over time. Company B's example suggests that part of the role of service providers extended to networking. Within this role, service providers expended investments by supporting and advising individual clients even after the project had finished in order to ensure that when the opportunity arose individual contacts would return. In the case of Company A, the failure to support relationships with individuals after project completion meant that a lot of these contacts were lost. To maintain trust, as in the example of Company B, service providers could explore formal and informal ways of maintaining relationships through expending investments and supporting individuals in client organisations. This could be done at the level of the individual service

provider and/or at the level of the organisation. Organisations can build networks through which constant support and guidance can help to maintain client contacts and possibly extend collaborations.

5.6. Overarching Facilitators to Collaboration

Evidence from the two case organisations investigated suggests that there are two overarching facilitators to effective collaborations. These are (a) dialogue and intensive interactions as facilitating opportunities for learning and (b) the culture of the organisation as affecting service providers' ability to learn

5.6.1. Learning through Dialogue and Inclusive Participation

Evidence from the two case organisations investigated suggests that learning is critical for relationship success and maintenance. Exploration of opportunities for learning, as well as demonstration of learning in relationships, is seen to be contingent on the nature of dialogue and participation. Evidence from Company B serves to illustrate how effective dialogue and participation in practice can lead to successful relationships, while evidence from Company A illuminates the challenges of engaging in distant relationships with directive dialogue. The evidence from each case is presented below.

Evidence from Company A suggests that the approach to dialogue and participation throughout the relationship minimised opportunities for learning but also importantly restricted the ability of service providers to learn from relationships with clients. Interactions in the case of Company A were observed to be largely exchange-oriented and they were characterised by simple exchange of information with the purpose of securing the contract or generating solutions. Such interactions seemed to be driven by 'dialogue' that was directive in nature and was largely driven by the service provider's purpose. Throughout all stages of relationship development, such 'dialogue' did not encourage opportunities for learning from the local context and the client. Firstly, it did not facilitate the establishment of common understandings and expectations between participants; and secondly, it did not contribute towards joint production and development of solutions. This was reflected in the nature of

interactions and nature of solutions offered by Company A. Similarly, participation in interactions was observed to be non-inclusive, where distance was maintained between the two participations. As such, service providers and clients remained and acted as distinct entities, where the service provider was the expert and the client is the 'student'. Such an approach to dialogue and participation seems to have been problematic as it created challenges for learning in relationships. It significantly minimised the opportunities available to service providers to learn from the local context, as it reinforced the maintenance of distance among participants.

On the other hand, in the case of Company B, evidence suggests that the close collaborative relationships developed through open dialogue and inclusive participation facilitated opportunities for learning. Interactions were governed by joint activities where participation in the clients' practices facilitated a common understanding of both the system and the change. In such activities, emphasis was placed on open dialogue that contributed to common understandings and achieved perceptions of mutuality among participants. As a result, this created a basis for justifying investments to the collaboration, as these had been the result of mutual understanding established through open and constructive dialogue. However, it seems that in cases where dialogue ceased to be open, as in the case where service providers adopted uncompromising positions, this seemed to act in minimising opportunities for learning as it alienated participants, thus making learning difficult. That is, the directive, non-compromising attitude at such stages was not grounded in open dialogue, and in many cases left service providers unaware of the hesitations and challenges of clients at critical stages of project development.

The results from the two case organisations highlight the importance that should be placed on learning through dialogue and inclusive participation. Evidence from the cases illustrates how open dialogue and participation can provide opportunities for learning, as well as how directive dialogue and distant relationships can minimise opportunities for learning that could have an impact on the successful progression of relationships. In order to be able to facilitate successful learning relationships, therefore, service providers will need to place emphasis on promoting open dialogue and encouraging participation in practice. In this way, open dialogue could facilitate relationship participants to learn from the local context by exploring and re-

constructing assumptions and expectations. Furthermore, inclusive participation could allow relationship participants to become actively involved in the relationship activities and learn to take advantage of the opportunities of the local context and adapt to its challenges. It could allow participants to engage in actions in practice, which can enable participants to construct a learning relationships through dynamic affordance and productive enquiry. Therefore, in order to embrace successful relationships and facilitate collaborations throughout all stages of relationship development, service providers need to promote and embrace learning through inclusive participation in interactions and dialogue.

5.6.2. Culture and Processes of the Organisation as Constitutive of a Learning Organisation

In order to be able to embrace learning, organisations need to embrace cultures and processes that facilitate and promote learning. In other words, they must transition to become learning organisations. Becoming a learning organisation requires the development of a culture and philosophy (a) that values individual and organisational learning; (b) that encourages continuous reflection through a process of review and improvement; and (c) whose processes and structures support the development of learning (Senge, 1990). Based on evidence from the case organisations investigated, the discussion below considers how service providers can facilitate their way to becoming learning organisations through (a) adopting a learning philosophy of practice and (b) redesigning and restructuring organisational processes that facilitate learning in practice.

In approaching relationships, the service provider's philosophy on learning has been seen to largely affect the way in which individuals approach relationships with clients. In the case of Company B, learning was deeply rooted in the core philosophy of the organisation, as what was considered important for any change initiative was that individuals needed to acquire knowledge and skills. In other words, they needed to learn in order to be able to think, and as such act from a systems thinking perspective. To do this, importance was placed on learning in action through engaging and interacting with the system of the organisation. In this way, any change initiative required service providers and clients to work closely together and through joint

activities understand and evaluate the clients' organisation as a system. The philosophy of systems thinking deeply rooted in activity-based learning was at the core of service providers' approach and methods throughout all relationships with clients. As such, all relationships were characterised by close collaboration and joint activities between service providers and clients. As all of Company B's service providers were strong advocates of the approach, this created consistency towards their approach to relationships. What is more, the activity-based learning philosophy of the organisation was also at the core of how service providers learned to become competent change interventionists. By working alongside old-timers, newcomers would learn how to approach relationships by closely interacting and observing change initiatives in practice.

Importantly, the philosophy of Company B seemed to also be supported by the organisation's processes and the well-defined intervention method that seemed to be designed around the core philosophy. Such processes provided service providers with the methods through which to seek and maintain close collaborative interactions and provided them with the tools and skills of how to go about doing that. This was particularly important, as the processes not only supported but guided service providers approach to relationships.

However, although the philosophy, culture and processes of Company B were favourable for encouraging learning in relationships, it seemed that throughout all service providers' accounts emphasis was on client learning. Although the processes of the organisation were heavily geared towards learning in practice, it seemed that service provider's uncompromising approach and the strict adherence to their method meant that in many instances, service providers failed to learn. The uncompromising attitude of service providers and the loyalty to their method meant that in many cases service providers became inflexible and remained oblivious to the challenges faced by clients. As such, they failed to adapt their actions and approach to address detachment from projects and maintain relationships. What seems worse is that even though many service providers admit to the high rates of failed or incomplete projects, they insist on attributing the blame to the clients not being able to take the necessary actions and see through necessary decisions.

In the case of Company A, both the culture and the processes of the organisation seemed to discourage learning from relationships. Firstly, the insistence of service providers on the power of abstract knowledge to solve client challenges, and the continuous tendency to offer pre-packaged solutions to clients was indicative of a culture in which learning was viewed as detached from context. The view that by combining pre-existing courses in new ways could apply to any situation, irrespective of the context of the client organisation, indicates that service providers in Company A viewed and approached solutions as existing prior to and independent of the context of the client organisation. As such, this philosophy led to relationship situations in which learning was not encouraged. Therefore, to be able to encourage learning in relationships, Company A needed a fundamental transition from the current ways of thinking to embracing a learning state of thinking and being.

Developing a culture that embraces a learning orientation as a core philosophy, however, is only part of the puzzle. What seems particularly important is that an organisation needs to ensure that its internal processes and structures are able to support and encourage this learning orientation. This seemed to be one of the most important challenges faced by Company A. That is, the rigidity of the Company's internal processes and internal procedures and the complex and fragmented nature of operations imposed limitations in its potential for learning. Firstly, the academic procedures at the partnering University, on which Company A's operations and solutions rested, was rigid and inflexible, as illustrated in examples given by service providers in Chapter 4 (Section 4.3.3.2). The multitude of layers and the fragmentation of the relationship process resulted in alienating relationship participants and detaching the relationship and solution from the local context. Furthermore, the inflexibility built into the rigid structures meant that in many cases only solutions supported by the system could be offered. Thus, the processes of the organisation seemed to operate as stumbling blocks for any opportunity or attempt at learning. That is, even if attempts to encourage learning in relationships were made, these would not be operationalized if the system and processes did not support such activities.

In order to be able to better manage and sustain business service relationships, organisations need to transition to becoming learning organisations. What the

evidence from the two cases above suggests is that to be able to do this requires both a transition in an organisations' culture and in individuals' way of thinking, but also importantly requires a redefinition of the internal organisational processes so that these can facilitate and not impede the learning orientation. Such an orientation would approach learning in relationships as co-constructive where both clients and service providers learn to be 'relational partners'. Service provider learning in this context could be viewed as learning to better manage relationships through the experience of working closely with clients. Informing the relationship approach based on learning that has resulted with clients and in relation to clients can inform and help service providers overcome the challenges of myopia that result from the belief 'we have nothing to learn'.

5.7. Learning Needs as facilitating Dynamic Affordance and Productive Enquiry

The discussion up to now has aimed at presenting the drivers to success at each stage of the relationship along with corresponding learning needs as these arose from the results of the two case organisations investigated. Learning needs identified at each relationship stage, are considered as the exploratory and actionable version of success drivers that provide guidelines about what to learn and how to learn. They provide ways in which service providers can inform their approach to relationships by guiding service providers to learn from the local relationship context in order to successfully progress relationships from opportunity to maturity and extension.

Learning needs become relevant in practice as they can be used to guide service providers to inform their approach at each stage of relationship development by learning for the local relationship context. Learning needs, therefore, direct attention to what service providers need to learn at each stage of relationship development in order to successfully manage and progress relationships. As such, they facilitate service providers in leveraging drivers to success at each stage of the relationship. Their importance lies in that they can facilitate service providers' ability to read the local context and learn from the local context. In other words, they facilitate *dynamic affordance* as they provide the platform through which service providers can identify and take advantage of opportunities in the local context of relationships and also importantly recognise and manage potential challenges. Learning needs also facilitate

productive enquiry as they help direct service providers to appropriate actions made in practice as these have resulted from learning in practice. This continuous dialogue between learning from the local context guided by the exploration of learning needs and informing/adapting approach to relationships based on learning in practice is shown in Figure 5.4.

Figure 5.4 constitutes the theoretical framework that has resulted from the current study and illustrates the value of learning needs in informing purposive actions made in practice to stimulate relationship success. In Figure 5.4 (shown below) relationship development and successful relationship management is represented as a cyclical process of learning and adaptation, where the aim of each stage is represented as the ability to read and learn from the local context (through exploration and exploitation of learning needs) and to adapt one's approach and engage in appropriate actions in practice (that have resulted from learning in practice). In the figure, stage purpose, learning (guided by exploration of learning needs) and adaptation of approach to relationships are represented as the three stages of managing successful relationships. The below discussion helps explain and illustrate how the model is interpreted.

Knowledge of what drives relationship success guides the purpose of each stage. For example, during the opportunity stage, relationship success greatly rests on minimising collaboration risk, engaging decision makers and establishing goal congruence. These have derived from results of the research undertaken in the two case organisations and discussed in this chapter. Therefore, knowledge of what is essential to achieve stage success should be seen to drive the purposes of the stage. To do this, service providers need to learn from the local context to fulfil the stage purpose. In this context, utilisation of learning needs facilitates and guides the exploration of the local relationship context, its dynamics and its participants. It directs attention to what needs to be learned in the local context of the relationship. For example, during the stage of opportunity, learning needs direct attention to (a) exploring and understanding sources of client and collaboration risk, (b) exploring and understanding service providers' and clients' position of power in the relationship to assess and manage the road towards decision-maker commitment, and (c) explore the required levels of participation based on the type and nature of project and explore ways of extending time spend with clients to achieve goal congruence.

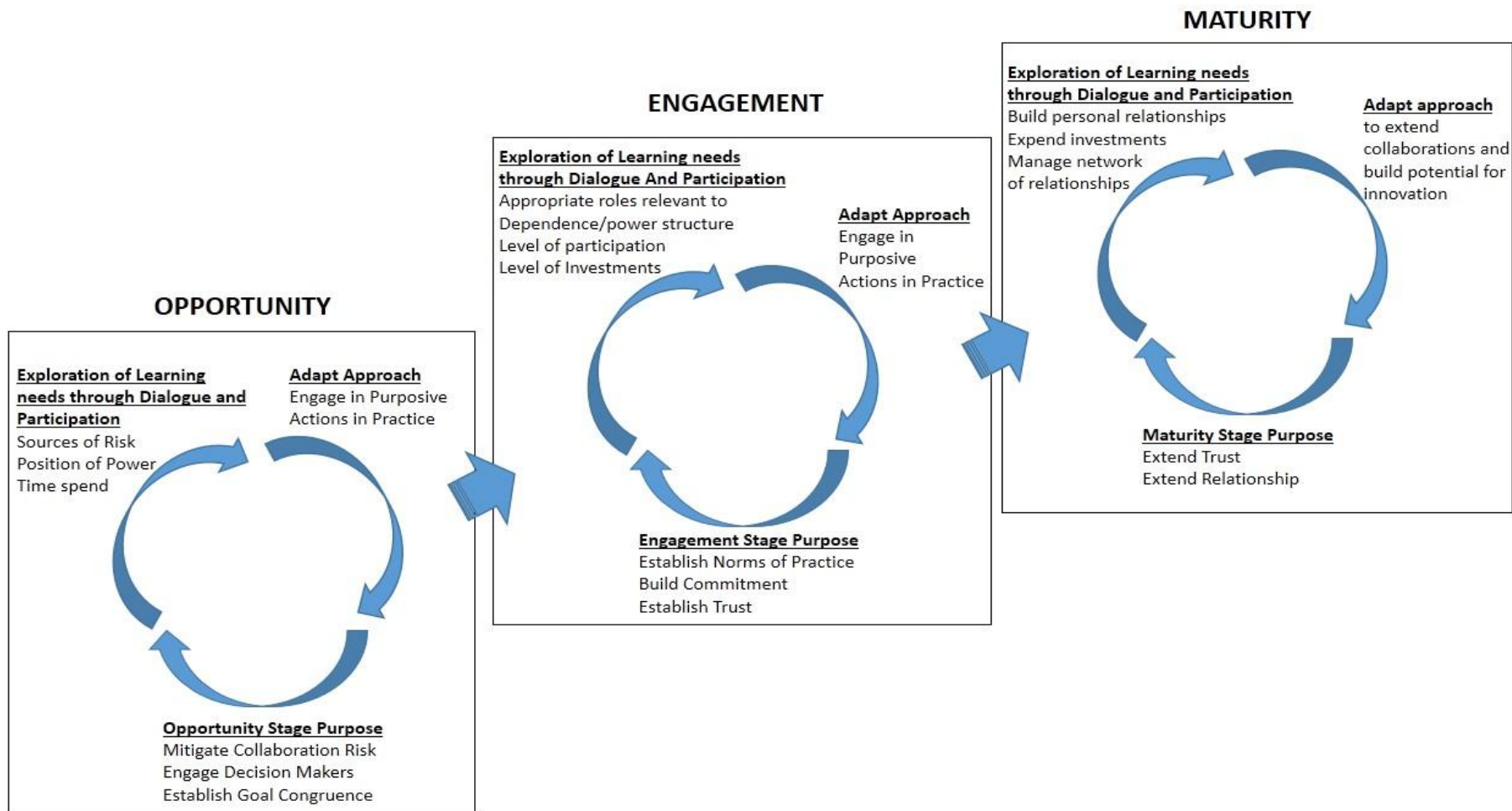


Figure 5.5. Relationship Management as a Cyclical Process of Learning and Adaptation through Exploration of Learning Needs
Source: Created by Author

As a result of learning from the local context (guided by exploration of learning needs), service providers are in a position to adapt their approach and engage in the appropriate actions in practice to leverage stage success. As learning is conceptualised as grounded and reflected in actions, it will be the demonstrated ability to engage in the appropriate actions in practice through adaptation of the current ways of operating that will define whether service providers have learned. This cyclical process of assessing-learning-adapting continues until the purposes of the stage have been fulfilled which moves the relationship to the next stage of development.

In Figure 5.5, dialogue and inclusive participation are seen as central to learning in relationships as they represent the avenues through which service providers can explore and learn from relationships. It is through open dialogue and inclusive participation that service providers can explore and learn from the local context. And it is through dialogue and participation that service providers can engage in appropriate actions to demonstrate and communicate learning. As such, learning needs explored in this thesis need to be explored through dialogue and inclusive participation with clients and in relation to the local context of the relationship.

From a theoretical standpoint, Figure 5.5 illustrates that learning is not a linear process but rather involves continuous cycles of learning and adaptation to ensure that stage purposes are met and that stage success is ensured. Only when purposes have been met in one stage can a relationship successfully progress to the next stage of development. The value of the learning model presented in Figure 5.5 lies in highlighting the value of exploring learning needs in helping to guide learning from the local relationship context. As such, learning needs are viewed as the tools that facilitate learning through dynamic affordance and productive enquiry.

5.8. Learning Needs and Guidelines for Practice as Situated and Context-Specific

Based on the above principles, namely that learning in relationships is a continuous process of learning and adapting to meet each stage's purpose, the present study also presents a framework for practitioners that outlines learning needs at each stage of the relationships as these have developed through the results of the two case

organisations. Learning needs as developed throughout this chapter have been merged into a practical framework as illustrated in Figure 5.6.

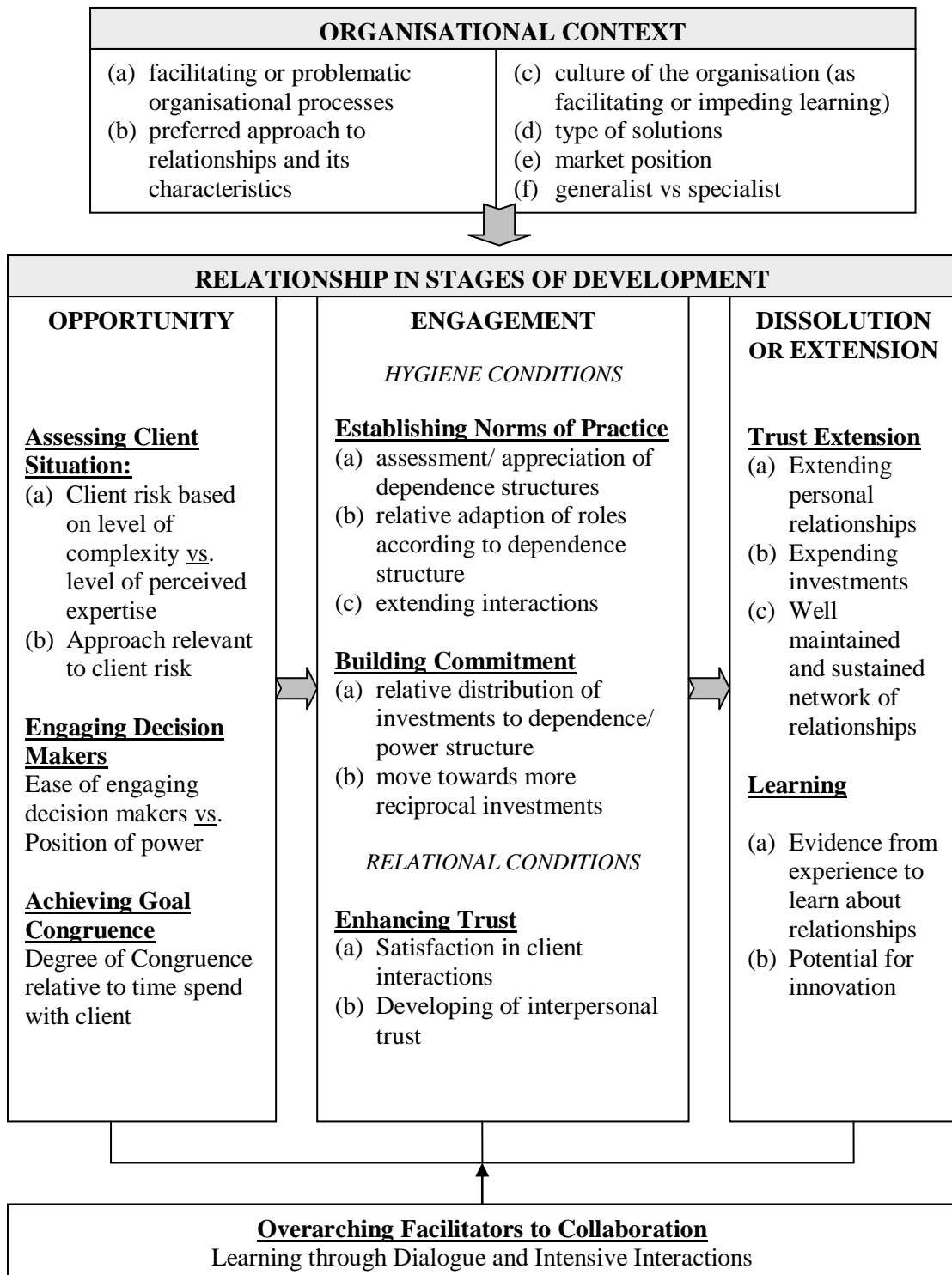


Figure 5.6: Relational Learning Needs in Business Service Relationships

Source: Created by Author.

In order for the framework to be useful for practitioners, however, requires an

understanding that its application needs to be contingent upon the context of each organisation. That is, application should be done locally as the context of each organisation creates unique circumstances through which learning needs can develop and be operationalized. Such an application is likely to lead to different guidelines for practice for different organisations and different relationship situations. Therefore, what follows from the above is that particular guidelines for actions cannot be considered as generically-applicable guidelines for successful management of relationships in all business service organisations. Rather, the framework as presented in Figure 5.6 aims to provide the basis for the development of organisation-specific frameworks that incorporate the local understanding of relationships and enable learning through localised and situated guidelines for practice.

To illustrate how the framework can provide guidelines for practice for specific organisations the following section aims to apply the framework to the two case organisations investigated.

5.8.1 Application in Company A – Context, Relationship Situations, Learning Needs and Guidelines for Practice

Recall the organisational context of Company A: It is relatively new; it has not managed to establish itself in the market; it has limited number of project opportunities arising; it faces challenges in getting to the client; there are slow and rigid structures that support its processes for progressing from initial client contact through to delivery of the service; and it insists on the adoption of an expert identity as a result of either service provider's personal philosophy or as conformity to the current practice and its challenges. All these characteristics affect the way in which relationships with clients progress. Through an appreciation of the organisational context and the corresponding impacts or challenges created in the relationship, Company A can inform its approach to relationships and move to more successful relationships with clients. Consider how learning needs identified can inform the practice of service providers in Company A.

Examining the client approach and the assessment of the risk of collaboration results

in an understanding that clients are reluctant to collaborate with an organisation they don't trust or that in most cases they have never heard of. Therefore, service providers' efforts as currently practiced, which involve aiming to illustrate the value of collaboration and the value of service providers' expertise through the use of success stories, will not aid in minimising collaboration risk. The aim rather of this stage could be concentrating on *doing rather than saying*. As such, the aim could be to demonstrate the value of collaboration and the value of their expertise through actions and investments made in practice. This cannot, however, be done overnight. Service providers need to find ways of extending the time spent with clients in this initial stage. This can be done through investments that might in the short run be harshly felt, as service providers will be dedicating time and human resources to *potential* clients, thus leaving less time for chasing up other opportunities. But, these actions will in the long-run pay off as clients will have identified with the value in the service but also will have begun to develop confidence in the service providers' expertise.

As investments will need to be expended in this initial stage, service providers need to become more sophisticated and careful in selecting which clients to approach. Personal contacts of service providers and collaborators provide solid and worthwhile contacts with whom to explore the possibilities of collaboration, as the trust in the individual service providers acts in minimising the risk of collaboration that may result from the unfamiliarity with the organisation and creates a more receptive environment for exploring collaboration. This in turn suggests that Company A needs to find ways of balancing the relationship with collaborators at the University. This can be done through possibly engaging them in projects that have resulted from collaborators' personal contacts. By extending the time spent with clients, service providers will be in a better position to engage decision makers (if decision makers are not the initial contact), as they will have a better understanding of the organisation, and the value of collaboration will now be relevant to the clients' needs. In closely collaborating with clients, and extending participation through extensive interactions, service providers will be in a better position to ensure that goals and purposes of both participants are congruent, as these will have been the result of joint production, negotiation and agreement.

As regards the design of the solution, a major challenge facing Company A is the

rigid structures on which it rests and implications are felt in the translation of clients' needs into the type of solutions created. As BDMs only become partly involved in the actual design of the solution, and taking into consideration that the processes inherent in the organisation's structures cannot easily be bypassed or changed, what could be done is to include WDFs (who designs the solution) throughout all interactions. This means that the designed solution will be a reflection of the joint creation between clients, BDMs and WDFs. Irrespective of how the solutions turns out to be—customised or standardised—it will have been negotiated and agreed upon by all parties involved, enhancing therefore the possibility of commitment to the project.

In developing norms of practice, service providers need to understand that their position only grants them the possibility of adopting facilitator roles in which clients and service provider together will negotiate the norms of practice and communication. Direction is no longer an option. The repeated investments in time and human resources from both service providers and clients, and the solidarity established through open dialogue, will have so far created a valid basis for committing to the project. As the delivery of the service is experienced elsewhere in the organisation, and as outcomes of the solution are indirect, service providers could maintain contact with decision makers to maintain the trust created in the previous phases. Proper management of such contacts can prove useful for future project opportunities.

Service providers will find that the road to successful relationships is initially conflicted before it becomes cohesive, and it is never harmonious. Service providers may need to continuously invest and revise the relationship dynamics, because neglect that stems from blissful resting on perceived success can take the relationship back to where it started.

5.8.2. Application in Company B – Context, Relationship Situations, Learning Needs and Guidelines for Practice

In the case of Company B, the organisational context is different: the organisation provides a highly specialised service; it is well established and maintains a good reputation in the market; and it has well-defined and consistently executed processes

for progressing through interventions. All these attributes have over the years of the organisation's operations facilitated successful relationship with clients and long-term relationships with individuals. However, it seems that notwithstanding its well-designed and performed approach, the organisation suffers from many uncompleted projects. This often arises due to changes or conflicts within the client organisation or due to detachment of managers from parts of the project. Meeting such challenges, however, should start with the recognition of their existence and the willingness to find ways of overcoming them. Even for the most relational of organisations, there is a danger of becoming stale if organisations cease to constantly learn and inform their current practice. In this case, recognition of relational learning needs can aid as a means through which to re-evaluate one's own approach and learn through the situated context of the relationship to adapt their approach.

In the case of Company B, the organisation's strong position and close collaborative practice has in the initial stages of opportunity been very successful in addressing the key learning needs proposed here. However, challenges seem to arise in the phase where commitment becomes essential through radical risk-taking decisions on the part of clients. The confidence of service providers in the organisation's approach and methods has cultivated a non-compromising attitude in collaborations which has created conflicts with clients. Although this is largely afforded by their strong position and clients' dependence on service providers' expertise, it has at times left them myopic to the effects that this coercive exercise of power may have on the relationship. Even though many clients commit to the project, effects might be felt in later stages in the form of detachment from the project. This arises because the decision to commit, though voluntary, has not been justified through negotiation, but rather through direction and lack of choice enforced by clients' dependence. Service providers will need to recognise that in order for commitment to become sustainable it needs to result from and be justified by joint understanding and negotiation. Thus, there is great value in allowing the potential for negotiation at this stage. Negotiation does not necessarily have to foster compromise in the proposed solution, but rather it allows for a period of open dialogue through which clients can gain confidence in the actions they are about to take. Investments expended in this way are more likely to lead to sustained commitment as clients have justified their decision.

Challenges are also felt in terms of detachment from projects due to external or internal organisational pressures and politics. Although these are largely beyond the control of service providers, they need to find ways of addressing the commitment and detachment challenges that arise from changes or conflicts within the clients' environment. To do this, service providers need to firstly be in a position to diagnose where the challenge in the organisation stems from. Again, this can only be done through maintaining open dialogue with individuals in the client organisation. Such open dialogue is facilitated by interpersonal trust developed between service providers and individuals in the client organisation. Based on this understanding, service providers may need to re-evaluate the state of the relationship to understand how organisational and environmental conditions have impeded relationship development. Doing this might require service providers to take a step back and revisit and explore learning needs in previous stages of relationship development. For example, if decision makers in the organisation have changed and this has impacted commitment in the project, service providers need to go back to create an understanding and engage the new decision makers. To sustain the relationship, however, requires service providers to expend investments to facilitate commitment within the new organisational situation. To be able to do this requires a transition in the new ways of thinking, in embracing learning and emphasising joint ownership and negotiation.

5.9. Reflection

The key to learning in relationships as a means to successful relationship management as illustrated throughout this chapter rests on the ability of service providers to read the local context, to take advantage of the opportunities it affords and to make attunements to its challenges and constraints, through appropriate actions in practice. As relationship success rests on learning and as learning is situated in specific relationship situations and is demonstrated in the actions one makes in situated practice, what seems critical is that service providers should aim at building and sustaining learning relationships. As such, service providers need to master the ability of embracing and cultivating learning. The framework of learning needs provides a guide to service providers as to what they need to learn from the local context to manage relationships. These learning needs direct attention to what needs to be explored, learned and assessed within the local relationship context at each stage of

development. Their importance lies in that they can facilitate service providers' ability to engage in appropriate actions in practice that have resulted through learning in practice. As such they can be considered as the platform through which service providers can manage successful relationships through *dynamic affordance* and *productive enquiry*.

However, becoming relationally competent requires a transition in one's way of thinking and being, into the ability to espouse more collaborative or co-constructive characteristics towards relationships. That is not to say that one style of relational approach should fit all situations; quite the contrary. Service providers need to be able to adapt their approach to the needs of the local situation. Remaining flexible is critical as it allows service providers to adjust characteristics of their approach according to the situation, and allows taking steps back in the relationship when the relational situation calls for it. Learning in this way, allows service providers to stay alert and responsive to the changes in relationship situations and intervening at appropriate times. That however is not an easy task.

As was evidenced in the case of the two organisations, service providers—either as experts of abstract knowledge and expertise or as experts of process—see themselves and act as experts do. Occupying such positions poses limitations in the capacity of service providers to learn. As such, what is suggested is that service providers and organisations should learn how to be 'relational' and aim to transition into becoming learning organisation. What is argued is that this can only be achieved in relation to clients in situated practice. Service providers therefore need to recognise that there is great value in learning from relationships. Cultivating relationship learning through espousing a practice-based relational perspective towards relationship development and management can open up new possibilities for developing relational capabilities (Blackler 1995; Brown and Duguid, 1991; 2001; Cook and Brown, 1999; Gherardi, 2000; Gherardi and Nicolini, 2002 among others).

Beginning to build such a relational capability which gives primacy to practice, starts with an assessment of the self in relation to the local context and in relation to others. Learning what becomes critical in each step of the way towards becoming relationally capable can aid service providers in concentrating on learning as guided practice

which can open new opportunities for service providers to learn. The practice-based perspective suggests that only when primacy is given to practice, only then can participants learn. The same holds true for managing relationships. By extending the practice based perspective to the study of business service relationships, opportunities emerge for the creation of relational capabilities through exploration and exploitation of learning needs.

5.10. Chapter Conclusion

The present chapter has explored and discussed relational learning needs relevant in each stage of relationship development that can help guide service providers in learning from the local relationship context to improve relationship management. These have resulted from the two case organisations investigated and have been applied to the context of the two case organisations to illustrate how they can be used to inform the service providers' current practice through providing situated guidelines for action. Relational learning needs developed in this thesis *cannot* provide generic or prescriptive guidelines for practice, since each organisation's context gives rise to unique relationship situations and dynamics and as such differing guidelines for practice. Rather, service providers could utilise learning needs presented here to inform their current approach at each stage of relationship development.

Chapter 6 - Conclusions and Implications

6.1. Chapter Overview

The present chapter concludes the thesis. It aims to review the aims and objectives and explain how these have been met by summarising the study's main findings. It further presents the major contributions of the study along with theoretical and managerial implications. The chapter concludes the thesis with the strategy for dissemination of research results and directions for future research.

6.2. Research Context and Aims

Academics and practitioners alike are recognising that to operate in the new knowledge economy, organisations need to embrace learning (Dyer and Singh, 1998). Particularly, within the marketing discipline there is an increasing recognition that knowledge and learning are key sources of competitive advantage and many direct attention to relationships as the platform through which organisations can create and utilise such knowledge for competitive advantage (Tzokas and Saren, 2004; Ballantyne, 2004). Building on this premise, the present study has argued the case that learning in client relationships can provide an organisation with the opportunity to build a relational capability that can lead to sustainable competitive advantages. This is because it can enable organisations to build and maintain successful relationships with clients that can yield 'relational rents' and guide the road to innovation. In order to be able to build such a relational capability, organisations need to embrace learning relationships.

The premise of the current thesis is that by investing in relationships and approaching them with a learning intention, organisations can develop the deep insights about how to better manage and sustain successful relationships. But what could service providers learn from relationships and how are they to learn from relationships? The present study has argued that as each relationship stage constitutes a different relationship situation with underlying dynamics, in order to better manage

relationships service providers will need to learn what drives relationship success at each stage and how that can be achieved. Furthermore, the present study has argued that being able to develop and manage stage success is a function of reading the local context in each stage and recognising what needs to be achieved in each. What is considered important here is service provider's ability to recognise and leverage such success drivers into appropriate actions in practice. The present study has argued that this could be done through the exploration of learning needs which allow service providers to learn from the local context and manage relationship development.

The present study has focused on learning needs and opportunities in the stages of relationship development, which have been defined as what service providers need to learn about how to leverage success at each stage of the relationship. To that effect, the present study held the position that exploration and appreciation of learning needs at stages of relationship development can aid service providers in identifying opportunities for learning and incorporating these into informed actions made in practice. Learning needs explored in this sense do not take the form of prescriptive guides for practice, but rather situated understandings of the actions needed to leverage success.

Based on the above understanding, what is important is that learning in relationships cannot be conceptualised as simply the appropriation of various pieces of knowledge about clients. Rather, learning should be understood as situated in particular contexts and as implicated in actions made in practice (Cook and Brown, 1999). It involves a state of being and a state of acting that takes place in relation to others and is exemplified in the actions and behaviours one takes in practice (Lave and Wenger, 1991; Gherardi, 2000; Gherardi and Nicolini, 2002). As established throughout the present thesis, learning will need to involve active participation and purposive actions in practice that take advantages of the opportunities or 'affordances' of relationship situations and minimise challenges. As such, service providers will not only learn *from* relationships; they will learn *in* relationships through close collaboration, and this will involve the ability to manage and learn from the local relationship context.

To do this, the present study has focused on exploring the potential for learning in business service relationships by exploring learning needs and opportunities at the

different stages of relationship development that can enable the maximisation of relationship success. To meet the research aim, the study has focused on the evidence from two qualitative case studies of business service providers and has explored (a) drivers to success at each relationship stage and (b) their operationalization in practice based on the experience and approaches adopted by service providers in the two organisations. Data has been gathered through interviews of individual service providers, observation of practice and organisational documentation.

6.3. Research Results

Results of the study highlight the importance of effectively managing relationships by learning from the local context. Evidence from Company A has suggested that the inability to adapt the relationship approach according to the needs of the local context has created significant challenges in progressing and successfully managing relationships. Evidence from Company B suggests that the organisation's approach which focuses on joint activities and inclusive participation throughout all stages of development, has enabled service providers to successfully manage relationships. The approach, experiences and challenges faced by the two case organisations in stages of relationship development were used to identify critical success factors in each stage, which were seen to drive service providers' purpose at each stage to ensure success. These were then translated into stage-specific learning needs that could lead to situated guidelines for practice. Learning needs identified in this respect become relevant in guiding service providers' attempts to learn from their experience and participation in the local relationship context in order to inform and adapt their approach. The research has resulted in proposing a theoretical model for learning in relationships, as well as a practical learning needs framework that can be adapted and incorporated in service providers' practices for fostering and maintaining successful relationships with clients.

Importantly, results also suggest that service providers' ability to learn from relationships is greatly dependent on both the context and processes of the organisation as well as the attitudes or philosophies of service providers towards learning. To be able to learn from relationships, therefore, requires first and foremost

a transition to adopting a learning orientation that places emphasis on relationships as learning platforms. A learning orientation will need to be grounded in a philosophy of learning in practice and also importantly will need to be supported by the internal processes of the organisation, as these highly influence service providers' ability to remain flexible in practice.

6.4. Contribution and Theoretical Implications

The study extends the potential for the creation of a relational capability in business service relationship through the exploration and utilisation of learning needs in stages of relationship development. By adopting a practice-based perspective on learning in business service relationships, the current study suggests that as learning is socially created and situated in local contexts, learning to develop a relational capability and learning to be relationally competent lies on the ability of service providers to read the local relationship context and inform their approach based on learning in practice. As such, the present study's findings contribute towards theory as they suggest that effective relationship development and management could be viewed as a cyclical process of learning and adaptation where success at each stage rests on the ability of service providers to read and learn from the local context and adapt their approach and actions in practice. As such, learning in relationships is not viewed as a linear process but rather involves continuous cycles of learning and adaptation to ensure that stage goals have been met.

The exploration of learning needs in this respect can be used to guide learning in practice by enabling the operationalization of dynamic affordance and productive enquiry in business relationships. Learning needs become the tools that can facilitate the operationalization of *dynamic affordance*, in that, they guide the way through which service providers can identify and take advantage of opportunities in the local context and also importantly recognise and manage potential challenges. Learning needs also facilitate the operationalization of *productive enquiry* as they help guide towards the appropriate actions needed in practice which have resulted from learning in practice. Their value lies in giving primacy to practice and helping to enable the ability to read and learn from the local context.

6.5. Contribution and Managerial Implications

The study's findings contribute towards management practice, by providing a practical framework through which service providers can develop relational learning. The value of the framework lies in the ability to inform service providers' practice and provide context-specific guidelines for action, through its adaptation to the situated context and practice of each organisation and relationship situation. Exploration and appreciation of learning needs in different stages of relationship development can aid service providers in the establishment and negotiation of appropriate approaches towards intervention or stimulation of relationship success. This can enable service providers to remain flexible to the demands of different relationship contexts by providing the ability to adapt characteristics of their approach according to the opportunities and constraints of differing relationship situations.

At the same time, as each stage's success is contingent upon the previous stage, the stage-specific nature of learning needs grants service providers the ability to follow the relationship's progression in order to identify reasons for relationship deterioration, and where needed take necessary steps back to take corrective actions. What is envisioned is that exploration of stage-specific learning needs can be incorporated into the current practices of service providers to produce organisation-specific tools for enabling and enhancing relationship performance. To become relationally competent, service providers need to transition to embracing more collaborative characteristics in their approach to relationships and realise the value of learning in practice and learning with and in relation to clients.

6.6. Directions for Future Steps and Future Research

In order for the study to have an impact it must be disseminated to a wider audience. The results of the study could be important for both relationship management and organisational management theorists as well as business-to-business practitioners. As such, results from this study will be disseminated through presentations at conferences such as *Academy of Marketing Conference* and *International Conference for*

Organisational Learning, Knowledge and Capabilities. In addition, results will also be communicated through publications in the following relevant journals: *Journal of Business and Industrial Marketing*, *Journal of Relationship Marketing*, *Management Learning*. Furthermore, results will also be shared with the service providers of the two case organisation that were involved in the research along with recommendations relevant to improving their approach to relationships. Additionally, results may be disseminated to marketing and management students at the undergraduate and graduate level at higher education institutions where the author is currently teaching.

The present research could be considered as the first step in a series of possible enquires regarding learning in relationships. Firstly, as the present study has only considered the service provider perspective, future research endeavours could aim to explore client perspectives to inform learning in relationships. Client perspectives could provide evidence of what clients consider as important success drivers in each stage which can be used to complement the current research findings. Secondly, further research could aim at matching service provider and client perspectives to explore how these unfold in relationship practice. To do this, research could explore service provider and client dyads through longitudinal examination of specific projects that will follow the development of the relationship over time. Thirdly, as the study explored learning needs from the context of only two organisations, larger samples could be used to explore various organisational and relational contexts to identify how development of learning differs from context to context.

Building on the current research findings, future research could also explore how learning needs explored in this thesis can be effectively incorporated into the routines and practices of service providers and how these can be shared across communities of practitioners.

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APPENDICES

APPENDIX A – Case Study Protocol

CASE STUDY PROTOCOL

1. BACKGROUND

(a) Research Aim

The aim of the research is to consider drivers to relationship success and suggest how identification and exploitation of learning needs in different relationship stages can enable the maximisation of relationship success

(b) Research Objectives

- What does the practice and approach of consulting organisations suggest about how relationships develop across stages and what is deemed important in each
- How does the internal and external organisational context affect the relationship and the approach adopted
- What learning needs and requirements become relevant at each stage of relationship development based on the above understanding of the practiced approach and the situated nature of the organisation's context

(c) Literature

The study combines relevant literatures to answer questions of 'what' learning in relationships is likely to concern and 'how' it should be managed

- The *relationship management* and alliance literature provide evidence as to the drivers of relationship success, highlighting areas of possible learning needs that need to be recognised and satisfied to aid in successful relationship development.
- The *knowledge management* and organisational learning literature serves to answer the question 'how' learning is to take place and highlights that learning is grounded in action; it is situated in practice and involves productive enquiry, dynamic affordance and construction of relational identities

(d) Exploratory Research Model

To guide the research, an exploratory model has been developed that incorporates the critical areas suggested by the literature, to highlight what issues become relevant in the investigation at different relationship stages of the consulting relationship. This is displayed below.

<i>Relationship Stages</i>	Opportunity	Engagement	Maturity or Dissolution
<i>Actions</i>	<p>Exploration of possibility and value of Collaboration</p> <p>Decision to Engage</p>	<p>Engagement in Collaboration</p> <p>Design of solutions</p> <p>Implementation of solution</p> <p>Immersion in Practice</p>	<p>Realisation of solution outcomes</p>
<i>Expectations of Learning Needs Relevant to Stage</i>	<p>Assessment of Synergic Fit/ Compatibility</p> <p>Assessment of Goal Congruence</p> <p>Assessment of Externalities</p> <p>Justifying decision to engage or terminate the relationship</p>	<p>Development of Hygiene Conditions (1st Stage)</p> <ul style="list-style-type: none"> - Establish Process / Rules of Engagement - Establishment of Communication Processes - Clarifying objectives <p>Development of Relational Conditions (2nd Stage)</p> <ul style="list-style-type: none"> - Trust - Commitment - Relational Norms 	<p>Trust Extension (Desire for other projects)</p> <p>Capture Learning</p> <p>Assessment of what is learned</p> <ul style="list-style-type: none"> - Specifics - Relational

2. DESIGN

(a) *Case Study Design*: The study adopts multiple-case design

Two instrumental cases are used to inform the research. The contextually different service providers sampled are seen to add variation to the research as their different organisational and relational situations create unique contexts through which explore learning opportunities and needs in relationships (see sampling for details)

(b) *Unit of Analysis*: The study uses a holistic approach

The focus is the ‘whole’, that is, the case organisation’s approach to its relationships. The approach is seen to be displayed through service providers’

accounts of their practice and experiences, their views on the relationship and the effects of the immediate and wider organisational environment. Therefore exploration in each case focuses on understanding the relationship through the accounts of service providers.

3. *Sampling: Maximum variation purposeful sampling*

Maximum variation sampling is used in this research. The aim is to maximise data heterogeneity by selecting cases for investigation with a wide range of variations on the dimensions of interest. These cases represent opposite ends of the spectrum which helps to explore how different contexts give rise to different needs in each stage of relationship development. The two variant cases are selected on criteria such as type of service project, life-cycle stage and reputation/position within the market. For both cases high availability and level of access was required.

4. **DATA COLLECTION**

1) *Interviews*

Used to examine the approach to relationships from the perspective of the service providers who practice it and across the three stages of relationship development.

(a) *Semi structured interview design*

The design provides some structure to guide interview but allows for flexibility to address emergent issues. (Refer to Appendix B)

(b) *Preparation for Fieldwork*

- A detailed Interview Agenda was generated to be used across all interviews and cases with the purpose of aiding in consistency. This was constantly informed after each interview to cater for emergent issues. (Refer to Appendix B)

(c) *Fieldwork Procedures*

I. Arranging Interviews

- An introductory meeting/ telephone conversation held for explanation of the research and permission of access
- A letter was send to the director of the organisation for formally introducing the researcher, outlining the research purpose and requesting access (Refer to Appendix C)
- A list of potential service provider's names given
- Individual service providers approached and interviews held upon arrangement with individuals

II. During the Interview

- The researcher explains purpose and the importance of the service

provider's experience for the research. Informed consent form acquired (Refer to Appendix D)

- Techniques used in Interviews to facilitate and establish rapport:
 - Introductory and non-invasive nature questions
 - Get service providers to reflect upon their experiences
 - Encouragement to make judgements, use of storytelling and real life examples
 - Open –ended questions
 - Probing used to get service providers to contextualising answers
 - Restating participants' comments to ensure clarity and common understanding

2) *Observation - meetings with clients and internal organisational meetings*

The aim of observation is to view service providers in their natural settings both as part of the organisation and to view first hand examples of interactions with clients and colleagues. It is also used to add context to the research and inform the interview schedule for following interviews. It enables contextualisation of questions for each case organisation.

(a) Observation Fieldwork Procedure

- Access to observation sites would be granted by the individual service providers (usually during interviews)
- Define the role of the observer as a pure observer – due to the sensitivity of meetings (client or internal) the aim was to establish the researcher's role as constructive rather than threatening to the meeting – 'as adding value'
- Observation schedule designed – to be used as a guideline and reminder for the observer to be on the look for certain issues. Also used as a template for taking field notes. (Refer to Appendix E)
- Informal conversation with service provider prior to the meeting will aim at getting the background details and history of client and relationship with client (prior meetings, stage of relationship, what has been done so far, etc.)
- During observation, the service provider will introduce the researcher. Full disclosure of the purpose of the research and aim to present this in a constructive manner.
- Brief field notes to be taken so as not disturb the progress of the meeting
- After the meeting, field notes will be expanded to full thought process.

3) *Organisational and other Documentation*

Aim to act as complimentary to other methods used to deepen the understanding

of the context of the organisation, the role of its members and its approach to relationships.

5. **ANALYSIS**

- Preliminary analysis of findings will be done after each data collection episode, with the aim to inform the exploratory research model, case study protocol and refine the research instruments for further data collection.
- Data will be analysed using Wolcott's (1994) guideline for transforming data; description, analysis and interpretation
 - *Description* of data will be done through outlining and describing the case organisation (and its members), the procedures and activities relevant to the different relationship stages, based on service providers' accounts of practice and observation.
 - *Analysis* of data will focus on analysing the characteristics of the relationship approach adopted (within-case analysis).
 - *Interpretation* will aim at identify key themes i.e. critical factors in service provider accounts relevant at for the success at each stage (cross-case analysis) and translating critical factors into learning needs for each stage and providing guidelines for action.

6. **PLANNING VALIDITY**

(a) Construct Validity

The study uses triangulation of data collection methods as a strategy to add rigour, breadth, complexity and depth to the research based on an understanding that it serves as an assembly of reminders about the situated character of action; Multiple sources of evidence in the form of interviews, observations and organisational and other documentation.

(b) Internal Validity

Internal validity in the present study will be achieved through (i) the constant comparative method in terms of both research and analysis and (ii) the use of an exploratory model to guide comprehensive data treatment in both research and analysis.

(c) External Validity

The current study does not aim at generalisations on which one can make inferences or conclusions but rather arrives at expectations that can help guide practice. It aims at naturalistic generalisation (Stake, 1978) that can highlight the complexity of the experiences of two contextually different organisations in their approach to relationships.

(d) Reliability

The use of the case study protocol enables the researcher to remain focused on the objectives of the study by outlining the entire data collection process.

7. STUDY LIMITATIONS

- The researcher acknowledges that she is not unbiased in entering the field or analysing research findings as the prior knowledge of the literature may influence both the course of the research and the analysis of results.
- It is also acknowledged that results from interviews will not represent the objective accounts of service providers' practice but rather subjective accounts that have been jointly produced as a result of the interaction between the researcher and interview participants.
- The number of cases to be used in research limits possibility for generalisation but the maximum variation design assures that these contribute towards naturalistic generalisation and development of expectations
- Due to the sensitivity of exchange interactions, cases of observations are likely to be limited or restricted to routine meetings

APPENDIX B – Letter of Introduction

Letter of Introduction

Dear Mr/Mrs.....

I am taking the liberty of introducing myself to your organisation for the purposes of undertaking a series of interviews with your members. The aim of the research is to use the experiences of individual service providers for compiling a case study for your organisation that will form part of my doctoral research at the University of Derby. The purpose of the study is to gain a rich understanding of the approach to relationships across the different stages of its development, from introduction through to completion, by exploring the critical factors for successful relationship development, from the perspective of your members' experience and practice. The aim is to develop a practical framework for service providers that will outline success factors and respective learning opportunities and needs important to be achieved at each stage of relationship development. This can be used to inform individuals' experience and practice in dealing with clients. Its value will be based on being able to assess and identify potential problem areas or issues and take proactive or corrective action. In doing so, what is envisaged is that this will enable service providers to move to more successful relationships

Ethical considerations

Ethical conduct in research demands respect for the right of others who are directly or indirectly affected by the research. Participation therefore in the research should be on the basis of a fully informed consent and participant's rights of privacy will be guaranteed.

Participants will be fully informed about the nature and the purpose of the research before work is carried out. They will have the right to withdraw at any time and are not obliged to continue if they do not wish to. Participants' and the organisation's anonymity and confidentiality will be maintained and their personal privacy protected. The identity of participants will not be revealed unless written permission is obtained. Furthermore, the collection, storage, disclosure and use of research data by the researcher will comply with the data protection act 1998. audio records of interviews will remain confidential and privacy of participants maintained. These will only be used for the researcher's own records.

I wish to express my appreciation and gratitude for your assistance and look forward to arranging the interviews

Sincerely,

Maria Zeniou
Doctoral Student
University of Derby
Email: maria_zeniou@hotmail.co.uk

APPENDIX C – Interview Agenda

Interview Agenda

Organisational and Personal History

- Time in current position
- Previous experience
- Nature of job and role within the organisation
- Nature of projects undertaken – characteristics
- Organisation procedures (formal and informal) for dealing with clients
- Who becomes involved in relationship

Stage 1 – Opportunity:

- First contact – how its made
- Main aims of this initial stage
- Major Success / Failure factors
- Procedures/Processes – individual and/ or organisational
- Assessment (if any) undertaken – what is assessed and how
- Development of norms of practice – what is done and how
- Managing expectations – what is done (if any) and how
- Challenges of current practice – personal and organisational
- Example of failed project / successful project relevant to the stage
-

Stage 2 - Engagement:

- Major success / failure factors
- Procedures/Processes – individual and/ or organisational
- Risk factors – how this is dealt with
- Trust – role of trust / types of trust /
- Behavioural signals and signs of trust development and of lack of trust – how is trust reached, what does it depend on, what is done to actively engage it, how is trust development/lack of trust evident in terms of client behaviour
- Investments – who invests and what is invested - what is required of clients and how it affects project/relationship – what is invested by consultants
- Commitment – how is commitment relevant to relationship success / how it is developed how is it translated into behaviours – signals and signs of client and consultant’s behaviours
- Relational Norms – how important are mutuality, flexibility, solidarity, communication
- Example of failed project / successful project relevant to the stage

Stage 3 – Maturity:

- When project ends – further collaboration or end of the road – how and why
- Relationship performance assessed? – what is assessed monetary or relational – how
- Example of failed project / successful project relevant to the stage

APPENDIX D - Informed Consent Form

Informed Consent Form

Purpose of the Study

The purpose of the study is to gain a rich understanding of client relationships across the different stages of its development, from introduction through to completion, by exploring the critical factors for successful relationship development, from the perspective of consultant's experience and practice. The aim is to develop a practical framework for consultants that will outline success factors and respective needs important to be achieved at each stage of relationship development.

Confidentiality and Right to Withdraw

Your and your organization's anonymity and confidentiality will be maintained and their personal privacy protected. The collection, storage, disclosure and use of research data by the researcher will comply with the data protection act 1998. Audio records of interviews will remain confidential and privacy your maintained. These will only be used for the researcher's own records. All your information records will be kept confidential. Your personal identity will not be revealed unless written permission is obtained. You may quit at any time, for any reason, and you are not obliged to continue if you do not wish to.

Voluntary Consent

The researcher has fully informed you about the nature and the purpose of the research before it is carried out. Before you sign this form, please ask any questions on any part of this study that is unclear to you.

Researcher's Statement

I have fully disclosed and provided explanation of the above research study. The participant was given an opportunity to discuss these procedures, including possible alternatives, and to ask any additional questions.

Signature of Researcher Date

Participant Statement

I certify that I have read, or had read to me, and that I understand the description of the Informed Consent Form. I have asked and received answers to all my questions about the study. I voluntarily consent to join the study. I understand that I may quit the study at any time. I understand that I may ask further questions at any time.

Signature of Participant Date

APPENDIX E – Observation Schedule

Observation Schedule

(a) Meeting Details	
Date:	Stage of Relationship:
Setting:	Background of Relationship:
Details of Participants:	Previous Meetings:
Position within the organisation:	Other:
(b) Meeting Progression	
<ol style="list-style-type: none">1. Aim2. How the meeting was opened?3. Issues discussed4. How sensitive issues?5. Communication (both Service Provider and Client)6. Level of Openness(both Service Provider and Client)7. Techniques used8. What was expected of both participants?9. How the meeting ended and future actions	

APPENDIX F – Organisational Chart

Organisational Chart of Company A

