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An exploration of managers' openness and relationship
transparency in a buyer-supplier relationship

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transparency in a buyer-supplier relationship

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Abstract

The problem explored in this thesis falls under a broad topic of information sharing in a buyer-supplier relationship. Responding to the empirically underexplored state of extant literature on information sharing, this study aims to gain a better understanding of the factors that influence managers to engage in information sharing as an activity, as well as the factors influencing information sharing as an outcome and its consequences in a buyer-supplier relationship. In this way, this study acknowledges a conceptual separation between information sharing as an activity (i.e. a manager's openness) and information sharing as an outcome (i.e. relationship transparency), and treats a manager as embedded in an external, wider interaction environment (e.g. buyer-supplier relationship).

The study adopts a qualitative, exploratory approach, utilising a case-based research strategy. The empirical study is based on a pilot and two main cases. The main interviews were carried out on the suppliers' side of two buyer-supplier dyads. In total, the empirical work consisted of 45 semi-structured interviews with 32 managers.

Based on the empirical work, the thesis develops two models: the contingencies model, which captures the influencing factors of a manager's openness and relationship transparency, and the consequences model, which captures the consequences of relationship transparency. In so doing, the thesis makes three primary theoretical contributions. First, captured in the contingencies model, it shows that a manager's openness is influenced by the interplay of a number of individual-level factors, where managers' trust and risk taking behaviours play a central role as well as through an external interaction environment. Second, the same model suggests that information quality alone is not enough to foster relationship transparency and that other factors, such as trustworthiness of information source and a recipient's knowledge, should also be considered. Third, the thesis also identifies a number of consequences of relationship transparency, which are captured in the consequences model, and highlights the role of the external context an understanding of those consequences. In this way, the study marks a step forward towards increasing the understanding of information sharing as an activity and as an outcome, while considering an individual manager as part of a wider interaction environment.

Acknowledgements

I still remember the words of my supervisor Dr. Carlos Mena, who said to me at the beginning of my PhD, “Marko, this is a tall mountain to climb”. Now that I look back I couldn’t agree more, although he forgot to mention what sort of climbing this was going to be: an alpine one, with full equipment, protective clothes, rope and friends waiting for me in a base camp; or a freestyle one, alone, just me and the mountain. It was both and I am grateful for this. There were times when I had to be alone to think, to make my own choices, to fail and to try again. But it was these times when I learned about appreciation and the value of the help received from the people that I met on this journey.

I would like to thank Prof. Alan Harrison for giving me the opportunity to join his team at the Supply Chain Research Centre at Cranfield School of Management and for continuously supporting and keeping an eye on my journey. Without him I would probably not have been at Cranfield in the first place. I want to thank my supervisor Dr. Carlos Mena, not only for his continuous academic guidance but also for his friendship, moral support and patience, so that I could deal with all pleasant and less pleasant surprises that life brought onto my path while climbing this mountain. Moreover, if one wants to see how ‘quick-response’ works in practice, Carlos is a great example. He was always there when I needed him. Thank you!

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1 Introduction

This chapter aims to introduce the research topic addressed in this thesis and provide an overview of the structure of the thesis document. Section 1.1 outlines the aim of the study, which encompasses a statement of the personal interest that drove this study and the introduction to the research problem that this study addresses. Section 1.2 provides a high level overview of key characteristics of this study, which is then followed by Section 1.3 that introduces the structure of the thesis document and in this way, closes the Introduction chapter.

1.1 Aim of the study

The aim of this study is to empirically explore information sharing from an individual level perspective within a buyer-supplier relationship. It specifically focuses on the contingencies of managerial openness and relationship transparency and the consequences of that transparency. In so doing it positions managers' interpersonal interaction in a wider external context and separates managers' information sharing functions between information sharing as an activity (i.e. when a manager is in the position of information source), and information sharing as an outcome (i.e. when a manager is in the position of information receiver). The study proposes two models that primarily contribute to the current body of knowledge on information sharing in operations and supply chain literature. The next two sections explain the interest behind this study and outline the research problem.

1.1.1 Personal interest

The general interest that drives this study is related to the issue of information sharing in buyer-supplier relationships. Practitioners have long recognised the beneficial role of creating linkages with other firms based on the sharing of information such as forecasts, inventory levels, customer needs, costs, etc., with the purpose of gaining an understanding of their customers' and/or suppliers' operations, activities and needs. As a former senior manager, I was often under the impression

that academic literature treats information sharing in buyer-supplier relationships too superficially for at least the following three reasons: a) information sharing between a buyer and a supplier just happens once certain inter-organizational conditions – e.g. trust, are in place; b) once information is received, either by a buyer or a supplier, it magically turns into a myriad of benefits for a receiving company and/or its counterparts; and c) IT systems provide the answers to most information sharing problems between buyers and suppliers.

My personal experience, related to the first two items, was that information sharing with external parties was almost always a context-dependent balancing act of an individual manager giving away only as little as necessary while trying to appropriate as much information as possible. I was further confused to observe a mixed and less optimistic picture of the way that managers translate received information into benefits for their own companies, as well as into joint benefits with their counterparts.

Moreover, I have always subscribed to the view that IT in the business-to-business context plays nothing more than the role of a platform for facilitating information flows. Having had the opportunity to manage large scale, inter-organizational, enterprise resource planning (ERP) implementations and living the role of an implementer and user, it was clear that a decision over which information is actually shared, under what conditions, and with whom, is at the exclusive discretion of managers and not IT systems. For this reason I was, and still am, of the opinion that any work claiming to be different should be shredded with great care and attention. This is also the main reason, why for example I am not interested in the IT aspect of information sharing – e.g. IT as an enabler of information flow in a buyer-supplier relationship.

These observations drove my primary interest and curiosity in this study, namely to explore information sharing in a buyer-supplier relationship at an individual-level and to frame the research problem which is outlined in the next section.

1.1.2 Research problem

Organizations are becoming increasingly more dependent on their external networks of buyers and suppliers (Christopher, 1997; Gulati and Kletter, 2005). As a result, it is no surprise that managers are under increased pressure to effectively manage external relationships, as they enable organizations to access resources such as materials, information, funds, knowledge and complementary skills that are not readily available within an organization (Powell, 1987; Harland et al., 1996; Dyer and Singh, 1998; Ulaga and Eggert, 2006; Barratt and Oke, 2007). Information sharing is an integral part of buyer-supplier relationships (Mohr and Spekman, 1994; Cannon and Perreault, 1999) and is of paramount importance for effective coordination of, for example, physical flows in supply chains (Lee et al., 1997, 2000; Sahin and Robinson, 2005) and decision making regarding inventory levels (Waller et al., 1999; Huang and Gangopadhyay, 2004) and it is also one of the key predictors of partnership success (Mohr and Spekman, 1994; Monczka et al., 1998).

Companies are continuously struggling with inter-organizational information sharing. Childerhouse et al. (2003), for example, showed that information in supply chains is withheld, masked, distorted or just plain missing. This introduces significant inefficiencies in the inter-firm exchange – e.g. bullwhip effect (Lee, 1997, 2000) and may also lead to the deterioration of buyer-supplier relationships as information sharing is important for building trust and commitment between interacting parties (Dyer and Ouchi, 1993; Cannon and Perreault, 1999).

A review of the literature on information sharing shows that the academic community contributes little to offer managers some guidance that would go beyond ‘why information sharing is good for your company and/or your external partners’. This could be partly attributed to the almost complete absence of empirical work on information sharing (e.g. Stank et al., 1999; Lee and Whang, 2000; Barratt, 2004; Cheng, 2010) and partly to the methodological choices that underpin the existing research. The main focus of the extant research on information sharing is on the examination of a relationship between information sharing and operational

improvements in supply chains, such as reduction of the bullwhip effect (e.g. Lee et al., 1997; Chen et al., 2000), coordination of physical flows between supply chain members (e.g. Closs et al., 1997) and decision making related to pipeline inventory (Huang and Gangopadhyay, 2004; Disney and Towil, 2003).

Furthermore it was observed, that although this stream of research treats information sharing as an activity of giving information away, it assumes information to be *shared*. Given the concerns about the state of information sharing in supply chains (i.e. withheld, masked, distorted and missing), expressed for example by Childerhouse et al. (2003), a question arises about the realism of such an assumption. Coupled with my personal interests, this study aims to explore the step before information is shared, namely the influencing factors that drive managers to share information with their counterparts in a buyer-supplier relationship. With respect to this, the extant body of literature on information sharing provides limited insights. Analysis of the literature showed that a small body of literature on the antecedents of information sharing (e.g. Moberg et al., 2002; Li and Lin, 2006) provides some indication that factors such as trust and commitment in a buyer-supplier relationship may be relevant contingent factors of information sharing. However, in spite of some promising leads, this body of literature is conducted at an organizational level and excludes the role and potential influences of an individual manager. In contrast, the individual level literature on antecedents of information sharing (e.g. Constant et al., 1994) treats the individual as isolated from his/her external interaction environment, which is not the case in reality.

Moreover, the extant literature on information sharing examines information sharing primarily as an activity and positions an organization or a manager in the role of information source. However, it is of paramount importance for information sharing to understand it also from the perspective of information receiver. This importance stems not only from my personal interest but also from the indication in the literature that, when information is initially shared, it is at the discretion of the recipient to determine whether the information is trusted, timely and useful (e.g. Closs et al. 1997; Whipple et al., 2002) and whether and how a recipient acts upon received

information. This is where the concepts of information visibility (e.g. Barratt and Oke, 2007) and relationship transparency (Eggert and Helm, 2003) become relevant. This is because they conceptually treat information sharing as an outcome and not as an activity. The concept of relationship transparency has, in this regard, yet another advantage – namely it is conceptualised at the individual level, which makes it aligned with the interests of this work. However, similarly to information sharing, both information visibility and relationship transparency literature remains empirically underexplored, discussed at an organizational level and largely dominated by conceptual and quantitative works. In this way it provides very limited insights into, and leaves questions about, the factors that influence relationship transparency and its consequences in a buyer-supplier relationship largely unanswered.

Driven by personal interest and in order to address the gaps in the literature, this study proposes the following two research questions:

Research Question 1: *What are the contingent factors that influence a manager's openness and relationship transparency in a buyer-supplier relationship?*

Research Question 2: *What are the consequences of relationship transparency in a buyer-supplier relationship?*

1.2 Overview of the study

Where the previous section introduced the aim, personal interest and research problem that this study endeavours to address, this section provides 'quick facts' (see Table 1) about this study. It does this in order to give the reader preliminary insights into the key features of this study and to provide the link between the aims of the study presented in Section 1.1 and the structure of this thesis document, which is described in Section 1.3.

Table 1: Overview of the study

Research Questions
<ul style="list-style-type: none"> • <i>Research Question 1:</i> What are the contingent factors that influence a manager’s openness and relationship transparency in a buyer-supplier relationship? • <i>Research Question 2:</i> What are the consequences of relationship transparency in a buyer-supplier relationship?
Key Definitions
<ul style="list-style-type: none"> • <i>A relationship:</i> A relationship is defined as a repeated interaction between two individuals. By interaction is meant that two individuals emit behaviours, they create products, for each other or they communicate with each other (Thibaut and Kelley, 1959) • <i>Openness:</i> The extent to which critical and proprietary information is communicated to one's supply chain partner (Mohr and Spekman, 1994, p.139) • <i>Relationship transparency:</i> “An individual perception of being informed about relevant actions and properties of the other party in the interaction” (Eggert and Helm, 2003, p.103)
Philosophical underpinning
<ul style="list-style-type: none"> • Critical Realism
Research design
<ul style="list-style-type: none"> • <i>Research strategy:</i> exploratory, qualitative; • <i>Sampling logic:</i> two polar cases, manufacturing industry, cross sectorial, multi respondent, vertically (seniority) and horizontally (business functions) diversified; • <i>A case is:</i> a dyad between a customer organization and a supplier organization; • <i>Research perspective:</i> a supplier’s perspective. • <i>Selected cases for the main study :</i> <ul style="list-style-type: none"> - Case 1: Aqua-FishTin: 16 respondents; - Case 2: Skyfly-ThrustCab: 10 respondents; • Total number of conducted interviews: 39 (main study) + 6 (pilot study) • Unit of analysis: an inter-personal relationship between a manager in a supplying organization and a manager in a buying organization; • Unit of data collection: an individual manager at a supplying organization; • Data analysis technique: Template Analysis (King, 2004)

1.3 Structure of the thesis

The structure of this thesis is divided into three distinct parts. Part I – Setting up the study, consists of Chapter 2 – Literature review and Chapter 3 – The pilot study. The literature review chapter outlines the development of the preliminary research questions that are used for the design and operationalization of the pilot study. It does this through the analysis and synthesis of four relevant bodies of literature: information sharing, information visibility, relationship transparency and relational

influences. The chapter introduces conceptual differences between information sharing, information visibility and relationship transparency and establishes the case why the reviewed literature is relevant for the interest of this study. It further identifies a substantial lack of empirical research in all three bodies of literature, specifically when it comes to the understanding of contingencies and consequences of information sharing, visibility and relationship transparency. The chapter concludes with a discussion of the shortcomings of the reviewed literature and outlines preliminary research questions.

The preliminary research questions developed in the literature review chapter act as drivers for the pilot study. The pilot study is described in Chapter 3 and was conducted for two reasons. Firstly, to sharpen the focus of the main inquiry, specifically when it comes to contingencies and consequences of relationship transparency, which is a particularly underexplored area, and secondly, to test the research protocol. Although considerably smaller in its scope, the pilot study is an empirical study in its own right. For this reason it includes discussion on research strategy, methods, findings and implications for the main study. The pilot study deepened the insights into the phenomena of interest and demonstrated the need for the modification of the research protocol and the two research questions. The discussion of these changes closes Part I of the study.

Part II of the thesis – Conducting the study, consists of Chapter 4 – Philosophical and methodological considerations, Chapter 5 – Main Cases and Chapter 6 – Findings. Chapter 4 which opens Part II of the thesis begins with a discussion on philosophical considerations and anchors the study in critical realism. It then introduces the research design and methods, and establishes a case for the adoption of a multiple case study research strategy. The chapter then explains case selection criteria and the rationale behind them and demonstrates that maximisation of learning in this study is best achieved by selecting two polar cases. Also included in this chapter is a detailed account of the data analysis approach and quality criteria for ensuring both the validity and reliability of the study.

Chapter 5 describes two main case studies in which the main data collection took place. Its main purpose is to provide contextual insights into both the cases and relationships the two companies had with their key customer as well as to detail main data collection activities. The description of two dyadic relationships demonstrates the difference in the nature of the two buyer-supplier relationships and to their compliance with the case selection logic explicated in Chapter 4.

Chapter 6 presents the data analysis findings obtained from both case studies. Consistent with the research design, the findings are presented for both cases together. The chapter opens with the presentation of the empirically derived structure of themes from the template analysis. The presentation of the findings reflects the structure of the template analysis. The structure is organised into two main categories which are as per the two research questions: contingencies of managerial openness and relationship transparency are presented in section 6.2 and the consequences of relationship transparency in section 6.3. The latter section concludes Part II of the thesis.

Part III of the thesis – What the study tells us, endeavours to answer the question of what the data presented in Chapter 6 actually mean. It consists of Chapter 7 – Discussion, Chapter 8 – Contributions and Chapter 9 – Conclusions. Chapter 7 opens with the presentation of the two models derived from the empirical data – the contingency model and the consequences model. The models are then discussed in the light of their theoretical importance and connections with relevant bodies of literature. The aim of this chapter is to demonstrate the value of the findings and to form foundations for the discussions of the key contributions of this study.

Chapter 8 discusses the primary and secondary contributions of this study. While the discussion of both models in Chapter 7 goes into a microscopic detail, this chapter aims to discuss the models at a higher level. The models are positioned in the literature that served to initially develop the two research questions. In doing so, key contributions to the literature on information sharing, information visibility and

relationship transparency in the domain of operations and supply chain management are presented.

Chapter 9 – Conclusions, synthesises the thesis, by restating the research problem, and providing a short overview of the study and its key contributions. The chapter also stresses the implications for practice, limitations and implications for future research.

Part I:
Setting up the study

2 Literature review and the preliminary research questions

2.1 Introduction

The purpose of this chapter is to outline the development of the preliminary research questions – questions that will drive the pilot study – through the analysis and synthesis of four bodies of extant literature: information sharing, information visibility, relationship transparency and relational influences. A review of the literature has to be done for a purpose, or else it may turn into a presentation of a long list of studies that claim they are in one or another way related to each other. For this reason, the literature reviewed in this chapter, reflects the personal interest that drives this study¹ and serves as an anchor for the development of the preliminary, pre-pilot, research questions. The chapter discusses and introduces the value of the literature on information sharing, information visibility, relationship transparency and relational influences for shaping the preliminary research questions. The chapter closes with a summary of the argument, explication of the scope of inquiry and the statement of the preliminary research questions.

2.2 Information sharing in buyer-supplier relationships

Most of the literature that explicitly researched information sharing in buyer-supplier relationships appeared in the operations and supply chain management field. Although the scope of this research is in buyer-supplier relationships, operations and supply chain literature was deemed relevant for the review. This is because of the widely accepted view that supply chains consist of a network of buyers and suppliers (Harland, 1996; Choi et al., 2001; Choi and Wu, 2009).

In spite of the fact that most of the literature that explicitly deals with information sharing, originates in operations and supply chain literature, definitions of

¹ Personal interest behind this study is explained in Section 1.1.1.

information sharing come predominantly from marketing literature (e.g. Anderson and Narus, 1984; Mohr and Spekman, 1994; Doney and Cannon, 1997; Cannon and Perreault, 1999). Information sharing has been defined in various ways. The examination of proposed definitions (see Table 2) reveals that two key characteristics are shared between definitions, namely: a) the sharing of information refers to giving information away, meaning, a manager or a company is in a position to be an information source, and; b) explicitly or implicitly it refers to an extent – how much – information is shared between the parties in a relationship.

Table 2: Definitions of information sharing

Definition	Author
“Information sharing is part of communication and broadly defined as the formal as well as informal sharing of meaningful and timely information between firms” (p.66)	Anderson and Narus (1984)
“Information sharing refers to the extent to which critical, often proprietary information is communicated to one’s partner” (p.139)	Mohr and Spekman (1994)
“(Confidential) information sharing refers to extent, suppliers share private information with their customers” (p.49)	Doney and Cannon (1997)
“Information exchange is expectation of open sharing of information that may be useful to both parties” (p. 441)	Cannon and Perreault (1999)
“Information sharing considers three aspects of information sharing: information sharing support technology, information content and information technology” (p. 1350)	Zhou and Benton (2007)

Other characteristics that are stressed in these definitions are: privacy and ownership of information (Mohr and Spekman, 1994; Doney and Cannon, 1997), information quality expressed in terms of meaningfulness, timeliness (Anderson and Narus, 1984) and usefulness (Cannon and Perreault, 1999) as well as a mode of sharing, such as formal and informal ways of sharing (Anderson and Narus, 1984). Zhou and Benton’s (2007) definition diverges from the relatively uniform conceptualisations of other authors, by including information sharing technology (e.g. hardware and software as enablers of information flows) and information content, which refers to types of information shared between the parties in a relationship.

The defining characteristic of operations and supply chain literature related to information sharing is that it is largely focused on the examination of the importance of information sharing for supply chain performance improvements (Gilbert and

Ballou, 1999; Chen et al., 2000; Lee et al., 2000; Yu et al., 2000, Cachon and Fisher, 2002). To date several streams of studies have contributed to the current understanding that information sharing is valuable and beneficial in supply chains. For example, Lee et al. (1997) and Chen et al. (2000) examined the role of information sharing in supply chains for the ‘bullwhip’ effect. They found that sharing information through supply chains helps to reduce the bullwhip effect, especially in the upper echelons of supply chains. Many studies, for example, have argued that information sharing enables coordination and physical flow of goods between supply chain members (Collier, 1982; Gustin et al., 1995; Closs et al., 1997); and helps with better management and decision making related to pipeline inventory (Gavirneni et al., 1999; Waller et al., 1999; Disney and Towill, 2003; Huang and Gangopadhyay, 2004). Various authors also suggest that close-knitted, partnering relationships are enabled by information sharing and critical for effective supply chain management (Spekman et al., 1998; Moberg et al., 2002; Whipple et al., 2002).

Studies that researched the relationship between information sharing and supply chain performance improvements mostly utilise modelling and simulation approaches (Chen et al., 2000; Gavirneni et al., 1999; Gilbert and Ballou, 1999; Cachon and Fisher, 2000; Chen et al., 2000; Lee et al., 2000). While these approaches are legitimate choices for conducting research in controlled environments, the extant body of knowledge still lacks empirical work. Scholars such as Stank et al., (1999), Lambert and Cooper, (2000), Lee and Whang (2000), Barratt, (2004), Moberg, et al., (2002) and Cheng (2010) point towards a paucity of empirical research in information sharing. In addition to the lack of empirical research in information sharing, most of the ‘information sharing-supply chain performance’ focused studies mentioned earlier, consider information to be available – i.e. shared. The interest and aim of this research (or more precisely part of the interest of this research) is to learn about what may influence information sharing in the context of a buyer-supplier relationship. The next section is dedicated to a review of the literature relevant to this aim.

2.2.1 Contingent factors of information sharing in buyer-supplier relationships

In spite of the large number of studies that discuss *the importance* of information sharing in buyer-supplier relationships, surprisingly little research has been dedicated to the understanding of the *factors influencing* information sharing. Those studies that did address the issue specifically appeared in operations & supply chain and information systems literature. The review of this literature, however, shows that these studies fail to produce clear conclusions.

Moberg et al. (2002) for instance first studied the antecedents of information exchange within the supply chain in a cross-industry survey of retail suppliers. They theoretically developed and empirically tested three groups of antecedents: a) information characteristics (characterised by information quality); b) organizational characteristics (characterised by IT commitment, organizational size and SCM commitment); and, c) relationship characteristics (characterised by trust and commitment). They found that *relationship commitment* and *information quality* was significantly and positively related to the information sharing between the surveyed suppliers and their customers. The relationship with the rest of the proposed antecedents was insignificant.

Similarly to Moberg et al. (2002), Li and Lin (2006) theorised that information sharing in buyer-supplier relationships is influenced by three groups of antecedents: a) environmental uncertainty (characterised by customer, supplier and technology uncertainty); b) intra-organizational facilitators (characterised by top management support and IT enablers); and, c) inter-organizational relationships (characterised by trust in a supply chain partner, commitment of the supply chain partner and shared vision between supply chain partners). Similarly to Moberg et al. (2002), Li and Lin (2006) empirically tested the proposed links in a cross-industry large scale survey. Their results show similarity to Moberg et al.'s (2002) in only one aspect. Namely, both studies identified inter-organizational characteristics as an antecedent of information sharing. However, it has to be noted that in Moberg et al.'s (2002) study,

this was down to the significant and positive relationship between the concept of relationship commitment and information sharing where in Li and Lin's (2006) study it was down to the significant and positive relationships between trust in the supply chain partner and information sharing. In addition, Li and Lin's (2006) study revealed that top management support was significantly positively, and supplier uncertainty significantly negatively, related to the levels of information sharing in buyer-supplier relationships.

Studies of Patnayakuni et al. (2006), Paulraj et al. (2008), and Cheng (2010), although conceptually different, provided additional insights into the inter-organizational antecedents of information sharing. Patnayakuni et al. (2006), for example, proposed that the relational orientation of a firm (characterised by relational asset specificity, relational interaction routines and long-term orientation) influences the information sharing behaviour of a firm. The results of their large scale, cross-industry survey show that development of inter-firm routines² that enable an iterative process of exchange of knowledge, information and new ideas is strongly associated with the sharing of information to coordinate processes and interactions in buyer-supplier relationships. Moreover, Patnayakuni's et al. (2006) study suggests that a firm's investment in tangible and intangible relationship-specific assets and a firm's long-term orientation³ has a significant impact on the development of interaction routines. The impact of long-term orientation on interaction routines is direct as well as indirect through its impact on asset-specific investments, which was also shown in a study by Dyer (1997).

The long-term relationship was, besides governance and information technology, also tested as an antecedent condition of information sharing by Paulraj et al. (2008).

² Relational interaction routines are defined as: "the degree to which informal and formal mechanisms are established for the exchange of information and knowledge between the focal firm and its supply chain partners" (Patnayakuni et al., 2006, p.23)

³ Patnayakuni et al. (2006) conceptualised long-term orientation on the basis of the work by Ganesan (1994) and defined it as "the degree to which long-term considerations, mutual gains, and informal governance characterize a firm's relationships with its partners" (p.25).

Although the conceptualisation of a long-term orientation between Paulraj et al.'s (2008) and Patnayakuni et al.'s work (2006) differs, it captures the same essence of collaborative behaviours in a buyer-supplier relationship. It should also be noted that Paulraj et al. (2008) operated with the term 'inter-organizational communication', rather than 'information sharing'; however, the way the term was conceptualised and operationalized in their work strongly relates to the concept of information sharing. Paulraj et al. (2008) found that long-term orientation, as well as network governance and information technology, are all significantly and positively related to inter-organizational communication.

In addition to the study of Patnayakuni et al. (2006) and Paulraj et al. (2008) inter-organizational antecedents of information sharing were also explored by Cheng (2010). Identically as previous studies, Cheng (2010) utilized large scale, multi industry survey to test the influence of relational benefits, relational proclivity, connectedness, power symmetry and dysfunctional conflict on information sharing in buyer-supplier relationships. The author found what previous studies suggested, namely, that higher levels of information sharing are expected in buyer-supplier relationships which are characterised by trust (Morgan and Hunt, 1994), interdependence (Anderson and Narus, 1990) and commitment (Ganesan, 1994; Dwyer and Schurr, 1987). What was, in comparison to other reviewed studies, new in Cheng's (2010) study, was that dysfunctional conflict⁴ is significantly and positively related to information sharing, which is contrary to the arguments, and that it actually inhibits team and organizational assessment and processing of information (Panteli and Sockalingam, 2005).

In Information Systems literature, a small body of research examined influences on information sharing at an individual level. Constant et al. (1994) and Kolekofski and Heminger (2003) studied information sharing attitudes of individual managers.

⁴ Cheng (2010) conceptualised dysfunctional conflict on the basis of the work by Anderson and Narus, (1990) which is defined as "disagreements that occur in the cooperation relationship or the incompatibility of activities, shared resources, and goals between partners. (p.4)

Constant et al. (1994) conducted their study in an intra-organizational setting and showed that managers' engagement in information sharing is a combination of managers' pro-social attitudes influenced by self-interest, reciprocity, work experience and training. Kolekofski and Heminger (2003) on the other hand showed that managers' attitudes lead to managers' intentions to share information, and are influenced by managers' inter-personal and organizational beliefs as well as by beliefs in information and task relevancy. To add to this, in the general management literature, Tuchman and Scanlon (1981) quantitatively studied boundary spanners and showed that managers' engagement in informational boundary spanning is largely a function of managers' development and possession of internal as well as external competencies.

The review of these studies shows that at an organizational level, the only factors that consistently received empirical support to act as an influence on information sharing in buyer-supplier relationships are factors related to the characteristics of inter-organizational relationships – specifically trust (Li and Lin, 2006), commitment (Moberg et al., 2002) and long-term orientation (Patnayakuni et al., 2006; Paulraj et al., 2008; Cheng, 2010). The role of other factors such as organizational, information and external environment, remain unclear and inconclusive. Moreover, it should be noted that all of the examined studies are survey-based, theory testing works. This is somewhat problematic, given that the theoretical nascency of the examined issue calls for qualitative – theory building designs (Parkhe, 1993; Edmondson and McManus, 2007) – rather than theory testing designs. The adoption of theory testing research designs is also the reason why the academic and practitioner audience is still largely deprived of deeper insights into what are the actual contingent factors of information sharing and how and why certain factors act as contingencies in the context of buyer-supplier relationships.

Furthermore, the conclusions of the reviewed studies are drawn exclusively at the level of an organization in spite of the fact that the unit of data collection is that of individual managers. In this way the studies miss at least two important aspects of buyer-supplier relationships: *Firstly*, inter-organizational relationships have rich

interfaces (Ellram and Hendrick, 1995). This means that multiple individuals from one organization will have multiple relationships with individuals from another organization. In such situations it is highly unlikely to find a uniform perception about a buyer-supplier relationship between managers (Blois, 2002). In this respect the conclusions of quantitative studies are highly contingent upon the choice of a respondent – meaning his or hers perceptions about the characteristics of a specific buyer-supplier relationship under investigation. *Secondly*, the adoption of an organizational-level analysis also prevented the reviewed studies from shedding light on the role of individual level contingencies on information sharing, in spite of the fact that relationships between companies are built at the inter-personal level (Ring and Van de Ven, 1994). The studies that examined information sharing, specifically at the level of an individual, provided a hint that exploration at the level of an individual manager in the context of a buyer-supplier relationship may be an interesting avenue for further work.

The purpose of the next two section is to provide an overview and to determine the value of the extant literature for the formation of the preliminary research question, related to the second part of the interest of this study, which is about contingencies and consequences, when a manager in a buyer-supplier relationship is in the role of information receiver.

2.3 Information visibility and transparency

The literature on contingencies of information sharing reviewed in Section 2.2 considers a company or a manager in a function of information source. However, most companies, as well as their employees, have to a greater or lesser extent a dual role in information exchange – a role of information source as well as information receiver. As Gustin et al. (1995), Closs et al. (1997) and Whipple et al. (2002) stress, when information is initially shared, it is in the discretion of the recipient to determine whether the information is trusted, timely and useful.

The following section discusses the literature to the two key concepts that consider a firm or a manager in the role of information recipient: the literature on information visibility and relationship transparency.

2.3.1 Information visibility

The idea of information visibility has been largely adopted in operations and supply chain management literature. Similarly as with the literature on information sharing, the review of the literature on information visibility uncovers its conceptual as well as empirical scarcity and nascence.

The concept of information visibility has been largely understated (Barratt and Oke, 2007). The main reason for this is that it has not been clearly conceptualised. As Swaminathan and Tayur (2003) discussed, information visibility has not been clearly delineated and has also been interchangeably used with the concept of information sharing. This represents certain difficulties, as current conceptualisations of information sharing clearly show that information sharing is in essence an *activity*⁵ of giving information away, where the concept of information visibility is an *outcome* (Wang and Wei, 2007; Barratt and Oke, 2007). Two definitions that appear in the extant literature is the one provided by Barratt and Oke (2007), who define information visibility as “*the extent to which actors within a supply chain have access to or share information which they consider as key or useful to their operations and which they consider will be of mutual benefit.*” (p. 1218); and a definition adapted by Wang and Wei, (2007, p. 652) “*the degree to which supply chain partners have on-hand information related to demand planning and supply planning and control management*”, which was originally adopted from the work by Mohr and Spekman (1994).

⁵ The notion of activity is captured in most widely accepted definitions of information sharing by Mohr and Spekman (1994) and Doney and Cannon (1997), which are presented in Section 2.2.

Although, Barratt and Oke's (2007) conceptualisation still includes the notion of an actor's activity (in the definition worded as '*or share information*'), both definitions capture a key idea behind information visibility from other studies that researched but did not explicitly define information visibility. This is the idea of an actor's access to information (in Barratt and Oke's (2007) definition worded as '*actors [...] have access*' and in Mohr and Spekman's (1994) as '*have on-hand information*'). The actor's access to information implies that information is shared with, and/or made available for an actor to access it (Gavirneni et al., 1999). The second idea found in Barratt and Oke's (2007) definition is related to the actor's evaluation of received information in terms of its relevance and usefulness (termed as '*key or useful to their operations*'). This part of the conceptualisation is where information visibility becomes an outcome and also where an individual actor interprets information properties – i.e. information quality. For example, studies focused on demand management (Barratt and Oliveira, 2001; Aviv, 2002; Croson and Donohue, 2003) and vendor managed inventory (Angulo et al., 2004) suggested the fundamental need for working with accurate and timely information, which are key properties of information quality (Wang and Strong, 1996). In Mohr and Spekman's (1994) definition, manager's evaluation of information is not explicitly stated. However, by explicating the specific content of on-hand information, they implicitly refer to the relevance of information for the recipient.

The extant literature on information visibility is predominantly focused on advocating the benefits of information visibility. This makes it of particularly limited use for determining its contingencies. The extant *benefit* focus is notable in various authors' suggestions that companies need to gain visibility of their customers' and/or suppliers' properties and actions, as for example: a) being able to see information related to customer's inventory holding levels (Barratt and Oliveira, 2001; Petersen et al., 2005); b) being able to see 'real' demand (Aviv, 2002; Croson and Donohue, 2003); c) understanding inter-firm processes (Fawcett and Magnan, 2002); and d) having visibility of a physical flow of material through a supply chain by utilising technologies, such as RFID (Karkkainen, 2003). These suggestions are largely based in the emergence of empirical, largely experimental and quantitative evidence that

information visibility is a route to operational performance improvements in supply chains, mainly in the areas of demand and inventory management.

For example, Doerr et al. (2006) utilised a simulation to conclude that qualitative factors such as quality, reliability and flexibility account for more than a half of the total anticipated benefits from increased information visibility by utilising RFID technology. Their study does not conceptualise information visibility *per se*; however, it is evident from the way the study is operationalized that they are focusing on the benefits for the information receiver. Another example of a benefits-focused, simulation-based study is work by Joshi (2000). The author simulated a beer distribution network in order to examine various forecasting methods with information sharing – i.e. enabled visibility and without information sharing – i.e. disabled visibility. The analysis showed that when the assumptions about information visibility were relaxed, and each of the actors in the supply chain was operating with true customer demand, the inventory, fluctuations and overall costs in the pipeline reduced drastically. Besides the tangible, Joshi (2000) also identified intangible benefits, such as reduction of lost sales, improved customer service delivery and increased confidence in managing the supply chain, due to the real-time knowledge of location of products moving through a supply chain pipeline. Some, more recent studies, reported similar, favourable inventory reduction results through increased information visibility (e.g. Ozgen and Lee, 2007). Additionally, Wang and Wei (2007) concluded in their quantitative, cross-industry survey that information visibility has a significant and positive link with the supply chain offering flexibility, meaning that it enables suppliers to respond to customer requirements in an agile and quick way.

One of the prevalent characteristics of the extant literature on information visibility is that it implicitly or explicitly assumes that information exchanged in buyer-supplier relationships is information in a structured form – i.e. transmitted via information technology infrastructure (Wareham, 2003). For this reason these studies tend to investigate dichotomous scenarios of the presence versus non-presence of information, enabled by the presence or non-presence of electronic data interchange

or other electronic interfaces. Consequently it is not a surprising discovery that one of the key antecedents that could be distilled from the extant literature is the presence of information technology and the quality of exchanged information in a buyer-supplier relationship. However, Wareham, (2003) posited that information visibility studies must distinguish from constructs that contain purely IT-related contents, because information sharing, can be realised through different means, such as social contacts and procedural venues. Mohr and Spekman (1994) stressed that information visibility is, in essence, an outcome of inter-organizational communication behaviour.

The quantitative study of Wang and Wei (2007) as well as the qualitative study of Barratt and Oke (2007) took into account the idea that information visibility may be contingent upon certain relational factors. Wang and Wei (2007) focused on the role of relational governance in enabling information visibility. The authors defined and adopted a definition of information visibility from Mohr and Spekman, (1994) and defined it as *“the degree to which supply chain partners have on-hand information related to demand planning and supply planning and control management”* (Wang and Wei, 2007, p. 652). A definition of relational governance was adopted by Heide and John (1992) and Josi and Campbell (2003) and framed as *“the extent to which supply chain partners use mechanisms, such as relational norms and joint actions, to maintain their relationship based on common goals”* (Wang and Wei, p.650). The defining characteristic of relational governance is adoption of norms such as, expectation of relationship continuity and mutuality, trust and commitment, which serve as safeguarding mechanisms against opportunistic behaviours (Thibaut and Kelley, 1959; Dyer, 1997: Dyer and Singh, 1998). The authors operationalized relational commitment in terms of trust, commitment and cooperation. The results of the cross-sectorial, large scale survey showed significant and positive links between relational governance and information visibility. This conclusion gives a hint that buyer-supplier relationships that are governed through relational norms may potentially play an important role in enabling information visibility; however, questions about how and why remain unexplored in this study.

In the quest to deepen insights into contingent factors of information visibility, Barratt and Oke (2007) conducted a qualitative, multiple case-based study. They coined the term ‘distinct visibility’, which was defined as “*the extent to which actors within a supply chain have access to or share information which they consider as key or useful to their operations and which they consider will be of mutual benefit*” (p. 1218). Theoretically anchored in a Resource Based View (RBV), the authors’ primary interest was to explore how the use of certain types of technology and collaborative ideas or behaviours, constitute resources that enable supply chain visibility through information sharing. Their findings show that distinct visibility in a supply chain is achieved because of the presence of inter-personal relationships, informal procedures and trust. Relationships that lack these characteristics, as for example transactional relationships or pure EDI links, still add to visibility but not to distinct visibility, as they were not imperfectly mobile, were imitable, not rare and were substitutable. What the authors showed is that trust and commitment were central for the achievement of distinct visibility. For example, although companies had in place contracts that guided supply chain operations, the success of those operations were more dependent on the informal relationships that were developed at inter-personal levels. These were the inter-personal relationships between individuals in organizations that were built on trust which, as corroborated in multiple studies (Anderson and Narus, 1990; 1991; Dyer and Ouchi, 1993; Dyer and Singh; 1998; Cannon and Perreault, 1999), fostered a more frequent and richer sharing of information.

The review of information visibility literature, demonstrated its conceptual value in delineating information visibility from information sharing. At the same time it is evident that the conclusions from the literature are relatively consistent in terms of the influencing role of relational attributes of buyer-supplier relationships on information visibility, as well as the role of informal inter-personal relationships as shown for example by Barratt and Oke (2007). However, one should not neglect the fact that these conclusions have been drawn on the basis of two empirical studies, which calls for caution in terms of relying on them too heavily.

The next section reviews literature on relationship transparency which is another relevant concept that could provide learning about contingencies and consequences when managers are in the position of information recipients.

2.3.2 Relationship Transparency

The word *transparency* has been a ‘buzz word’ in newspapers and the business press for a while, even to the extent that perceptions are forming as to whether we are living in an era of transparency. A popular U.S. TV channel, Fox news, published a recent article titled:

Era of transparency? Obama Administration Appeals Ruling on White House Visitors Log

The news then continues with the following sentence:

*The Obama administration is appealing a judge's ruling that Secret Service records of visitors to the White House complex are subject to **disclosure** under the Freedom of Information Act.*

(Gerstein, 2011, <http://nation.foxnews.com>)

The purpose of bringing up this excerpt of news is to illustrate how transparency has been understood and conceptualised not only in the popular press but also in most academic research. The word ‘*disclosure*’ in the quote shows that transparency is understood as an act of disclosure, completely identical to the core idea behind the conceptualisation of information sharing – an activity of giving information away (e.g. Mohr and Spekman, 1994 or Doney and Cannon, 1997). The same conceptualization of transparency is also adopted in the literature on corporate governance (e.g. Bessire, 2005), price theory (e.g. Stigler, 1970), market efficiency (e.g. Williamson, 1981) and political control (e.g. Södermann, 1988). This conceptualization of transparency is for this reason not relevant for understanding information receiver’s perspective and hence it is not included in the review.

However, a small body of literature in purchasing and industrial marketing views transparency from the perspective of information receivers. For this reason it

provides a complementary body of literature to the one on information visibility and it is as such reviewed in the continuation of this section.

2.3.2.1 Purchasing perspective on transparency

The concept of transparency in purchasing literature was introduced by Lamming et al. (2001) as a response to chronic difficulties that managers have with a two-way information exchange in buyer-supplier relationships. The concept is anchored in the early lean supply literature as a cost transparency (Lamming, 1993). In the lean context, cost transparency is defined as: *“The sharing of costing information between customer and supplier, including data which would traditionally be kept secret by each party, for use in negotiations. The purpose of this is to make customer and supplier to work together to reduce costs (and improve other factors). Cost transparency is of no value ... unless it is two-way.”* (p. 214)

Later, however, Lamming et al. (2001, 2005, 2006) argued that cost reduction practices in buyer-supply relationships such as supplier assessment, supplier development, and open book negotiations, are popular but usually driven by the power from the buyer’s side. Open-book negotiations for example, are typically implemented by the customer to reduce costs in the supplier’s activities in order to maximise economic benefits for the buying organization. The authors’ stance is that, the view of transparency through the “cost transparency” lens is too narrow. According to Lamming et al. (2005a, 2005b), the creation of valuable outputs and elimination of wasteful activities are two critical processes between two organizations. Costing approaches such as target costing, kaizen costing and activity based costing, which if applied beyond the organizational borders, can be used for determination and control of costs in buyer-supplier relationships (Cooper and Slagmulder, 1998, 2004; Ellram, 2006). However, if supplier and buyer are focused on eliminating waste in their processes purely on the basis of cost they might oversee and eliminate other sources of created value in the certain business process (i.e. product/service or relationship related benefits for a customer).

Moreover, cost transparency in Lamming et al.'s view (2001) is, from the perspective of a long-term survival and sustainability of buyer-supplier relationships, a fundamental flaw. The fundamental flaw in open-book negotiations lies in the fact that the customer requires (often imposes) a supplier to take a risk without a hedge or security, by demanding the exposure of sensitive data. An entirely rational response from a supplier is the provision of distorted or corrupted information in order to protect its economic position. Whittington (1998) for example, stressed that such rationality is perceived as 'a game of move and counter move' or 'bluff and counter bluff'. In spite of being criticised as too detached from practical business (Ghoshal and Moran, 1996) Transaction Costs Economics accommodate the rationality mentioned by Whittington (1998) in a form named "opportunism" (Williamson, 1991) as a normal and unavoidable part of dealing.

Given the narrow focus of the early cost-based view of transparency, Lamming et al. (2001, 2005a, 2005b) suggested a refinement of the concept, by introducing the concept of *value transparency*. The authors still acknowledge the necessity of information sharing being reciprocal, selective, justified, but not necessarily symmetrical, as captured in the initial definition of cost transparency. However, central to the idea of value transparency is that it should go beyond simply a better communication, and should be 'of value' for both parties in a buyer-supplier relationship. In this way the authors proposed that the main purpose of value transparency in buyer-supplier relationships is (Lamming et al, 2001): "*the creation, nurture and delivery of value, for the benefit and thus continued existence of both parties.*" (p.7)

Lamming et al. (2001) suggested viewing the concept of value transparency not as a property of a system – for example a buyer-supplier relationship as a whole – but rather as an *element* of a relationship. In this way, value transparency is seen as co-existing with other relationship elements such as adaptation, trust or dependence. Conceptually, Lamming et al. (2001) proposed the operationalization of the concept of value transparency, by using an analogy from geology. The authors proposed three modes of value transparency: opaqueness, translucency and transparency.

Opaqueness refers to the state of the relationship where neither side in the relationship has a clear view of other party's costs, tactics or goals (Lamming et al, 2004). The situation where neither party would have information about each other, exchanged services or products, seems very unlikely in any commercial exchange. Therefore, it is also highly unlikely for totally opaque relationships to exist between buyer and supplier. As stated by Lamming et al. (2004), certain activities between a buyer and a supplier could have elements of opaqueness, especially when it comes to a disclosure of working practices, procedures, technology, costs or other sensitive information that may or may not be of strategic importance. However opaqueness should not be understood as a problem *per se*. Opaqueness becomes a problem when it has a negative impact on value creation in the relationship. According to Lamming et al. (2004) opaqueness could be specific (deliberate retention of information internally) or systemic (as a result of organizational complexity or cultural discretion).

In *translucent* relationships, some elements of common and shared understanding are present in a relationship, while other value creation goals may stay opaque (Lamming et al, 2004). The presence of translucency enables management to make more or less informed decisions for instance, based on the level of available information. Translucency in relationships is provided by: personal knowledge and experience as a primary source and also from secondary sources, such as published industry standards, or contractual terms (Lamming et al, 2004). Through the presence of primary and secondary sources of translucency, the organization can achieve a certain flexibility in value transparency, by increasing or decreasing the areas of opaqueness in a relationship otherwise characterised by clarity.

Genuine *clarity* is, similar to total opaqueness, very unlikely to be present in the buyer-supplier relationship. In relationships with greater clarity, sensitive information is shared openly on a selective and justified basis. Through the use of primary and secondary sources of translucency, one can increase or decrease the translucency of the relationship from more "opaque" (by increasing the area of

opaqueness) to more “transparent” (by increasing areas of clarity). Furthermore, based on Lamming et al. (2004), the increase in clarity of one part of a relationship can expose opaqueness in other areas. In this context, the revealed areas of opaqueness can be systematically targeted for further translucency or clarity.

In spite of the fact that the concept of value transparency very much reflects the view of information sharing from an information source perspective, its actual proposed conceptualisation captures the information recipient’s view as well, which is similar to the ideas embedded in definitions of information visibility. In this way the concept of value transparency suggests an existence of a degree of visibility of properties and actions in buyer-supplier relationships, that is “of value” for both partners. Lamming et al. (2001, 2005a, 2005b) in spite of significant efforts invested in the conceptual development of the concept, remain fairly inarticulate about how transparency is manifested in a buyer-supplier relationships. In this respect Hultman and Axelsson (2007) proposed a typology of transparency and divided it into: a) type of transparency (technological, organizational, supply and cost/price); b) degree of transparency (high/low – increasing/decreasing), direction of transparency (uni-/bi-dimensional) and distribution of transparency (direct/indirect and horizontal/vertical). The authors validated the proposed typology with two exploratory case studies. Although the authors pursued the validation of proposed typology as the main aim of their study, they also proposed that there may be a strong link between trust and level of transparency in the studied relationships. They stressed that according to their observation “*some of the suppliers were reluctant to share information due to a possible power shift in the structure of the relationship*” (Hultman and Axelsson, 2007, p. 634). This proposed link is, however, the link between trust and information sharing, as it was for the example posited by Li and Lin (2006), and not a link between trust and information visibility.

Similarly, as in respect to contingent factors, the purchasing literature remains fairly inconclusive about the consequences of relationship transparency. Lamming et al. (2004) posited that positive effects of transparency should not be expected as much in some generally available benefits, but more in the fact that transparency creates

inequality in competition and as such it represents advantages for a dyad and not a single organization. Even on the occasions when Lamming et al. (2004) attempted to be more specific about the benefits, they seldom went beyond descriptions such as: exchange of many different valuable things, including technical know-how, cost information, operational data, strategic intent, or that transparency as a manageable element of supply relationships might contribute to the closer linkage between activities in a relationship to determine opportunities and value changes in markets. Other studies, for example, the single case study by Bartlett et al. (2007), also remain at the high level with statements such as – transparency leads to improved supply chain performance.

Moreover, although Lamming et al. (2001) tried in their conceptualisation of value transparency to depart from pure information sharing ideas and introduce a notion that transparency is a state – an element of relationship, which should include at least a subjective perception of a manager whether this is the case or not – the subsequent studies did not grasp and further develop this idea. All studies in both purchasing and supply chain literature, that build on the ideas of Lamming et al. (2001, 2005a, 2005b) operationalized transparency very much as a sharing of information with certain quality properties. For this reason its main contribution is largely towards understanding of factors that enable sharing of information in buyer-supplier relationships, rather than receiving of information. In addition to this, purchasing literature treats the concept of transparency as an organizational level phenomenon. However, as the review of information sharing literature showed, some studies suggest (e.g. Constant et al., 1994; Kolekofski and Heminger, 2003) that characteristics of individual managers, such as attitudes and beliefs, may be equally important.

Following this line of thinking, the literature on industrial marketing conceptualises transparency in a buyer-supplier relationship at the level of an individual, which, given the interest of this study, provides an appealing reason to introduce it in the following section.

2.3.2.2 Industrial marketing perspective on transparency

While the conceptualisation and empirical development of the transparency concept in the purchasing field has stayed largely at an information sharing/organizational level perspective, the industrial marketing perspective looks at transparency from an information receiving/individual level standpoint. Eggert and Helm (2003) introduced the term ‘relationship transparency’ and conceptualised it as “*an individual perception of being informed about the relevant actions and properties of the other party in the interaction.*” (p. 103). This definition is distinct from other reviewed definitions in that: a) it structurally clearly positions an actor in a buyer-supplier relationship in the function of information receiver; b) it acknowledges that transparency is a subjective, individual perception, rather than an objective state of a relationship between a buyer and supplier; and c) it is defined at the level of an individual manager rather than at the level of an organization.

The theoretical anchoring of Eggert and Helm’s (2003) conceptualisation of relationship transparency is in the work of the International Marketing and Purchasing (IMP) Group and their proposed interaction model of buyer-supplier relationships (Håkansson, 1982; Turnbull et al., 1996). Central to the interaction model of buyer-supplier relationships is the idea of interaction of which an integral part is the exchange episodes between firms. The elements that describe and influence interaction are: a) elements describing the parties involved (organizations and individuals); b) elements that describe the elements and the process of interaction (short term interaction episodes and long term relationships); c) elements that describe the atmosphere that affects and is affected by the exchanges (power/dependence, cooperation, closeness, expectations); and d) elements that refer to the environment in which the interaction is embedded (Håkansson, 1982). Eggert and Helm (2003) posit that relationship transparency is an output of interactions in a buyer-supplier relationship and it could be, in this respect, influenced by a multitude of factors. They also theorise that relationship atmosphere and information exchanged between interacting parties may be the most important influencing factors.

Relationship atmosphere has been described as an interaction context, which consists of dimensions such as power/dependence, cooperation, closeness and the expectations of the interacting parties (Håkansson, 1982; Hallén and Sandström, 1991; Ford, 2002). Relationship atmosphere is a product of a relationship as well as a contributing factor to a development of a relationship (Håkansson, 1982; Hallén and Sandström, 1991; Ford, 2002). It is a perceptual phenomenon and it could be, in its general sense, characterised as either positive or negative (Hallén and Sandström, 1991). Eggert and Helm (2003) argue that information exchange and the resulting perception of transparency could be seen as one layer of the relationship atmosphere. In addition to the assertion that positive relationship transparency may breed favourable conditions for information exchange, the authors propose that information relevancy may act as a second key determinant. In addition to Eggert and Helm (2003), Van Dijk et al. (2003) suggest that relationship transparency may be influenced by formal or informal governance choices as well as by the structural characteristics of buyer-supplier relationships (e.g. organizational design), which both determine a degree of information sharing in a buyer-supplier relationship.

In terms of consequences, Eggert and Helm (2003) empirically tested whether relationship transparency leads to favourable behaviours in a buyer-supplier relationship. The results of their large scale cross-industry study show a significant and positive link between relationship transparency and perceived customer value. This is due to the minimisation of customers' need to constantly search for information and test the market for alternatives. The study also unveiled a significant and positive link between relationship transparency and information satisfaction.

The concept of relationship transparency provides a useful bridge in the transition from information sharing/organizational level to an information receiving/individual level perspective within a buyer-supplier relationship. This being said, the extant industrial marketing literature could further benefit from broadening its methodological choices, both in terms of mixing quantitative and qualitative

approaches and operationalizing research at an organizational as well as individual level.

So far, this review has been discussing the literature that is phenomena-focused. However, as all three bodies of the literature consistently show, either at the organizational or individual level, information is shared and received in the context of buyer-supplier relationships. To complement findings from the phenomena-focused literature the continuation of this review explores the contextual literature, namely the literature on inter-organizational relationships.

2.4 Relational influences and information exchange

As demonstrated in earlier parts of this review, the bodies of literature on information sharing, information visibility and relationship transparency consistently point towards inter-organizational relationship (IOR) factors as being important in understanding the phenomena of interest. The purpose of this section of the literature review is twofold: to review relevant literature that deals with the phenomena of interest within the context of IORs and to demonstrate the value of this literature in shaping the preliminary research question.

The section opens with a brief overview of the development of the IOR field. It then continues with a discussion on relational influences and concludes with a summary.

2.4.1 The development of IOR as a field

The field of IOR is an interdisciplinary field where academic debates are fuelled with contributions from different academic disciplines and complemented by practitioner work. Disciplines such as marketing, operations and supply chain, strategic management, sociology and social psychology, law and institutional economics all contribute to the state of the IOR field as we know it today.

When precursors of the field such as sociology and social psychology are examined, it becomes evident that the history of influences on IOR field stretches as far back as

into the ends of 19th century. An exemplar case is the work of German sociologist Georg Simmel (Wolf, 1950), whose meticulous description of ‘the isolated individual’ and its social interactions in dyadic and triadic relationships, extensively influenced the development of some of the key ideas in the IOR field, such as the concept of reciprocity in social exchanges (Gouldner, 1960) and Social Network Analysis (Granovetter, 1973).

In the first half, and up until the early second half of the 20th century, social scientists interested in organizations mainly focused on understanding the intra-organizational phenomena, such as the studies of individuals in organizations and relationships among groups in organizations (e.g. Argyris, 1964; Hiare, 1964). Also in this time period, the first inter-organizational studies appeared (e.g. Selznick, 1949; Levine and White, 1951; Rideway; 1957; Litwak and Hylton, 1962) as researchers started acknowledging that all formal organizations are, in essence, embedded in an environment with other organizations and a complex system of norms, values and collectivities of the society at large. However, in spite of the apparent negligence of inter-organizational research in this time period, it is precisely the focus on intra-organizational and social interaction of groups that provided key theoretical foundations for the emergence of Social Exchange Theory (SET) (Blau, 1964; Emerson, 1962; Homans, 1958; Thibaut and Kelley, 1959). SET’s basic assumption is that parties enter into, and maintain, relationships with the expectation that doing so will be rewarding (Blau 1968; Homans 1958), where benefits could be either economic (e.g. goods or money) or intangible (e.g. social amenities or friendship). A decade later, Williamson (1975), introduced Transaction Cost Economics (TCE), which was adopted by IOR scholars to study inter-organizational governance choices. A popular perspective advocated by Williamson (1975) is the choice of market vs. hierarchies as a relationship governance choice, which serves as an instrument for completing a transaction. In general, lower transaction costs favour markets, while higher transaction costs favour hierarchies.

In the decade that followed, academics as well as practitioners realised the need for a new paradigm in the management of IORs, namely, a shift towards collaborative,

partnering relationships. However, these debates may not have developed in the direction and with the intensity that they did, if Macneil (1980) in his seminal work on Relational Contract Theory, had not proposed a systematic approach to thinking about business exchanges as discrete transactions and relational exchanges. During this time period, IOR scholars focused on answering questions around the characteristics of partnering relationships (Mohr and Spekman, 1994; Ellram and Hendricks, 1995; Lambert et al., 1996; Cannon and Perreault, 1999), mechanisms behind the engagement and maintenance of social interactions in working partnerships (Anderson and Narus, 1984, 1990; Morgan and Hunt, 1994); and whether partnering leads to a firm's success (Anderson, 1991; Mohr and Spekman, 1994; Monczka et al., 1998; Dyer and Singh, 1998).

SET and TCE provided competitive theoretical frameworks for exploring these questions; however, they were both criticised for providing only partial answers on the above questions (Lambe et al., 2001; Ghoshal, 1996). Namely, SET's explanatory and predictive power lies largely in a relational part of the exchange continuum, where TCE is seen to better explain the transactional side. In this time period, it is also worth mentioning the contribution of the Nordic school of marketing, particularly the Industrial Marketing and Purchasing (IMP) Group, who introduced an interaction approach (Håkansson, 1982; Hallén and Sandström, 1991; Ford, 2002) to buyer-supplier relationships.

From the late 1990s to today, the IOR field has witnessed a major shift in the structural treatment of inter-organizational relationships. Developments in operations and supply chain management as well as in the strategic management field have brought a notion of organizational embeddedness in an external network of organizations. The interests of research then shifted from a dyadic towards a network perspective (Anderson et al., 1994). Granovetter's (1973, 1985) seminal works on the strength of weak ties and the problem of embeddedness acted as a vehicle for exploring questions around the structure (Gulati, 1995, 1998), and formation (Gulati and Gargiulo, 1999) of inter-organizational networks and approaches to buyer-supplier relationship management in a network context (Choi and Kim, 2008).

Given the ‘structural’ shift in examining buyer-supplier relationships, the majority of the literature relevant for developing an understanding of the phenomena of interest in this thesis originates from the period between the mid-1980s to the late 1990s. The next section will explore the content and value of this literature for the formation of the preliminary research question.

2.4.2 Relational influences

Buyer-supplier relationships differ in their characteristics (Wilson, 1995; Cannon and Perreault, 1999). These characteristics, although essentially very similar, are, in different fields, described using different terminology. Marketing literature for example would refer to *marketing exchanges* (Webster, 1992) which span across a continuum from discrete to relational exchanges (Macneil, 1980). In the Operations and Supply Chain field, this terminology has been largely abandoned and supplemented with terminology such as adversarial or ‘arms-length’ relationships (equivalent to the marketing term ‘discrete transactions’) and partnering or collaborative relationships (equivalent to the marketing term ‘relational exchanges’) (Harland, 1996; Lambert et al., 1996; Cooper et al., 1997; Barratt, 2004; Christopher, 2010). In order to avoid constant shifts in the terminology in the continuation of this discussion, this thesis adopts the wording ‘*transactional and relational relationship*’.

An ‘exchange’ is defined by Macneil (2001) as “*the giving of something in return for receiving something else*” (p. 89), essentially any “*vice-versa movement between and among individuals*” (p. 92). Projected in the business-to-business context, Blois (2002) stated that exchange between two organizations occurs when (p. 524) “*resources are transferred from one party to another in return for resources controlled by the other party*”. Macneil (1980) proposed an exchange continuum anchored by two polar archetypes of discrete transactions and relational exchange. The continuum implies increasing levels of relational intensity when departing from discrete transactions to relational exchanges.

According to Dwyer et al. (1987), a discrete transaction is the foundation on which the concepts of a relationship are built. The idea of discrete transaction originates in neo-classical microeconomic analysis. From a microeconomic perspective, maximising units (economic actors) engage in market transactions in order to secure resources. Each transaction is independent of all other transactions and guided solely by the price mechanisms of a perfect market. However, pure transactions are rare (Webster, 1992; Fontenot and Wilson, 1997) in practice. Truly discrete transactions would, according to relational exchange theory (Macneil, 1980), be entirely separate from any past and secondary (future exchange) (Parsons and Smelser, 1956) and completely detached from any form of social exchange (Blau, 1964). However, in everyday life, especially in modern technological societies, we will find many quite discrete transactions. These are characterised by little personal involvement, communication is mostly linguistic, limited to the subject matter of the transaction and with little or no presence of social elements – for example, trust and friendship.

Contrary to the transactional part of the exchange continuum, the relational part has received significant attention from scholars over the past 30 years. Significant efforts have been invested to develop an understanding of the key characteristics of relational relationships. These efforts started in the mid-1980s and have been dominated by marketing scholars who were joined in the mid-1990s by the operations, supply chain and strategic management community.

The key characteristics of relational relationships emphasised by the seminal works are presented and described in Table 3.

Table 3: Key characteristics of relational relationships

Key relational characteristic	Description of key relational characteristic*	Representative literature
Long-term orientation	Long-term orientation is characterised by the perception of interdependence of outcomes in which <i>both</i> a buyer and a supplier expect to benefit from a relationship in the long run.	Ganesan (1994); Morgan and Hunt (1994); Ellram and Hendrick (1995)
Communication behaviours: - Quality and extent of information sharing / exchange - Participation	Communication behaviours underlie most aspects of organizational functioning, and are in this way critical to organizational success. Communication is treated as a key indicator of a partnership's vitality and includes the following characteristics: - Quality of information is characterised by information accuracy, timeliness, adequacy and credibility - The extent to which critical and often proprietary information is communicated to one's partner - The extent to which buyer and supplier engage in joint activities, such as planning and problem solving	Anderson and Narus (1984); Dwyer et al. (1987); Mohr and Spekman (1994); Morgan and Hunt (1994); Ellram and Hendrick (1995), Monczka et al. (1998); Cannon and Perreault (1999), Barratt (2004)
Operational linkages	Operational linkages refer to the degree to which the buyer's and supplier's systems, procedures and processes are interlinked to facilitate the exchange of information, products, services and funds.	Lambert et al. (1996); Cannon and Perreault (1999); Barratt (2004)
Commitment	Commitment refers to the willingness of a buyer and a supplier to invest effort into maintaining the continuation of a relationship. The willingness stems from the buyer's and/or supplier's belief that the relationship is worth working on to ensure its longevity.	Dwyer et al. (1987); Mohr and Spekman (1994); Ellram and Hendrick (1995), Cannon and Perreault (1999); Barratt (2004)
Trust	Trust is characterised by one party's belief that their counterpart in the relationship will perform actions resulting in positive outcomes. In addition, trust also includes a party's belief that the counterpart's word is reliable and that the counterpart will fulfil its obligation in the relationship.	Dwyer et al. (1987); Anderson and Narus (1990), Ganesan (1994); Mohr and Spekman (1994); Morgan and Hunt (1994); Wilson (1995), Monczka et al. (1998), Cannon and Perreault (1999); Barratt (2004)
Interdependence and Power	Interdependence is the buyer's and supplier's realisation and acceptance that in order to achieve mutual benefits from the relationship they have to cooperate. Common to this belief is also that the loss of autonomy will be compensated through expected benefits. Power is characterised by the ability of one party to influence the decisions and behaviour of another party. Power imbalance is directly related to one party's dependence on another.	Dwyer et al. (1987); Anderson and Narus (1990); Anderson and Weitz (1989); Mohr and Spekman (1994); Morgan and Hunt (1994); Wilson (1995);
Cooperation	Cooperation refers to a set of coordinated actions that the buyer and supplier, who are in an inter-dependent relationship, undertake in order to achieve mutual benefits, or one sided benefits, but with an expectation of future reciprocity.	Anderson and Narus (1990); Wilson (1995), Monczka et al. (1998); Lambert et al. (1996), Barratt (2004)
Benefits and Risk sharing	Sharing of benefits refers to both the buyer's and supplier's willingness to help the opposite party to gain benefits. Sharing of risk refers to both the buyer's and supplier's willingness to tolerate potential short-term loss.	Dwyer et al. (1987); Lambert et al. (1996)

*Note: Descriptions of key partnering characteristics are a synthesis of conceptualisations proposed by the reviewed literature.

Given the interest of this study, the only value in examining relational relationships and their key characteristics is in their relation to the phenomena of interest. As opposed to the earlier reviewed literature on information sharing, visibility and transparency, which deals with the phenomena of interest directly, this body of literature addresses it indirectly. This, however, does not decrease its value; on the contrary, it provides insights into the context in which information exchange between a buyer and supplier actually occurs.

The extant literature considers communication and information sharing as an integral part of relational, buyer-supplier relationships. This is clearly evident from Table 3, where communication is positioned among other seven key characteristics. The work by Anderson and Narus (1984) was the first to provide empirical support to the notion that close-knitted relationships can be developed and maintained, when a manufacturer meets or exceeds a distributor's expectations (which are comparatively superior to those from alternative suppliers). Communication in this case, characterised as "*formal, as well as informal sharing of information or meaning between the distributor and the manufacturing firm*" (p. 66) was seen as a key component and fostering mechanism of relational relationships.

Morgan and Hunt (1994) joined the debate on key characteristics of successful buyer-supplier relationships. In their pivotal work, they theoretically developed and empirically tested the model that puts trust and commitment as two key relational components of successful relationship management. With regard to the role of information sharing in a relational relationship, Morgan and Hunt (1994) are more specific than Anderson and Narus (1984), as they labelled information sharing as '*communication*' and conceptualised it as "*the formal as well as informal sharing of meaningful and timely information between firms*" (p. 25). Morgan and Hunt (1994) showed that sharing of timely information is not only an integral part of successful relational relationships, but is directly responsible for fostering trust between the interacting parties. Their work acknowledged that the reverse is also possible, namely that trust in a buyer-supplier relationship fosters information sharing. Past interaction experience, where communication is an integral part, is an antecedent of

trust (Anderson and Narus, 1990). However as Anderson and Narus pointed out (1990), “*in subsequent periods...this accumulation of trust leads to better communication*” (p. 45).

Maintaining the same directionality of exploration as Morgan and Hunt (1994), Mohr and Spekman (1994) tested key characteristics of partnership success. The concept of communication in their work is expanded and treated as a set of communication behaviours. Positioned like this, it includes not only the notion of information sharing, but also communication quality and the extent of buyer’s and supplier’s engagement in joint activities such as planning and goal setting. Employing a large scale survey method, Mohr and Spekman (1994) found that the quality of communication and extent of joint participation is positively correlated with manufacturer’s satisfaction and sales volume, where surprisingly, the extent of information sharing was correlated negatively. Also positively correlated with partnership success were coordination, commitment, trust, joint problem solving and conflict resolution tactics. Monczka et al. (1998) built on Mohr and Spekman’s (1994) work further and tested, with the exception of the supplier selection process attribute, the same set of attributes that characterise relational relationships in connection with the success of strategic supplier alliances. The conclusions of their survey-based study, relevant for the context of this study are almost identical to those of Mohr and Spekman (1994). Namely, the quality of communication and degree of participation are associated with the success of strategic alliances, and, contrary to Mohr and Spekman’s (1994) findings, so it is information sharing.

Cannon and Perreault (1999) contributed to the understanding of buyer-supplier relationships by proposing a taxonomy of buyer-supplier relationships, based on five theoretically developed relationship connectors: information exchange, operational linkages, legal bonds, cooperative norms and buyer-supplier adaptations. They define information exchange as the “*expectation of open sharing of information that may be useful to both parties*” (p. 441). The authors argue that information exchange is one of the key building blocks that describes the nature of commercial exchange between a buyer and supplier. They hypothesise this on the basis of multiple theoretical

suggestions. Kelley and Thibaut (1978), for example suggested that information exchange enables partners in a relationship to better understand the outcomes of their behaviours. Williamson (1985) argued that market failure is contingent upon information opacity and lastly, Macneil (1980) posited that free exchange of confidential information is a characteristic of more relational exchanges. Cannon and Perreault (1999) concluded, among others, that high levels of information inevitably characterise relationship forms with higher degrees of relationality.

In the operations and supply chain literature for example, Ellram and Hendricks (1995) examined the characteristics of partnering relationships as well. In their cross-industry sample of 80 dyadic buyer-supplier relationships, they found that communication issues, i.e. computer linkages, corporate communication, information sharing and information about partners' operations, were the most important aspects of partnering relationships. As indicated by the participants, buyers and suppliers favour frequent face-to-face communication, sharing of important information, such as demand forecasts and inventory levels, and the rich organizational interfaces involved in communication. A very similar proposition, in terms of importance of information sharing and communication practices, was put forward by Barratt (2004). In his conceptual exploration of supply chain collaboration, he posited that information exchange is a fundamental enabler of supply chain performance and one of the key factors of collaborative culture, besides trust, mutuality, openness and communication. This review could go further; however, other studies into operations and supply chain management (Lambert et al., 1996; Body et al., 2000; Wagner et al., 2002; Veludo, 2004) that explored relational relationships, offer very similar insights and in this way little incremental value to the understanding of relational characteristics and influences on information sharing.

In summary, this part of the literature demonstrates an influencing relationship between the context, i.e. relationality of buyer-supplier relationships, and the phenomena of interest. Although in the above reviewed studies, information sharing or relationship transparency was never explicitly researched, it is clear that strong evidence exists that relationality in buyer-supplier relationships influences the extent

and nature of exchanged information between interacting parties. It should be noted that, similarly to previous literature, the reviewed studies are dominated by theory testing designs and organizational-level analysis. However, given that many of these studies (e.g. Anderson and Narus, 1984; Morgan and Hunt, 1994; Wilson, 1995) build on inter-personal theories such as Social Exchange Theory, their findings may also be relevant to the understanding of individual behaviours.

The next section provides a summary of the key findings from the literature review, identifies the gaps and explicates the preliminary research questions.

2.5 Conclusion and scope of inquiry

In this chapter, the reviewed literature unveiled a variety of insights into the issue of information sharing, information visibility, relationship transparency and relational influences. The primary interest of this review was to understand what factors influence and what the contingencies are when managers are in the role of information source as well as information receiver. Section 2.2 focuses on information sharing literature, specifically on the studies that looked closer into the issue of contingent factors of information sharing. To develop an understanding of how other studies have researched the issue when a manager is in the position of information receiver, two bodies of literature were covered. Section 2.3.1 reviews the literature on information visibility and section 2.3.2 the literature on relationship transparency. Given that this literature was all phenomena focused, the contextual literature is reviewed in Section 2.4 with the aim of providing insights into relational influences on information exchange. Overall, the review of the literature unveiled a number of issues relevant to the understanding of contingencies and consequences of information sharing and receiving. However, in order to arrive at the preliminary research question, observations and gaps have to be highlighted, as well as the scope of this enquiry.

2.5.1 Contingencies of information sharing

Information sharing literature reflects what scholars such as Stank et al. (1999), Lambert and Cooper (2000), Lee and Whang (2000), Barratt (2004), Moberg et al. (2002), and Cheng (2010) have been emphasising for more than a decade – almost a complete absence of empirical studies. This situation also characterises the literature on contingencies of information sharing.

In a few studies that acknowledged the possibility that information sharing simply does not happen on its own, scholars adopted a positivistic – theory testing – approach. They have particularly focused on testing three groups of factors: a) information characteristics, e.g. information quality; b) organizational characteristics, e.g. top management support, IT commitment; and c) inter-organizational characteristics, e.g. trust, commitment, power asymmetry and long-term orientation. The results of these studies, however, are inconclusive. The only group of factors that received consistent empirical support are inter-organizational characteristics. Trust, commitment and long-term orientation are characteristics of relational relationships (Dwyer et al., 1987; Mohr and Spekman, 1994; Ganesan, 1994; Barratt 2004) which provides an environment favourable to the extent and quality of information sharing.

Although all the studies, with the exception of work by Tushman and Scanlan (1981), Constant et al. (1994) and Kolekofski and Heminger (2003), are conducted at the level of an organization, the inter-organizational contingencies could be relevant for an understanding of information sharing behaviour at the individual level. This can be stated on the basis that: a) studies which examined contingency factors of information sharing, defined information sharing in a way that is applicable to both individual⁶ and organizational levels; b) units of data collection in all studies have

⁶ For example definition of information sharing as proposed by Mohr and Spekman, (1994), “*Information sharing refers to the extent to which critical, often proprietary information is communicated to one’s partner*” (p.139), can be applied at the individual or organizational level, as the word partner in the definition, can refer either to an individual or a company.

been individual managers, talking about their perceptions; c) industrial relationships by default are built between individuals (Ring and Van de Ven, 1994; Blois, 2002); and d) interaction between individuals in a buyer-supplier relationship is not independent of a buyer-supplier relationship – it is actually influenced by it as well as contributing to it (Håkansson, 1982; Hallén and Sandström, 1991).

Moreover, studies by Tushman and Scanlan (1981), Constant et al. (1994) and Kolekofski and Heminger (2003) indicated that additional complexity is introduced when the analysis of information sharing influences descends from an organizational to an individual level. Their work showed that individual traits, such as attitudes towards information sharing, self-interest and experience, may also influence a manager's behaviour, whether or not s/he will engage in information sharing activities with external parties. However, contrary to the organizational-level literature, these works treat an individual as interacting in separation from an external context – e.g. organization and/or buyer-supplier relationship.

The above clearly indicates the following shortcomings of the extant research: *Firstly*, an organizational level and individual level approach to exploring and analysing information sharing have been treated separately. Organizational level literature treats information sharing as an individual manager being absent from information sharing activities and individual level literature treats individuals as interacting in isolation from the external environment. *Secondly*, the knowledge underpinning the phenomenon of interest is underexplored, hence nascent. Therefore, the fact that the extant literature relies on large scale, quantitative, theory-testing designs, it demonstrates a methodological misfit between the theoretical maturity of extant knowledge and methods employed (Edmondson and McManus, 2007).

To address these shortcomings I propose that influencing factors of information sharing can be explored much more precisely and in greater depth by descending from an organizational to an individual level of analysis and by treating an individual and his/her relationships with counterparts as embedded in a wider organizational and inter-organizational context.

Given the need to explore information sharing at the individual level, a definition of the phenomena has to be aligned with the required level of analysis. For this reason a definition is needed that: a) already exists or is able to be transposed at the individual level of analysis; b) is applicable to a relationship context; and c) puts an individual in the role of information source. The definition that satisfies these criteria is that of Mohr and Spekman (1994), worded as follows:

“Information sharing refers to the extent to which critical, often proprietary, information is communicated to one's partner.” (p. 194)

In order to work with this definition a few clarifications are necessary. The word *partner* is for the purposes of this study understood as the *counterpart* or *party* in a relationship. It is value free in terms of relational characteristics between two parties. In other words, *partner* does not entail only individuals with whom a close, partnering relationship is established. It includes *any* individual with whom a focal manager maintains any kind of relationship.

2.5.2 Contingencies and consequences of information visibility and relationship transparency

In further pursuing the interest of this research, information visibility and relationship transparency literature were reviewed in section 2.3. Firstly, the review showed a clear conceptual distinction between the concept of information sharing on the one side, and information visibility and relationship transparency on the other. This is because information sharing is conceptualised as an *activity* of giving information away, where visibility and transparency are the *outcome*. This distinction makes this body of literature of particular relevance for the understanding of an actor in a relationship as information receiver. It should be noted, however, that because of the way scholars define information visibility (Barratt and Oke, 2007), the notions of *action* and *outcome* coexist. Relationship transparency literature on the other hand

makes the full leap from *action* to *outcome* and defines relationship transparency as an individual perception of being informed (Eggert and Helm, 2003).

As shown in the review, this body of literature is in a similar, underexplored state to that on information sharing. With the exception of studies by Barratt and Oke (2007) and Wang and Wei (2007), none of the existing studies specifically addresses the issue of antecedents or consequences of information visibility or relationship transparency. The work of Barratt and Oke (2007) and Wang and Wei (2007) pointed towards the important influencing role of relational characteristics for information visibility. Barratt and Oke (2007) for instance showed, that deployment of VRIN⁷ resources, such as close inter-personal relationships and the presence of relational norms, were central to achieving distinct visibility in a supply chain. Eggert and Helm (2003) theorised that relationship transparency is influenced by inter-organizational atmosphere and fostered by the quality of received information. Consistent with information sharing literature, this is indicative that relational characteristics of inter-organizational relationships may have an important influencing role on the establishment of either visibility or relationship transparency.

In spite of these suggestions, the evidence to date is inconclusive. This is down to the scarcity of empirical work as well as the level of analysis at which studies are conducted. Identical to information sharing literature, this body of literature favours the organizational level of analysis and quantitative, theory-testing, empirical approaches. From the perspective of the interest of this research, it is work by Eggert and Helm (2003) that had, but did not entirely fulfil its potential on informing this research, as the authors decided to operationalize relationship transparency at an organizational, rather than an individual level.

Furthermore, the current understanding of information visibility and relationship transparency consequences is mainly centered around emphasising benefits. Being

⁷ VRIN resources stands for: valuable, rare, inimitable and non-substitutable resources (Barney 1991)

able to see or understand real demand and processes (Aviv, 2002; Croson and Donohue, 2003; Fawcett and Mangan, 2002) or being satisfied with a relationship and being able to deliver more value to a customer (Egger and Helm, 2003; Lamming, 2001) are just some of those benefits. Although this stream of literature is again underexplored, hints from the literature suggest that when a manager is in the position of information receiver and being 'able to see', having access to real information or a perception of being informed, beneficial outcomes may be realised. However, under what conditions and what these outcomes are is currently not well understood.

To address this shortcoming in the literature, I propose, identically as in the case of information sharing, a descent from an organizational to an individual level of analysis and to treat an individual manager as an interacting actor, embedded in the wider organizational and inter-organizational context. Moreover, to provide a clear distinction between the *action* of information sharing and the *outcome* of receiving information, I suggest the adoption of the relationship transparency definition by Eggert and Helm (2003), which is: "*Relationship transparency is an individual perception of being informed about the relevant actions and properties of the other party in the interaction.*" (p. 103). This definition suits the interests of this study for three reasons: a) it conceptualises relationship transparency as a perceptual, individual level phenomena, which will allow examination of contingencies and consequences at an individual level; b) the level of conceptualisation is aligned with that of information sharing, which makes the level of analysis in both definitions aligned; and c) relationship transparency is seen as an *outcome*, and puts an interaction party into the function of information receiver.

2.5.3 Preliminary research questions

As a consequence of the analysis presented in this chapter and based on the shortcomings in the literature the following two research questions are proposed:

Research Question 1: *What are the contingent factors of information sharing and relationship transparency in a buyer-supplier relationship?*

Research Question 2: *What are the consequences of relationship transparency in a buyer-supplier relationship?*

The proposed questions serve as the research question for the pilot case study, which is introduced in the next chapter.

3 The pilot study

Chapter 3 presents the pilot study that was conducted with the purpose of testing the research protocol and gaining preliminary insights into the contingencies and consequences of relationship transparency. Although the scope of the pilot study was considerably smaller than that of the main study, it is an empirical study in its own right. For this reason it includes discussion on research strategy, methods and findings.

Section 3.1 opens with a preliminary research question developed in section 2.5.3. It then discusses the research strategy and methods, which is followed by the presentation of key findings. Furthermore, a detailed discussion of findings and their consequences for the direction of this research is presented. The chapter concludes with the statement of the final research question and in that way closes Part I of the thesis.

3.1 The preliminary research questions

The two research questions developed on the basis of the literature review were:

Research Question 1: *What are the contingent factors of information sharing and relationship transparency in a buyer-supplier relationship?*

Research Question 2: *What are the consequences of relationship transparency in a buyer-supplier relationship?*

3.2 The pilot study

The decision to conduct the pilot study was primarily driven by the lack of existing knowledge surrounding the concept of relationship transparency and to test the preliminary research protocol. This is in line with a suggestion by Yin (2009), who argues that the key value of pilot studies is to provide the researcher with refinements of data collection plans in terms of the content as well as the procedures to be followed.

Because the pilot study is an empirical study in its own right, the next section presents key considerations regarding research strategy, methods and data collection as well as key findings.

3.2.1 Research strategy

According to Robson (2002), three main research strategies for conducting research can be used: experiment, survey and case study. Given the exploratory *what* research question that aims to understand contingencies and consequences of relationship transparency, the appropriate choice for the research strategy was the case study. According to Gibbert et al. (2008), a case based enquiry is especially valuable in the early phases of research, when key variables and their relationships are being explored. Moreover, the advantage of a case study is that it allows the researcher to gain deep insights and a greater understanding of the nature of the phenomena in a real life setting (Voss et al., 2002; Meredith, 1998).

3.2.2 Research design considerations

3.2.2.1 Selection of pilot cases

Given that the purpose of the enquiry in this study is to answer a specific research question, as opposed to exploring a specific phenomenon in detail, a selection of pilot cases followed mainly a principle of convenience, access and geographical proximity. This, as posited by Yin (2009), allows a researcher to observe different phenomena from different angles. Given that the focus of the research question is on relationship transparency in a buyer-supplier relationship, and is conceptualised as an individual level construct, it allowed for a great freedom in the selection of cases. However, in order not to leave the selection of cases to a complete randomness, which is according to Eisenhardt (1989, p. 53) “neither necessary, nor even preferable”, additional criteria were followed:

- a) A selected company had to have had a long lasting relationship with a buyer or supplier, based on a commercial exchange of products and or

services, which would allow for the accumulation of an interaction history between the interacting parties;

b) The participants in the study had to be involved in the management of a relationship with an individual manager(s) from the opposite party and communicate with them on a regular basis;

c) A single tail, i.e. supplier or buyer as well as matching dyad, are acceptable.

Following these principles, four companies were selected. Two represented single tail dyads; a supplier named Chemo and a customer named Assembly, where two companies – supplier Aqua and customer FishTin formed a matching dyad. In total six respondents from the four companies participated in a pilot study: one respondent from Chemo and Fish Tin and two respondents from Aqua and Assembly (see details in Table 3). In this way six inter-personal relationships embedded in three buyer-supplier relationships were explored.

Table 4: Pilot case study companies

Company pseudonym	Industry sector	Status in a relationship	Participant ⁸	Title	Function	Comment
Chemo	Chemical products – Manufacturing	Supplier	Nigel	KAM Director	Sales and Marketing	Single tail dyad
Assembly	Industrial products – Manufacturing	Customer	Susan Mike	Purchasing and Logistics Manager Production Manager	Purchasing Production	Single tail dyad
Aqua	Pharmaceuticals - Manufacturing	Supplier to Fish Tin	Hank David	KAM Director Business Manager	Sales Sales	Matching dyad
FishTin	Agriculture	Customer of Aqua	Graham	Vice President	Head Office	Matching dyad

⁸ The names of participants are fictitious in order to ensure anonymity.

3.2.3 Operationalization of key constructs

According to the suggestion by Yin (2009), key constructs relevant to the research question were operationalized to the extent that data collection was possible to be carried out. In the following sections, the constructs of the preliminary research question are translated into observable phenomena.

3.2.3.1 Relationship transparency

The definition of relationship transparency was adopted based on Eggert and Helm's (2003) conceptualisation, and is defined as "*an individual perception of being informed about the relevant actions and properties of the other party in the interaction.*" (p. 103). Eggert and Helm (2003) operationalized the construct in a quantitative manner, as a four-item scale asking about two distinct elements of the adopted definition: a) exchange of relevant information on a regular basis between a supplier and a customer and b) customer's awareness of supplier's properties and actions, which are operationalized in the scale as the supplier's economic situation, organizational structure and technical abilities. Since this is a perceptual, individual level construct, Eggert and Helm's (2003) operationalization of properties and actions felt too broad, and should be taken as a general description of situational properties that, at the individual level, could be narrowed down. For this reason questions in the pilot protocol asked about individual perceptions of properties and actions of the opposite party relevant to an individual manager's fulfilment of daily job responsibilities. In this way the questions examining the construct not only stayed true to its original definition but also allowed for more focused investigation, closer to the daily activities and perceptions of selected participants.

3.2.3.2 Information sharing

The definition of information sharing was adopted from the original definition of information sharing by Mohr and Spekman (1995) and is defined as "*the extent to which critical, often proprietary, information is communicated to one's partner*" (p. 139). Although the proposed definition was originally conceived and used at the

organizational level of analysis (e.g. Monczka et al., 1998; Li and Lin, 2007), in this study it was applied at the individual level. This was deemed relatively unproblematic, as the decision to communicate information is inherently an act of an individual and the word ‘partner’ was related to participants’ counterparts in a relationship. The term ‘*critical*’ in the adopted definition was not intended to be defined in advance, given that it is likely to be the subject of an individual manager’s interpretation. The term ‘*proprietary*’ was understood as information that is owned by a company and which gives it a certain competitive advantage (perceived or real). Both terms were left to be articulated by selected participants.

3.2.3.3 Information

In addition to information sharing, the concept of *information* itself and what it means in this study had to be clarified. The extant works relevant to this study in the field of supply chain and operations management, as well as in marketing, do not define information per se. In order to provide conceptual clarity of information, this study turns to information systems literature. Bovee et al. (2002) showed that the origin of the word data is in the Latin noun *datum*, which means that something is given. An alternative definition is facts or pieces of information. ‘*Inform*’ means to give form or character (Davenport and Prusak, 1998). Building on this, this study defines information as being (Davenport and Prusak, 1998) or containing (Bovee, 2002), input or pieces of information (data) organized for some purpose.

“Extant literature suggests that information exchanged in a buyer-supplier relationship broadly falls into two categories (Zhou and Benton, 2007; Moberg et al., 2002, Lin et al., 2002): a) operational (i.e. short term information such as daily logistics/sales activities or status information), and b) strategic (i.e. information concerning long term issues related to firms’ business activities, future plans, etc.). It is safe to assume that this information is organized and exchanged for a purpose, given that the literature suggests that operational information would normally be shared and used to reduce order cycle times, inventory levels or customer service,

where strategic information would be primarily used to improve inter-firm collaboration (Moberg et al., 2002).

This study did not try to distinguish between or separate operational and strategic information. It was believed that both groups of information are relevant and an essential part of information exchange between communicating managers. For this reason it was down to individual participants to describe and talk about the information (operational and/or strategic) that was deemed relevant for the execution of their job responsibilities.

3.2.3.4 Buyer-supplier relationship

At the organizational level, the buyer-supplier relationship was defined along the lines of conceptualisation by Van de Ven (1976), namely as a social action system on the premise that “*it exhibits the basic elements of any organized form of collective behaviour*” (p. 25). This includes (Van de Ven 1976, p. 25):

- a) “*Behaviour among members is aimed at attaining collective and self-interest goals; Example of this is, a buyer is buying material or services from a supplier to gain access to supplier’s capabilities which buyer does not possess (collective goal – commercial exchange), where buyer and supplier went through price negotiation prior they agreed a deal (self-interest goals - both parties were pursuing maximization of economic benefits through price increase/reduction)*”
- b) “*Interdependent processes emerge through division of tasks and functions among members; Example of this is an establishment of communication routines to share information between parties.*”

Attention was paid that the described elements were found in the relationships of the participating parties. They were, however, anticipated to exist prior to entering into data collection with organizations – later confirmed by participants.

At the individual level – the relationship was defined in accordance with Thibaut and Kelley (1959) who posit that the essence of any personal (dyad – individual level) relationship is interaction. *“Two individuals may be said to have formed a relationship when on repeated occasion they are observed to interact. By interaction it is meant that they emit behaviour in each other’s presence, they create products for each other, or they communicate with each other.”* (p. 10).

3.2.4 Data collection

Pilot data collection was carried out in the period between March 2008 and June 2008. The first interview was conducted with the KAM Director of Chemo in March 2008. Interviews continued in April 2008 with Purchasing and Logistics Manager and Production Manager from Assembly and finished in June 2008 with KAM Director and Business Manager from Aqua and Vice president from FishTin. Due to resource restrictions, all interviews were carried out over the phone, except the interview with the KAM Director of Aqua which was conducted face-to-face. Interviews lasted between 60 and 90 minutes which in total yielded 369 minutes of interview time. All interviews were recorded with the permission of participants and later verbatim transcribed. The details about each individual interview are provided in Table 5.

Table 5: Pilot study interview details

Company	Name	Date	Interview Time (min)	Mode
Chemo	Nigel	18.03.2008	54	phone
Assembly	Susan	15.04.2008	55	phone
Assembly	Mike	23.04.2008	49	phone
Aqua	Hank	20.05.2008	88	face-to-face
Aqua	David	22.05.2008	65	phone
FishTin	Graham	12.05.2008	58	phone
Total interview time (min)			369	

Following the recommendation by Gibbert et al. (2008) and Yin (2009), an interview protocol was designed in advance, which contained questions informed by the extant literature. The protocol (see Appendix A for details) was divided into three main

parts. The first part included questions about the assessment of relational properties in buyer-supplier relationships as identified in section 2.4.2 of the literature review; part two included questions related to relationship transparency; and part three included a short section related to information sharing. Yin (2009), recommends that pilot studies in general should be less structured and more open. This, in combination with the nascency of the explored phenomena, called for the design of a semi-structured, yet relatively open ended interview protocol. This was especially relevant in the part of the interview that explored contingencies and consequences of relationship transparency. As a result, a few overarching questions were designed together with probes that enabled the exploration of potentially relevant avenues of inquiry.

3.2.5 Data analysis

The data analysis process followed Coffey and Atkinson's (1996) suggestion of rigour and relevance of the analysis, rather than strict adherence to any particular school of thought in analysing qualitative data. All interview transcripts were coded using Mind Manager software. Given the relatively open ended inquiry, I found Mind Manager software advantageous over NVivo, as it permitted greater flexibility in data coding and manipulation.

The analysis of the data focused on the identification of themes relevant to gain deeper insights into the contingencies and consequences of relationship transparency, as currently offered by the extant literature, as well as to test the protocol in the real-life setting. All interviews were coded bottom up. I then used open coding – a process of data disaggregation onto conceptual categories which were related to the purpose of inquiry. This has been followed by axial coding, which is a study of the relationships between the categories of data that have previously emerged from the open coding process (Corbin and Strauss, 1990). Within the interview transcripts I searched for emerging patterns in the data as well as paying special attention to additional contexts which may be relevant for further exploration. Paying particular attention to additional contexts is important for two reasons: *firstly*, not to lock

yourself into a specific data pattern too soon during the analysis process and *secondly*, it allows making better sense of the data and moving from coding to interpretation (Miles and Huberman, 1994).

3.2.6 Results

The purpose of the pilot study was: *firstly*, to gain a deeper understanding of the contingencies and consequences of relationship transparency and, *secondly*, to test the preliminary data collection protocol. The continuation of this section demonstrates that the pilot study accomplished exactly these two objectives. What the results show is that relationship transparency is contingent upon a complex interplay between information quality properties and trust between interacting individuals. Furthermore, issues with regard to the effectiveness of data collection protocol were identified, as well as emerging findings in relation to managerial openness.

The remainder of this section firstly presents findings related to relationship transparency, continues with emerging findings related to the contingences of managerial openness and concludes with key issues surrounding the effectiveness of data collection protocol.

3.2.6.1 Contingencies of relationship transparency

Firstly, the evidence from the pilot data confirms that relationship transparency is an individual level construct – a perception of an individual manager that he is informed about the opposite party’s actions and properties relevant to his work. So a typical account referring to a certain degree of relationship transparency would be captured in a quote such as:

*Technically with this customer we are very well informed up to a point.
(Nigel, KAM Director, Chemo)*

Sometimes managers referred to a degree of relationship transparency by portraying it as a scale. It looks as if this is an easy way for them to relate to their perception of 'as-is' versus a desired state of relationship transparency.

Relatively well. I would like to know better. If you were to put a scale on it from one to ten, I am probably a six and a half or a seven and would like to be nearer eight or nine. But I wouldn't expect it to be more than that. (Hank, KAM Director Aqua)

From the way managers referred to relationship transparency, it become clear that an individual manager's perception of being informed is a result of a manager's cognitive evaluation of received information. In this respect two key factors were consistently mentioned: trust that exists between managers and availability of information with certain quality properties. Trust between managers seems to be an important factor for judging received information and has an important role in influencing relationship transparency.

There are some [individuals, remark M.B.] that I would trust fairly implicitly because I worked for them for a long time, I know their business pretty much inside out, I know when they are telling me the truth, so there are one or two people within that organization that I trust implicitly. But there are one or two in regional areas where I know I have to take what they tell me with a pinch of salt, but on the other hand I can't be direct and tell them that's rubbish, because I happen to know it's rubbish, but some of them try to be a bit clever to win points and win their angle. (Hank, KAM Director Aqua)

Some of the individuals I will trust on that figure because I know they will have evaluated that, there are other individuals who I will have some doubt about the validity of information, but it very much depends upon the individual we are talking about. (Mike, Production Manager, Assembly)

I trust that when they are telling me for instance, we maybe have a product against a certain disease that we would like to sell to them, if one of those people tells me they really don't have a disease, I will believe them. (David, Business Manager, Aqua)

Low level of trust adds to the confusion about what they are telling you, because you don't believe in the relevance of information. (Nigel, KAM Director, Aqua)

The trust between individual managers is not independent from the context in which individual managers interact. On the contrary, it is influenced by the external environment. This could be, for example, an individual's perception that all companies in a certain industry sector overcharge their customers, hence they are never honest about their prices.

There's lack of trust, there's a feeling from the customer's point of view of being ripped off, because they are having to pay for expensive pharmaceuticals. (David, Business Manager, Aqua)

The influence on an individual's trust could well come from the much more 'local' environment, such as a specific company's department. This was nicely captured in a quote from Graham, Vice President at FishTin, who reported that the nature of a relationship and consequent behaviours between individual managers would be department specific.

On a technical level it's very transparent and it's very productive and I find them to be very professional on the technical level and then when it comes more down to strategic and commercial issues, then of course it's a different kind of relationship. (Graham, Vice President, FishTin)

However it is not only the trust that exists between individual managers that fosters relationship transparency. Participants reported that having access to relevant information (i.e. information is shared by the opposite party) is fundamental for fostering relationship transparency.

Again, I feel I could be better informed, but the information is usually very technical rather than focusing on our costs and where we can make some cost savings; it's usually more technical sales jargon. You know Marko, with a lot of these products, the actual benefit of using them is sometimes not that obvious, so that makes it difficult in decision making.
(Graham, Vice President, FishTin)

Participants referred to the various properties of a buyer-supplier relationship to highlight the link between the nature of the relationship and exchange of accurate information.

So we find at the moment the fact that if we keep an open and honest relationship with them then at least we are getting true information.
(Susan, Purchasing and Logistics Manager, Assembly)

The pilot data also shed some, though at this stage relatively limited, insight on the role of an individual manager's knowledge as an influencing factor of relationship transparency. As demonstrated in the quote below, the possession of knowledge related to the actions and properties of an opposite party (independently of how it was acquired) made it easier for a manager to interpret received information. The reported 'ease' of interpreting received information is down to a manager's possession of knowledge related to the content or context of received information.

The fact that I feel informed is largely down to the fact that I spent twenty years with them in the company. I worked for them for a long time, I know their business pretty much inside out. I know when they are telling me the truth. (Hank, KAM Director, Aqua)

To summarise this section, the pilot study suggests that individual perception of being informed is directly shaped by three key factors: trust that exists at the inter-personal level between the two interacting parties; information quality; and individual knowledge. The evidence also suggests that a degree of inter-personal trust may be influenced by the external environment, i.e. the context in which individual managers interact. The way managers talked about the role of the external context indicates that the link between the external context and relationship transparency may not be a direct one, but rather indirect, through the influence of a trusting behaviour of an individual manager.

3.2.6.2 Consequences of relationship transparency

The pilot study also aimed to deepen the understanding of the consequences of relationship transparency. The extant literature is sparse and inconclusive about the potential consequences, therefore the pilot inquiry was fairly open-ended in order to capture the relevant aspects. The evidence from the pilot strongly suggests that high levels of relationship transparency influence the quality of managers' decision making. Managers' perceptions of being informed lead them to a belief that they are able to make sound and informed decisions.

Well it's more so really to do with the purity of the information with engineering companies; you have got to make sound judgement based on true facts, if you get into problems with the companies and you are not getting the true information from them then obviously they will lead you down the wrong road. (Mike, Production Manager, Assembly)

...it [being informed, remark M.B.] will make my decision-making process more informed. (Hank, KAM Manager, Aqua)

Yes, because that sort of information from them would go into our evaluation of research and development spend, and in what areas we are

likely to spend it. So it does go in to decision-making on our part. (David, Business Manager, Aqua)

In the situation when participants felt that relationship transparency is high, they tend to act upon this information. The content of these actions is quite broad and will vary from manager to manager, depending upon his/her responsibilities. In the situations of high relationship transparency, managers are able to execute their daily responsibilities more efficiently, as they do not have to search for additional information.

You spend the rest of the day chasing other things you know you can spend a lot of time running round after bad suppliers and it doesn't happen so it's very difficult if you were saying well why do you deal with somebody you can say well you know every time I know the paperwork is not right it takes two hours out of my day you know I'm wasting time dealing with them. (Susan, Purchasing and Logistics Manager, Assembly)

And the contrary evidence in situations of reduced relationship transparency.

As I say if you don't have a transparent relationship with somebody you have to second guess them or otherwise ask for the same information in different ways. (Mike, Production Manager, Assembly)

Managers also felt that in the situations of high levels of transparency they are able to add more value to the customer/supplier, simply by having confidence in understanding of their needs.

The main advantage that I have is, when I go to talk to other people within their organization around the world, they get a feeling that I know their business. I know what it is they're trying to do and what it is we're trying to give them. (Hank, KAM Director, Aqua)

Well, I take the attitude as, the more they can tell me about their real, true situation, the more I can influence our company to do something that will help them. (David, Business Manager, Aqua)

Contrary to the evidence in the above quotes, lack of relevant information reduces relationship transparency, which results in impeded decision making and occurrence of inefficiencies. The quote below demonstrates how managers see the consequences of a low level of transparency.

The lack of transparency has a definite result in the reduced effect of sales, for sure. (Nigel, KAM Director, Chemo)

There's probably a financial cost as well, because we could be doing something more constructive. So there's that aspect which is difficult to quantify, obviously. So you get a feeling that it's costing the company money. (Mike, Production Manager, Assembly)

Furthermore, relationship transparency does not only influence managers' decision making. It also has consequences for the nature of the relationship between managers and the way managers think about their counterparts. As the data indicates, relationship transparency is a favoured 'modus operandi' for managers.

Transparent relationship gives you a bit more of a comfort factor the fact that you don't have to start probing or you know for a fact that you can rely on the information that they are giving you, albeit to the best of their knowledge and they'll give you everything, they'll give you the good things and the bad things instead of just telling people what the good things are and not the bad. (Mike, Production Manager, Assembly).

I don't worry about anything. I know I can phone them up. I've had in the past they had problems with one of their employees with one of my staff –

I have the confidence to phone up and be able to talk to them seriously over the phone about it. I don't think twice about picking the phone up, I don't worry about something going wrong because I know we can sort it out, it just takes all the pressure off. (Susan, Purchasing and Logistics Manager, Assembly)

With regard to the consequences of relationship transparency, the key finding suggested from the pilot study is that it has a direct influence on managerial decision making. Although managers reported a myriad of positive consequences, these are not direct consequences of relationship transparency but rather a consequence of managers' ability to make informed decisions, which is enabled by relationship transparency. By looking the contingent factors and consequences of relationship transparency together, the evidence from the pilot study suggests that when a manager is in the position of information receiver, s/he will act upon information – i.e. make a decision – once a certain level of relationship transparency is achieved. This is an intriguing finding as it indicates that the link between information sharing and benefits in a buyer-supplier relationship is not direct one.

3.2.6.3 Contingencies of information sharing

Although the primary focus of the pilot case study was on testing the research protocol and gaining deeper insights into the contingencies and consequences of relationship transparency, some interesting findings also emerged in relation to information sharing. It became evident that the richness of factors that act as contingencies of information sharing goes well beyond what has been discussed to date in the extant literature. The pilot case shows that influences come from at least three different levels: inter-organizational, organizational and individual.

When managers referred to the inter-organizational level influences, they talked about the perceived quality of relationships at the level of inter-organizational relationships. This in a way confirms what has already been stressed earlier, when influences on relationship transparency were presented, namely that individual

interactions do not occur in a ‘vacuum’ but rather in the context of a perceived relationship climate. This is captured in the following quotes.

There are various degrees from confrontational to partnering, and you can see how along that continuum, the further you go up that continuum towards partnering and strategic approach, the more information you are going to share both ways, even if it's not full transparency or full exposure of costs. (Nigel, KAM Director, Chemo)

Yes, this one I do in particular. This one operates on a particularly high ethical level. I trust them in terms of confidentiality....With other customers I would not have that level of confidence, I would not reveal the details to the same degree. (Mike, Production Manager, Assembly)

However, when the analysis of contingent factors proceeded further, it became evident that inter-organizational influences are just one part of a much more complex picture of influences. Managers indicated that in spite of a good relationship at the organizational level, there is always a threshold, either explicit (i.e. confidentiality agreement) or implicit (e.g. a common knowledge within a company) over what information is shared and what information stays within an organization.

We also operate fairly strictly. I did say that I trusted them in terms of confidentiality. We do respect in terms of the information we give them and they trust us I believe in terms of whatever they might want to tell us in terms of the background to their business. (Nigel, KAM Director, Chemo)

Our customer will not give us that information, partly I suspect due to natural conservatism and partly because it would be too sensitive to give us cost breakdown, because they are so strategically important. (Nigel, KAM Director, Chemo)

We do not, however, divulge specific biological information about how we're producing certain types of vaccines or something, because, you know, that is commercially very sensitive. (David, Business Manager, Aqua)

The pilot data further indicated that trust at the inter-personal level plays an important role in a manager's consideration of whether or not to disclose certain information to the opposite party.

You've got to trust them [individual managers, remark by M.B.]. If you don't trust them you just don't go there [disclosing information, remark by M.B.] because they can do more damage by us opening up that information which is why, is the unique relationship we've got. (Susan, Purchasing and Logistics Manager, Assembly)

Yes, there are different levels of trust with different people within that organization. (Hank, KAM Director, Aqua)

A careful examination of data revealed that when managers talked about trust, they referred to two specific forms of trust: credibility and benevolence. Credibility related trust is related to individual manager's perception that that their counterpart could be trusted on their spoken or written word.

It's to do with, obviously, individual relationships and thankfully I trust the majority of people that make the decision to share information. There are others that I trust less, so I wouldn't say I mistrust those individuals, just less so. (David, Business Manager, Aqua)

And this is the trust part, that they would tell us or they'd warn us there was going to be some sort of problem. (Susan, Purchasing and Logistics Manager, Assembly)

Benevolence-based trust, which equally played an important role for a manager to decide whether or not to disclose information to a counterpart, is related to the counterpart's genuine care for the opposite party's wellbeing.

[Company name] have been very supportive when we have had that sort of bad time they've gone out and tried to find us business to tide us through. (Mike, Production Manager, Assembly)

You have that trust, you just know that they have your interests at heart. They want you to succeed basically and I suppose that's what it is, they want you to succeed so that they succeed. I mean that's basically what it's all about and there's no ulterior motive at all, there never has been. (Susan, Purchasing and Logistics Manager, Assembly)

The pilot study data also indicated that an individual manager considers not only a degree of trust in the opposite party, but also potential risks of what may happen – negative consequences – once information is disclosed to the opposite party. Susan's quote above indicates exactly such a situation, when she is acknowledging the potential for the existence of a hidden motive. Similar consideration of potential risks of giving information away is captured in the quote by David.

...because we have to have an open relationship, because we have to just take things apart of a desk and say well how did you get to this stage, I mean how much is this costing you to do this? You know you are giving out your expertise aren't you and you want to make sure they don't abuse this information. (David, Business Manager, Aqua)

The emergent findings from the pilot study touched upon the contingencies of information sharing. The pilot data suggest that managers' decisions to disclose information to their counterparts is a result of a manager's individual assessment of the perceived risk, trust and influences from the external environment, e.g. the confidentiality rules at the level of the organization and the nature of the buyer-

supplier relationship. The act of sharing proprietary and critical information with an external party is a risk taking action and is subjected to a manager's assessment of consequences that may happen when information is disclosed to the opposite party.

3.2.6.4 Summary of the findings

Prior to summarising the findings, it must be re-emphasised that the results of this pilot should be treated as tentative. Neither the purpose nor the scope of the pilot enquiry was aimed at generating a volume and depth of data to allow for far reaching conclusions. It has rather produced a preliminary look at where the answers to the two questions could be found.

The results of the study show that once an inquiry cascades from an organizational to an individual level of analysis, new insights emerge in relation to both the information sharing and relationship transparency phenomena. Relationship transparency is an individual perception – an output influenced by the receiver's knowledge and evaluation of information properties in a context of inter-personal trust. This is trust that an information receiver (i.e. a manager) has in his/her counterpart (i.e. a manager in an external organization). The pilot shows that relationship transparency influences managerial decision making. Informed decision making may result in increased working efficiency and a manager's ability to fulfil his/her daily responsibilities more effectively. In terms of information sharing, a key finding is that a manager's action of giving information away is, in essence, a balancing act between perceived trust and risk. The act of giving information away is irreversible. It looks as if managers perceive information as a resource and every action of releasing this resource to a counterpart will be evaluated in terms of inter-personal trust with that counterpart and risk if the information is misused. In addition to phenomena related findings, the pilot also reveals potential data collection issues and protocol shortcomings, which are discussed in the continuation of this section.

The next section firstly discusses the implications of the pilot results and concludes with the finalised research questions.

3.3 Discussion and implications of the pilot study

The key findings of the pilot study related to the phenomena of study and data collection tool are summarised in Table 6.

Table 6: Summary of key findings from the pilot study

Phenomena	Key findings from the pilot study	Suggestion from extant literature	Contribution of key findings
Relationship transparency			
- Contingencies	<ul style="list-style-type: none"> Relationship transparency is a perception influenced by individual's evaluation of information properties in the light of inter-personal trust. Inter-personal trust is influenced by external environment 	<ul style="list-style-type: none"> Relationship transparency is fostered by received information and influenced by relationship transparency 	Confirmation + Extension
- Consequences	<ul style="list-style-type: none"> Relationship transparency influences managerial decision making. The link between relationship transparency and positive outcomes is not direct. Relationship transparency is preferred managers' 'modus operandi' 	<ul style="list-style-type: none"> Relationship transparency increases perception of added value. Relationship transparency results in opposite party's satisfaction 	New
Information sharing			
- Contingencies	<ul style="list-style-type: none"> Information sharing is a risk taking action influenced by manager's evaluation of trust and risk. Organizational and inter-organizational environment plays important role in influencing manager's and trust-risk behaviour. 	<ul style="list-style-type: none"> Information sharing is influenced by relational elements such as trust and/or commitment. 	Confirmation + Extension
Data collection tool			
Protocol effectiveness	<ul style="list-style-type: none"> Attention should be played how relationship transparency is explained and referred to during interviewing process. Some language in a protocol may not be aligned with industrial language – hence it has to be altered. 	N/A	N/A

The pilot case has several important implications for this study. Starting with phenomena related implications, it revealed a significant role of the concept of inter-personal trust as a contingency for both, relationship transparency and information sharing. Though important for understanding of contingencies for both phenomena, it plays slightly different role in each of them. The pilot data suggest that in the case of relationship transparency, trust that individual manager has in his/her counterpart influences the way manager interprets received information. This is an important

lead as it may suggest that exchange of high quality information in a buyer-supplier relationship may not be enough for fostering relationship transparency, as it depends whether source is trusted. To date the literature on relationship transparency is silent about this information-trust interaction. However in early communication literature, Hovland and Weiss (1951) showed that if the source of information is not trusted, recipient of information will likely to drop a message as it will be perceived as unbelievable. This is similar to the study of Nicolau and McKnight (2006) who showed that absence of trusting beliefs in information results in users intention not to act on information.

In the case of information sharing the role of inter-personal trust is slightly different. Firstly, information sharing is in the eyes of an individual manager a risky action. It is very often irreversible and hence manager's decision whether to engage in it or not will depend upon manager's assessment of trust and risk related to hers/his counterpart. The trust/risk taking behaviour reported by the pilot study participants is very similar to the conceptualizations of trust and risk taking in general management literature. For example Mayer et al. (1995) and McLain and Hackman, (1999) showed in their models that risk taking action is resulting from an individual's trust in a counterpart and perception of risk. Both authors, described trust in terms of behavioural expectations– e.g. can a counterpart be trusted to behave or do something as originally promised, where risk related to the perceptions that a counterpart to whom information is disclosed will not behave in expected way. According to McLain and Hackman, (1999) trust influences risk estimates and choices – i.e. managerial decision making (e.g. a choice (whether) to share information). Furthermore, the pilot data indicates that there could be more than one type of trust. Participants in the study referred to what is in literature known as benevolence and credibility based trust (Doney and Cannon, 1997). Benevolence is manifested in individual's genuine interest in opposite party's welfare (Doney and Canon, 1997), where credibility refers to expectancy that individual's word or written statement can be relied on (Lindskold, 1978). Based on the analysis of participant's accounts, managers were more willing to disclose information in situations where the presence of trust in the counterpart as stronger. Presence of

inter-personal trust characterizes close inter-personal relationships (Doney and Canon, 1997, Moorman 1993), which helps to explain why managers often referred to the nature of relationship between them and their counterpart as a factor influencing their decisions, whether or not to share information with another manager. Pilot study also confirms an influencing role of an external environment on the trust/risk taking behaviours of an individual. For example, collaborative or conflicting atmosphere of an overall buyer-supplier relationship (Håkansson, 1982, Hallén and Sandström, 1991) influences individual manager's behaviour as they respond and adjust their actions according to the environment in which they interact.

In terms of the consequences of relationship transparency, the pilot case points towards the link between relationship transparency as an enabler of managerial decision making. It was evident from participant's accounts that relationship transparency enables them to make better informed decisions. Although they talked about benefits (or losses in cases of low levels of relationship transparency) in terms of ability to add value, and more precisely focusing their efforts, it seems that all this stems out of manager's ability to make an informed decision. Why exactly, the pilot study did not reveal precisely enough and it is a hint for further exploration in the main study. Moreover, an impression was formed from the way managers talked about relationship transparency, that high levels of relationship transparency are in general a desired state, a state of satisfaction. This finding is consistent with Eggert and Helm's (2003) who argued that relationship transparency results in information satisfaction, as it minimizes manager's need for information search.

Reflecting on these key findings, the pilot results suggested that the choice of examining the phenomena at the level of individual but treat it in the context of a buyer-supplier relationship was a correct choice. This was not only because of the emergence of new individual-level insights (e.g. trust-risk interplay) but also, because of the interconnectedness of inter-organizational, organizational and individual influences. The literature that examined trust in general (e.g. Mayer, et al., 1995; Whitener et al., 1998; McLain and Hackman, 1999) and in the context of buyer-supplier relationships (Moorman et al., 1992, 1993; Doney and Canon, 1997)

suggested that other relevant characteristics, such as individual traits (e.g. character and propensities to trust and risk), trustworthiness of a person, organizational (e.g. culture) and inter-organizational (nature of a relationship) are also relevant for understanding of trust and risk taking behaviour of an interacting party in a buyer-supplier relationships.

Based on the findings from the pilot and suggestions from the literature the main data collection protocol was modified in the way to include probes related to the role of trust and risk for information sharing and relationship transparency, while maintaining a strong link of individual's embeddedness in external organizational and inter-organizational context. Moreover, a stronger emphasis in the protocol was given to the consequences of relationship transparency and implications that it has for decision making, although questions remained open enough to probe for consequences not identified in the pilot. On the basis of suggestions from literature (e.g. Håkansson, 1982; Cannon and Perreault, 1999) and empirical evidences from the pilot, relationality of a buyer-supplier relationship influences relationality of inter-personal relationships as ways managers interact. Namely, one can expect with confidence that frequency and richness of exchanged information will vary while we are moving from transactional to relational spectrum of buyer-supplier relationships. Further exploration of the phenomena of interest should accommodate this notion to maximize the learning – hence polar case selection is anticipated to maximize learning.

In addition of the value that the pilot had for the understanding of the phenomena of interest it had also unveiled certain issues in relation to data collection. During the process of data collection and data analysis it became evident that any further inquiry in regard to relationship transparency and information sharing will require a great care and attention in the process of interviewing. The reason for this is that participants interchangeably used the word *transparency* for what is in this thesis defined as *information sharing*. A typical example of this is the following two quotes.

So, there is no win situation for the supplier to be transparent even with let me say a trustworthy customer. (David, KAM Director, Chemo)

Trust, you have to trust them before you can be transparent. I think you have to trust the person in order to say well OK I'll let you have a look at my books I'll have a look at something and tell you how I've got there. (Susan, Purchasing and Logistics Manager, Assembly)

In these two quotes it is evident that both participants referred to their role as information source in a relationship and in that way referred to the construct of openness and not to the construct of relationship transparency. In spite of the fact that key definitions and meanings behind the key constructs were explained to participants prior each interview it still happened that they occasionally slipped into their everyday language and their interpretation of relationship transparency. This is also one of the reasons that more data on relationship openness was gained than initially anticipated. As a counter measure to address this issue, the terminology of information sharing and relationship transparency was later substituted with a language that will describe the construct with a sentence rather than capture it with a single or two words. Furthermore, almost none of participants used wording 'information sharing' when they were referring to their action of giving information away. Participants tend to use 'open' or 'openness'. For this reason a decision was made after the pilot to change terminology in labelling the construct of 'information sharing' and changed it to 'openness'. As a consequence words 'information sharing' in the 1st initial research question were changed to 'manager's openness' and the new version of the 1st research question was worded like: *What are the contingent factors that influence manager's openness and relationship transparency in a buyer-supplier relationship?*

Finally, the reflection on the pilot interviewing process and the analysis of the richness of collected data indicated that the main study would benefit from slightly shorter data collection protocol. Namely, some interviews had to be rushed in order to obtain the answers on all questions. Also in some instances the fluidity of

conversations was lost due to the way the interview questions were set-up and the fact that the interview protocol was followed (too) rigidly in the first few interviews. To address this issue, some questions in the main interview protocol were converted into prompts, which allowed for more exploratory flexibility during the interviewing process.

The pilot study was conducted with the purpose to gain deeper insights into the phenomena of interest and to test the data collection protocol. It had several implications for the main inquiry. The results of the pilot provided a number of tentative findings and highlight several potential data collection challenges. Table 7 provides a summary of the pilot study implications.

Table 7: Summary of the implications of the pilot study for research design

Pilot study	Main study	Change	Rationale
Research strategy			
Case study	Case study	No	The aim of maximizing learning and ensure exploratory depth of the enquiry remained unchanged.
Case selection strategy			
Convenience	Polar cases	Yes	Maximization of learning.
Data collection strategy			
Variance	Variance	No	The aim of the enquiry and the research questions remain the same
Research Protocol			
Semi-structured – informed by literature	Semi-structured – informed by literature and pilot case findings	Yes	Reflection of pilot case findings in the main data collection protocol
Constructs operationalization and wording			
Information sharing Relationship transparency	Manager’s openness Relationship transparency	Yes	The conceptualization of both constructs remained the same. The wording changed of information sharing construct changed to manager’s openness to reflect the language used by participants.

3.4 Research questions

On the basis of the pilot study findings and summary of the analysis presented in Table 7, the following two research questions were formulated:

Research Question 1: *What are the contingent factors that influence manager's openness and relationship transparency in a buyer-supplier relationship?*

Research Question 2: *What are the consequences of relationships transparency in a buyer-supplier relationship?*

This chapter now concludes Part I of the thesis. Part II of the thesis that follows is dedicated to the design and execution of the study.

Part II:
Conducting the study

4 Philosophical and methodological considerations

Previous chapters introduced the research problem, discussing it in the context of the relevant literature as well as presenting findings of the pilot study that informed the two main research questions. Chapter 4 opens Part II of this thesis and describes the philosophical and methodological considerations of this study. The aim of Chapter 4 is to develop and present a sound philosophical and methodological foundation for answering the research questions developed in the first part of the thesis. The chapter opens with restating the two research question developed in Part I of the thesis. This is then followed by discussion of philosophical and research design considerations in Sections 4.2 and 4.3. Section 4.4 explains the method of data analysis, which is then followed by section 4.5 on quality criteria and conclusions.

It is necessary to stress at this point, that in order to maintain clear and uninterrupted flow of argumentation related to design considerations, a thick narrative of case companies, data collection activities are introduced in Chapter 5 of this this thesis, which follows this chapter and precedes Chapter 6 where this thesis reports the findings of this study.

4.1 Research questions

The two research questions developed in Part I of the thesis are the following:

Research Question 1: *What are the contingent factors that influence manager's openness and relationship transparency in a buyer-supplier relationship?*

Research Question 2: *What are the consequences of relationships transparency in a buyer-supplier relationship?*

In order to empirically answer the proposed research questions, a coherent and rigorous research design has to be developed. The remainder of this chapter is dedicated to accomplishing this task.

4.2 Philosophical considerations

Methodological choices go beyond mere decisions about research strategy, data collection and data analysis. Underlying any form of research is a philosophy of science, which informs us about two things: the nature of the phenomena examined (ontology) and methods for understanding it (epistemology) (Van de Ven, 2007). Reed (in Buchanan and Bryman, 2009) and Van de Ven (2007), recommend that as a general rule, every research should ensure an alignment between ontology, epistemology and methodology. Ontology is a starting point for most philosophical debates as it answers the fundamental question: “What is the nature of social reality?” (Easterby-Smith et al., 2008; Blaikie, 2007). Blaikie (1993, p. 6) defines ontology as:

“the claims or assumptions that a particular approach to social enquiry makes about the nature of social reality – claims about what exists, what it looks like, what units make it up and how these units interact with each other”.

Within social research, central ontological questions concern: whether or not social reality exists independently of human conceptions and interpretations, whether there is a common, shared social reality or a multitude of context specific realities and whether or not social behaviour is governed by immutable and generalisable ‘laws’ (Ritchie and Lewis, 2003).

While ontology answers the question about the nature of social reality, epistemology answers the question: “How social reality can be known.” (Easterby-Smith et al., 2008; Blaikie, 2007). Blaikie (1993, p. 7) defines epistemology as:

“the claims or assumptions made about the ways in which it is possible to gain knowledge of this reality, whatever it is understood to be; claims about how what exists may be known.”

According to Crotty (1998), an epistemology lays the philosophical foundations of what can be known as well as criteria for deciding how knowledge can be judged as being both adequate and legitimate. Within social science, a variety of competing philosophical positions exists, each entailing specific assumptions about what the nature of social reality is and how social reality can be known. As the commitment to certain ontological and epistemological assumptions usually leads to the adoption of corresponding methodological choices (Easterby-Smith et al., 2008) it is pertinent to reflect and be specific about them. For this reason the next chapter lends a place to the discussion of two classic and contrasting philosophical traditions – positivism and interpretivism, and then continues with the introduction of critical realism, which is the underpinning philosophical choice of this research.

4.2.1 Positivism versus interpretivism

The two contrasting views of how social science research should be conducted are held by the philosophical traditions of *positivism* and *interpretivism*. They differ in the amount of emphasis they put on the notion of objectivity and truth versus social construction and interpretation in researching social situations. The objectivist approach to social science sees the existence of reality as independent from an individual's involvement, where the subjectivist's take on social science corroborates the stance that reality is socially constructed (Morgan and Smircich, 1980). The two polar ontological stances are linked to specific epistemological assumptions that differ in terms of how knowledge is produced, in terms of its objectivity and conveyance of social reality. Positivism adopts an objective epistemology, where interpretivism adopts a subjective one (see Table 8).

Table 8: Characteristics of Positivism and Interpretivism

Characteristics	Positivism	Interpretivism
Ontology	Objective: Reality is the empirical world (the world of the senses - i.e. rejection of the metaphysical)	Subjective: reality is socially constructed
Epistemology	Objective: The correspondence between our statements and reality through inductive verification or deductive falsification	Subjective: There is no privileged epistemology due to the incommensurability of discourses
Aim of the research	Explanation of laws and prediction of reality	Exploration of subjective meanings / interpretation
Researcher	Independent from the empirical world – passive outsider	Part of the social reality and cannot stand outside own socio-linguistic constructs to view it objectively
Research Design	Quantitative methods, large samples, experiments, careful control of the context, deductive logic, statistical probability	Qualitative methods, small samples, inductive logic, context/phenomena demarcation blurred, theoretical abstraction
Respondents/Participants	Verification / falsification of pre-existing theoretical frameworks about social phenomena by providing close-ended responses	Open-ended qualitative accounts central to the exploration of individual meanings about social phenomena.

Sources: Ritchie and Lewis, 2003; Van de Ven, 2007; Bryman and Bell, 2007; Easterby-Smith et al. 2008

The key premise behind positivism is that the social world exists externally from the observer. Its properties, rather than being inferred subjectively through sensation, intuition or reflection, should be measured through objective methods (Easterby-Smith et al., 2008). Therefore, a key epistemological assumption of positivism is that knowledge is of significance if it is objective and based on observation of this external reality. Methodological choices true to positivistic traditions emphasise the formulation of research questions and hypotheses in propositional form. This requires the use of empirical tests where these propositions can be verified through careful control or manipulation with the aim of avoiding confounding conditions and outcomes (Van de Ven, 2007).

A general critique of positivism is centered around its positivistic naïvety to generate knowledge about social reality in an accurate and generalizable way, but be completely detached from its context (Guba and Lincoln, 1994). As a response to, or a denial of positivism, interpretivism occupies a contrasting epistemological position. It breaks away from the assumption of positivism that scientific knowledge is a cumulative, objective, unmediated and complete representation of reality. On the other hand, it views reality as socially constructed on the basis of meanings given to

reality by people. Thus, the individual is a part of social reality – an insider – and truth is therefore a collective interpretation of facts (Gioia, 2003). In this way it is impossible to conduct objective and value-free research. Methodological choices underpinning interpretivistic philosophical tradition favour small samples and qualitative designs and emphasise understanding and exploration over explanation of the social world by using both the participant's and the researcher's understanding (Ritchie and Lewis, 2003).

4.2.2 Critical Realism

The philosophy of science that underpins this study is critical realism. Critical realism is a form of realism originally developed by Bhaskar (1979). He and his proponents (Collier, 1994; Harvey, 2002; Kemp and Holmwood, 2003) viewed critical realism as a middle ground between positivism and relativism. From relativism, critical realism acknowledges a fallibilism of our knowledge of reality that is conceptually mediated and theory-laden and from positivism emphasises empirical experimentation (Van de Ven, 2007). It essentially builds on ontological realism and epistemological relativism.

Ontologically, realism sees reality as objective and in that way independent of human cognition. However, the ontology of critical realism differs from that of positivism and relativism. While positivistic ontology treats social reality as being separated from individuals and interpretivism as socially constructed, with the individual being an insider, critical realism advocates the position that individuals are subjected to a pre-interpreted social reality, which they can alter through reflection and action. Critical realists reject the positivistic take on social reality as being entirely context free and reduced to a discrete set of observable events insensitive to individual interpretations and meanings. They also reject an extreme interpretivistic understanding of reality as being constructed through subjective meanings and interpretations. (Blaikie, 1993, 2007; Reed in Buchanan and Bryman, 2009).

From the epistemological perspective, critical realism draws a distinction between social reality (concepts, theories and models developed to understand certain aspects of reality) and tools for explaining social reality (real entities and their relations that make up the natural and social world) and in this way resolves a tension between objectivism and subjectivism (Blaikie, 1993). According to Bhaskar (1979) the purpose of science is to ensure a close approximation between social reality and tools for explaining social reality. Social reality in critical realism is stratified and consists of three overlapping domains (Bhaskar, 1979): empirical, actual and real. The empirical domain is the one that consists of events that can be observed, which means they can be accessed by and perceived using human senses. The actual domain contains events which exist, whether or not we can observe them, and finally, the real domain consists of structures and mechanisms that produce these events. Considering these three domains, the purpose of research and theoretical models, from the position of critical realism, is to embark on an epistemic journey towards understanding the real, unobservable mechanisms that are responsible for generating observable phenomena in the actual and empirical domains.

In terms of causality, critical realism offers an alternative view to the successionist take on causality grounded in positivist ontology and the rejectionist position on causality rooted in constructionist ontology. According to Reed (in Buchanan and Bryman, 2009), critical realism advocates a conception of causal processes and relationships redefined as powers and tendencies. These are powers and tendencies of things that interact with other tendencies in the way that (Blaikie, 1993, p. 61) “*an observable event may or may not be produced or may or may not be observed.*” As a consequence, a causal analysis from a critical realism perspective is focused around the recognition of processes and mechanisms that generate objects, actions and events. Social laws do not have to be universal, as opposed to positivistic views – they only need to recognise tendencies (Ekström, 1992; Blaikie, 1993).

A specific take of critical realism on social causality has implications for the explanatory focus that critical realism follows. The focus is directed towards the generative mechanisms that are responsible for process, relations and events at the

surface level. However, these generative mechanisms interact with other generative mechanisms that are embedded within socially and temporally dynamic situations (Reed in Buchanan and Bryman, 2009). In this way the generation of knowledge is imperfect and a partially subjective process that does not rely on inductive and deductive strategy, but on the strategy of retrodution (Bhaskar, 1979). Retroductive strategy relies on constant iteration between theoretical models and empirical data in order to uncover the underlying mechanisms, structures and process of the social world (Danermark et al., 2002). Critical realists do not subscribe to the view of relativism that no general knowledge or truth is possible. They recognise that knowledge is fallible, however not all of it is equally fallible. By accepting this, the best that the social researcher can do is search for possible explanations of why certain phenomena are the way they are, and why they produce the outcomes that they do. This is generated through the process of disciplined imagination and creative model-building, combined with an in-depth empirical investigation and analysis that remains cognisant of the contexts of social reality.

4.2.3 Critical realism and methodological choices

In spite of the widespread adoption of critical realism in management and organizations studies (Al-Amoudi and Willmott, 2011), scholars such as Danermark et al., (2002) argue that not enough attention has been paid to what methodological implications originate from the adoption of critical realism.

According to Sayer (2000), critical realism is relatively tolerant of the choice of research methods. In comparison to positivistic or interpretivistic traditions, critical realism is compatible with a relatively wide range of research methods; however, an exact choice will depend upon the nature of the phenomenon of study and what is desired to be learned about it. The suitability of a selected research method depends largely on its ability to facilitate a shift from observing facts to uncovering generative mechanisms. Given that generative mechanisms and observable facts are contingently related, it is necessary to acknowledge the context in which generative mechanisms operate.

Van de Ven (2007) argues that methodological choices and underpinning philosophical stances have to be aligned. Easton (2007) and Healy and Perry (2000) suggest a set of criteria specifically developed for critical realism for making methodological choices aligned with the tradition of critical realism. Following their suggestion, a number of criteria were developed and followed throughout the design of this study.

Firstly, Easton (2007) suggested that critical realism has a straightforward answer on what type of question fit its ontological and epistemological tenets best. These are questions in the form of “*What caused the events associated with the phenomenon to occur?*” (p. 124). Following this line of thinking, the adoption of critical realism in this thesis makes a perfect fit with the nature of the research questions proposed for this study, which aim to explore the contingent factors and consequences associated with openness and relationship transparency in a buyer-supplier relationship.

Secondly, because critical realism is focused on the identification of generative mechanisms, it is necessary to observe empirical regularities of the researched phenomena and make theoretically-informed assumptions about the deeper causes that may generate these regularities. In this respect, subjective meanings are deemed to be important: however, they are not sufficient for this purpose. For this reason it is important in this study to explore subjective meanings related to the contingencies and consequences of managerial openness and relationship transparency. What is also required, in addition to the identification of patterns of subjective meanings, is the employment of an analytical abstraction to tease out generative mechanisms that may help explain the patterns of subjective meanings.

Thirdly, stratified social reality of critical realism is an open system (Danermark et al., 2002). By treating the social reality in this particular way, critical realism is able to capture not only the subjective meanings of individual actors but also the context surrounding them. In this way, this thesis aims to capture subjective meanings about the phenomena of interest within its contextual boundaries. The research conducted

in this tradition does not claim its objectivity and impartiality, but rather to be context aware, robust and trustworthy.

4.3 Research design and methods

This section discusses key decisions that were pertinent to the design of this study. While several modifications to the design were introduced after the pilot study, some decisions remained the same. For the sake of completeness, the continuation of this section outlines a full research design.

4.3.1 Methodological Fit

In order to ensure the methodological integrity of empirical research, Edmondson and McManus (2007) posit the need for alignment between key elements of field⁹ research and maturity of prior theory. The key elements include a) prior work; b) research question; c) research design; and d) contribution to literature. The authors propose that theory in management research falls along the continuum consisting of nascent, intermediate and mature theory. Nascent theory (Edmondson and McManus, 2007, p. 1158) *“proposes tentative answers to novel questions of how and why, often merely suggesting new connections among phenomena and it has so far received little research of formal theorizing”*. Intermediate theory (Edmondson and McManus, 2007, p. 1158) *“presents provisional explanations of phenomena, often introducing a new construct and proposing relationships between it and established constructs”*; and Mature theory (Edmondson and McManus, 2007, p. 1158) *“presents well-developed constructs and models that have been studied over time with increasing precision by a variety of scholars, resulting in a body of work consisting of points of broad agreement that represents a cumulative knowledge gained”*. The state of a prior theory in the field would then drive a range of methodological choices, which are summarised in Table 9.

⁹ Edmondson and McManus (2007) define field research as (p. 1155) “Systematic studies that rely on the collection of original data – qualitative or quantitative – in real organizations”.

Table 9: Archetypes of methodological fit in management field research

State of prior theory and research	Nascent	Intermediate	Mature
Research questions	Open-ended inquiry about a phenomenon of interest	Proposed relationships between new and established constructs	Focused questions and/or hypotheses relating existing constructs
Type of data collected	Qualitative, initially open-ended data that need to be interpreted for meaning	Hybrid (both qualitative and quantitative)	Quantitative data; focused measures where extent or amount is meaningful
Illustrative methods for collecting data	Interviews; observations; obtaining documents or other material from field sites relevant to the phenomena of interest	Interviews; observations; surveys; obtaining material from field sites relevant to the phenomena of interest	Surveys; interviews or observations designed to be systematically coded and quantified; obtaining data from field sites that measure the extent or amount of salient constructs
Constructs and measures	Typically new constructs, few formal measures	Typically one or more new constructs and/or new measures	Typically relying heavily on existing constructs and measures
Goal of data analysis	Pattern identification	Preliminary or exploratory testing of new propositions and/or new constructs	Formal hypothesis testing
Data analysis methods	Thematic content analysis coding for evidence of constructs	Content analysis, exploratory statistics, and preliminary tests	Statistical inference, standard statistical analyses
Theoretical contributions	A suggestive theory, often an invitation for further work on the issue or set of issues opened up by the study	A provisional theory, often one that integrates previously separate bodies of work	A supported theory that may add specificity, new mechanisms, or new boundaries to existing theories

Source: Edmondson and McManus (2007)

It should be stressed that several studies which have examined the phenomena of interest in a direct or indirect way build to some degree on mature theories, such as Social Exchange Theory (see for example Anderson and Narus, 1994), Transaction Cost Economics (Cannon and Perreault, 1999) or Resource Based View (Barratt and Oke, 2007). However, it is a phenomenon under research that should be judged against its maturity and not the theories used to explain it. Following this line of argument, the literature review part of the thesis clearly demonstrated that both information sharing and relationship transparency are under-researched and poorly understood. Although the majority of empirical studies that explicitly examined information sharing and relationship transparency adopted methodologies (i.e. quantitative, theory-testing, survey based) suitable for *mature* theories, this should not confuse the reader into thinking that they actually dealt with a mature pool of knowledge. As Edmondson and McManus (2007) and Parkhe (1993) posit, the

development of a theory is a process that requires the utilisation of different research designs at different stages of theoretical maturity. A complete absence of qualitative enquiries that would have preceded the current studies on information sharing and relationship transparency showcases a dangerous methodological leap which has resulted in a fragmented, inconclusive and theoretically incoherent body of knowledge. According to Edmondson and McManus (2007), such a state of knowledge suggests that the current level of the theoretical examination of influencing factors and the consequences of information sharing and relationship transparency is close to *nascent*. Consequently, to ensure an overarching validity of the results, the research design calls for an open-ended, qualitative inquiry that will result in the identification of new constructs and the tentative relationships between them, which is called a suggestive theory (Edmondson and McManus, 2007).

4.3.2 Research Strategy

Given the alignment between the open-ended nature of the enquiry and the nascent theoretical maturity of the phenomenon of interest, the selection of a research strategy that will maximise the learning about the phenomena is required. Robson (2002) suggests three broad strategies for undertaking research: experiments, surveys and case studies. While experiments and surveys are more suitable for studies that are building on mature theoretical foundations, case studies accommodate a variety of methodological requirements suitable for this enquiry.

Many researchers have emphasised the strength of a case-based strategy for the maximisation of learning in the process of theory building (Eisenhardt, 1989; Yin, 2008; Stake, 1995). The case study offers a particular advantage in situations where the theoretical base is weak and the environment under study is messy (Parkhe, 1993; Meredith, 1998; Yin, 2009), which applies to this thesis as it is dealing with an under-researched and context-dependent phenomena of interest. Moreover, the two research questions developed in Part I of this thesis are exploratory *what* questions. Yin (2009) argues that although normally ‘what’ questions would call for quantitative approaches, some ‘what’ questions are exploratory in nature. This type

of question is a justifiable rationale for the adoption of an exploratory case study strategy, as long as the aim of the enquiry is to develop pertinent theory for further research (Yin, 2009). The exploratory nature of this research calls for the adoption of the case study strategy as it enables: a) documentation of actual practices in real-life settings with a greater understanding of the nature and complexity of the phenomenon under study (Meredith, 1998; Voss et al., 2002; Yin, 2009) and b) an increase in the exploratory depth of the research (Dyer and Wilkins, 1991; Meredith, 1998). The adoption of a cases strategy in this study is also consistent with Siggelkow (2007) who pointed out that cases “help sharpen existing theories by pointing to gaps and beginning to fill them” (p.21). However, it should be stressed that this study does not argue that we know nothing about the phenomenon of interest. It argues that by adopting a case study strategy the study attempts to refine what we already know and ensures a good fit between the maturity of existing knowledge and selected research strategy.

Given these considerations, and their alignment with Edmondson and McManus’s (2007) suggestions discussed in chapter, 4.3.1, the chosen research strategy that will guide the enquiry of this study is a case study.

4.3.3 Case study selection

In the process of case study selection, purposive sampling (Patton, 1980) was utilised to identify and select two main cases. By further pursuing the rationale of the maximisation of learning (Yin, 2003; Eisenhardt, 1989; Stake 1995), the two selected cases were aimed to be polar opposites. Given that the primary aim behind the proposed research questions was at deepening the understanding of the phenomena under study, this took precedence over the task of increasing the external validity of the findings. Dyer and Wilkins (1991) argue that theories born from deep insights will be more accurate and more appropriately tentative, as researchers must take into account the intricacies and qualification of particular contexts. The case selection strategy that enables the pursuit of a maximisation of understanding of the phenomena under study is the strategy of selecting what Patton (1980) called *extreme*

cases or what Pettigrew (1990) coined as *polar cases*. The rationale behind the selection of polar opposite cases is that they produce better insights into studied phenomena although the generalizability and typicality of findings may be diminished. Patton (1980) corroborated this by stating “...*more can be learned from intensively studying extreme cases than can be learned from trying to determine what the average case is like*” (p. 101).

The adoption of this case selection strategy has consequences for the ways in which data are analysed and reported. In order to maximise the insights into the phenomena, the primary task is to collect a rich dataset which captures both the phenomena as well as the surrounding contexts from both cases, i.e. the dataset that captures the characteristics of both extremes. In the process of data analysis, rather than focusing on case-specific contingencies and contextual commonalities between the cases, it is the pool of data from both polar cases that contributes to the understanding of the researched phenomena. This is the reason why cross-case comparison becomes less important or meaningful than the examination of the data from both cases together. Aligned with this strategy, the findings from both cases are reported together and the models derived from the data reflect the aggregated findings.

4.3.3.1 Case study selection criteria

This study builds on the selection of two polar cases. One case equals a dyad between a supplier and a customer. Given that the study adopted a supplier’s perspective¹⁰, the data were collected from participants in two supplying organizations. The key distinction that determines the polarity of cases is in the nature of a relationship between a supplying and a buying organization. The choice of the nature of a relationship, is a key determinant of the cases’ polarity and is informed firstly by the reviewed literature and later by the pilot study findings. The

¹⁰ It is worth stressing that initially the study aimed to collect data from both the supplier’s and buyer’s side of a dyad. However, access issues to secure the participation of buying companies forced a decision to adopt a supplier’s perspective and hence to collect the data from managers in two supplying organizations.

studies that directly examined the contingent factors of information sharing (e.g. Moberg et al., 2002; Li and Lin, 2006) suggested the potentially important role of factors such as trust and commitment for information sharing. These, as shown in the literature on relational influences in section 2.4, are key characteristics of the relationality of buyer-supplier relationships (e.g. Morgan and Hunt, 1994; Cannon and Perreault, 1999). The same literature also demonstrates that different behaviours, in terms of information sharing, may be expected under the different nature of a buyer-supplier relationship. In other words, in adversarial or transactional relationships, lesser volume and less rich information are exchanged than in collaborative or relational relationships. Similar conclusions were drawn from information visibility and information sharing literature (e.g. Eggert and Helm, 2003; Barratt and Oke, 2007). Empirical evidence from the pilot case study showed that these suggestions were correct, namely that individual managers' behaviours and perceptions are influenced by the relationality of a buyer-supplier relationship. On the basis of suggestions by Håkansson, (1982) and Hallén, (1991) that relationship atmosphere is an output as well as an influencing factor of inter-personal interactions, it was expected that relationality at the inter-organizational level would similarly reflect relationality at an inter-personal level of relationships. Following these considerations, the relationality of a buyer-supplier relationship between a supplying and a buying organization was a primary case selection criteria as well as a determinant of cases' polarity. The number of cases was mainly driven by practical constraints, primarily time, which did not allow me to examine more than two polar cases with the depth required for this thesis.

Because the study aimed at examining the studied phenomena at the level of an individual within the context of a buyer-supplier relationship, additional criteria for the selection of case companies and participants were developed and followed:

- *First*, the relationship between companies had to have been long-lasting. This was important as the nature of a relationship is an outcome of interaction history between individuals (Anderson and Narus, 1990) and for this reason it was expected that deeper insights would be yielded from a relationship with a long history.

- *Second*, the interface between a supplying and a buying organization had to be rich – meaning multiple individuals from supplying organizations had to have relationships with multiple individuals in buying relationships. Given that industrial relationships exist between individuals (Ring and Van de Ven, 1994), it was expected that selecting a rich-interface relationship would create an opportunity for horizontally (i.e. multiple organizational functions) and vertically (i.e. multiple seniority levels) diverse relationships. This was an important criterion to avoid a potentially biased selection of participants, e.g. commercial departments only or senior managers only, given the possibility that perceptions of a relationship could be at seniority level or function specific.
- *Third*, the participants from both case companies were asked to select their counterparts from a buying organization, with whom they have had a relationship for at least a year, are communicating, either face-to-face and over the phone or by email, and that a selected counterpart is critical for the fulfilment of their job responsibilities. These requirements ensured the selection of inter-personal relationships that have accumulated an interaction history and a degree of inter-dependence. This was important to rule out all occasional, one-off interactions, which would contribute little to the understanding of the researched phenomena.

After considerable effort being put into securing the case access, two organizations agreed to participate in the study. For confidentiality purposes the names of the companies as well as participants are fictitious. The first case company was a supplier named Aqua which has relationship with a buyer named FishTin. The second company was a supplier named Skyfly, who has a relationship with a buyer named ThrustCab. From Aqua, sixteen managers agreed to participate in the study and ten from Skyfly. Sixteen managers from Aqua identified sixteen managers in FishTin and ten managers from Skyfly identified ten managers from ThrustCab as their counterparts. The fact that in both cases the number of participants matches the number of their counterparts is pure coincidence. A detailed description of the two

cases, their compliance with the selection criteria and the process of data collection in each company, are explained in Chapter 5.

4.3.4 Operationalization of key constructs and unit of analysis

Although the operationalization of key constructs has already been presented in Section 3.2.3, it is restated here for the following two reasons; firstly, for the sake of completeness of this chapter and secondly, to reflect suggestions from the pilot case. For the purposes of executing the main study, the section describes the operationalization of key constructs and the unit of analysis.

4.3.4.1 Openness

On the basis of the pilot study suggestion, the construct of information sharing was re-labelled as openness in order to reflect current industrial language. The definition behind the construct of *openness* remains the same. It is adopted from Mohr and Spekman's (1995) definition of information sharing, which they worded as "*the extent to which critical, often proprietary, information is communicated to one's partner*" (p. 139). The word 'partner' refers to a participant's counterpart in a buying organization. For example, the manager in FishTin is 'partner' to a manager in Aqua, irrespective of how good (or bad) their relationship is. The term *critical* was left to be determined by participants. The term *proprietary* was understood as information that is owned by a company and which gives it a certain competitive advantage (perceived or real). Both terms were left to be articulated by selected participants.

4.3.4.2 Information

In this study, information is defined as being (Davenport and Prusak, 1998) or containing (Bowie, 2002), input or pieces of data organized for some purpose. The extant literature suggests that information exchanged in a buyer-supplier relationship broadly falls in two categories (Zhou and Benton, 2007; Moberg et al., 2002, Lin et al., 2002) : a) operational (i.e. short term information such daily logistics/sales activities or status information), and b) strategic (i.e. information concerning long

term issues related to firms' business activities, future plans, etc.). It is safe to assume that this information is organized and exchanged for a purpose, given that the literature suggests that operational information would normally be shared and used to reduce order cycle times, inventory levels or customer service, where strategic information would be primarily used to improve inter-firm collaboration (Moberg et al., 2002).

“This study did not try to distinguish between or separate operational and strategic information. It was believed that both groups of information are relevant and an essential part of information exchange between communicating managers. For this reason it was down to individual participants to describe and talk about the information (operational and/or strategic) that was deemed relevant for the execution of their job responsibilities.

4.3.4.3 Relationship transparency

The construct of relationship transparency was the subject of some minor modifications as a result of insights from the pilot study. Firstly the definition of ‘relationship transparency’ remained the same as in the pilot study. It is adopted from Eggert and Helm’s (2003) conceptualisation and defined as “*an individual perception of being informed about the relevant actions and properties of the other party in the interaction.*” (p. 103).

After the initial difficulties of the pilot study’s participants in referring to relationship transparency and treating it as openness, a decision was made that relationship transparency should be verbalised during interviews as ‘*being informed*’ or ‘*being aware*’, of the relevant actions and properties of the other party. Furthermore, because of the suggestion from the literature that relevance of received information is decided by the information receiver based on his/her domain of interest (Bovee et al., 2002) it was necessary to narrow down and pinpoint what these interests may be. By reviewing the pilot case data and considering the environment in which the interaction between individual managers takes place, it was decided that the most

relevant interest was the one related to each individual manager's job responsibilities. For this reason the first part of the interview protocol included questions on individual managers' job responsibilities, which were then brought into the conversation once a discussion around relationship transparency took place. *Actions and properties* of the other party were understood broadly in terms of what the opposite party does or how he/she behaves (action) or is (property) in relation to each individual manager's job responsibilities.

4.3.4.4 Buyer-supplier relationship

At the organizational level, the buyer-supplier relationship was defined following the conceptualisation by Van de Ven (1976), i.e. as a social action system on the premise that "*it exhibits the basic elements of any organized form of collective behaviour*" (p. 25). This includes (Van de Ven 1976, p. 25):

- a) Behaviour among members is aimed at attaining collective and self-interest goals;
- b) Interdependent processes emerge through division of tasks and functions among members.

At the individual level, the relationship was defined as per Thibaut and Kelley (1959) who posit that the essence of any personal (dyad – individual level) relationship is interaction. "*Two individuals may be said to have formed a relationship when on repeated occasion they are observed to interact. By interaction it is meant that they emit behaviour in each other's presence, they create products for each other, or they communicate with each other.*" (Thibaut and Kelley, 1959, p. 10) The term *create products* in the definition was understood very loosely. It was operationalized as an exchange of products, services and information between interacting managers.

4.3.4.5 Unit of analysis

The unit of analysis in this study was an inter-personal relationship between a manager in a supplying and a manager in a buying organization. It should be re-emphasized that this study considers this unit of analysis as embedded in the wider interaction environment. This is aligned with the argument by Giddens (1979), who posits that actors in organizations produce and reproduce institutionalized social structures that persist over time and space. These structures frame the action realm of these actors, and influence their day-to-day activities. In so doing this study aims to close the gap that exists in current literature where an interacting manager and external context are often treated as separate entities.

4.3.5 Data collection

Data collection took place between June 2009 and February 2010. The activities took place first in Aqua as the company agreed to participate first, followed by Skyfly. In both companies data collection started with a group session, whose purpose it was to determine the nature of a relationship between the case organizations and their customers¹¹. Once it was clear that companies' relationships represent polar opposites, a project champion in each case company suggested a pool of potential participants. These were approached firstly by the project champion and after that by me with the goals: a) to inform them about the content of the study, which was described to them as a study about factors influencing information sharing and transparency in a buyer-supplier relationship; b) to ask for their voluntary participation and c) to ask the interested participants to identify their counterparts following criteria outlined earlier in Section 4.3.3.1. The participants were ensured anonymity and asked for their consent for the interviews to be electronically recorded. All 26 participants gave their consent, so the interviews were recorded and later verbatim transcribed.

¹¹ Detailed descriptions of relationships that Aqua and Skyfly had with their customers are described in Section 5.1.2 for Aqua and FishTin and in Section 5.2.2 for Skyfly and ThrustCab.

Data collection utilised semi-structured interviews because they are flexible enough to allow an exploration of an under-researched phenomena (Oppenheim, 2001; Bryman and Bell, 2007). Interviews followed a protocol which was developed based on the literature and preliminary findings from the pilot cases study. The interview protocol contained questions which were divided into three main parts (see Appendix B). In the *first* part, besides the general questions about their title and function in the company, participants were asked to describe their key responsibilities and how they believe they are contributing to satisfying their customers' needs. The purpose of these questions was to obtain an overview and understanding of respondents' key tasks to which they were asked to refer in the last part of the protocol, where relationship between relationship transparency and its consequences was explored. After warming up with a first set of questions, interviews proceeded to the *second* part where participants were asked about their perceptions of the relationships they have with their counterparts. This set of questions was relatively open-ended and only needed occasional prompting when participants stuck with answers such as 'good' or 'not-bad'. This part of interviewing proved to be relatively time consuming, as some respondents had many relationships in the buying organizations. In such situations it was agreed that they would provide accounts for best, worst and average relationships from their point of view, in order to keep interviewing time to a reasonable limit. The *third* part of the interview protocol contained questions that were aimed at teasing out contingent factors of individual managers' openness and relationship transparency as well as the consequences of that relationship transparency. The first two parts of the interview played an important role in identifying contextual factors relevant to the research phenomena. The protocol was used flexibly in order to encourage the emergence of data relevant to the researched phenomena. For this reason some probing questions were used during the course of the interviews.

During the process of data collection, an early analysis was performed. This was in line with recommendations by Miles and Huberman (1994), who defend the usefulness of early analysis as it helps the researcher to "*cycle back and forth between thinking about existing data and generating strategies for collecting new,*

often better data” (p. 50). During this early analysis, it was evident that more detail in the data was required in order to learn about the link between relationship transparency and its consequences. All respondents who indicated during the fourth part of the interview that their perception of transparency had changed, were requested to provide more detail about how and why, and to reflect on the consequences of this change. As a result, a second set of interviews was scheduled with seven participants from Aqua and six participants from Skyfly. This, in total, resulted in 39 conducted interviews.

4.4 Data analysis

All recorded interviews were verbatim transcribed, using a professional transcription service. A total duration of interviews, excluding case selection group interviews exceeded 35 hours, which at the end resulted in over 700 pages of transcripts. The transcripts were then imported in the qualitative data analysis software package NVivo 8.0. As opposed to the pilot study data, the main data were analysed using a specific method of data analysis called Template Analysis.

4.4.1 Template Analysis

Template Analysis is a data analysis technique, originally developed by King (2004). It is an approach to coding that fills the gap between pure grounded theory approaches (Strauss and Corbin, 1990) and a highly structured analysis of qualitative data, where developed themes remain relatively fixed (e.g., Miles and Huberman, 1994). As such, it enables a structured, yet looser and emergent interpretation of data by the flexible use of an evolving template, which includes themes conveyed by the data. Template Analysis has been used in various settings, such as for the analysis of an individual’s experience (e.g. King et al., 2002), as well as for the analysis of subjective views and perspectives ranging from operations management (e.g. Smith et al., 2009) to health care (e.g. Gollop et al., 2004). Template Analysis is a content analysis technique and is independent from any specific philosophical stance. That being said, King (2004) comments that philosophical perspective may drive the way Template Analysis is used.

4.4.1.1 The process: from categories to the interpretation of data

The output of Template Analysis is a hierarchically organised structure of themes that reflect the research question. Thus, hierarchical coding of data is the main process of Template Analysis. The actual method of Template Analysis consists of the following steps (King, 2004):

- a) Producing the initial template based on a subset of data
- b) Developing the template by applying it to the full set of data
- c) Interpreting the results of the “final” template.

The process of data analysis started with the development of an initial template. King (2004) suggests that in the case of highly open-ended enquiries, the initial template could be produced as late as after the first coding of all interviews, where in the case of highly structured enquiries, the first template may simply be the structure of an interview questionnaire. A realist study, such as this one, would entail some preliminary codes to be informed, for example by the previously reviewed literature, or, as in this case, from the literature review and preliminary findings from the pilot study. Following this suggestion, the initial template was developed as a combination of the themes that emerged from the pilot study and an analysis of the first half of Aqua’s interviews. In this way the preliminary codes included pilot and literature based themes such as buyer-supplier relationship atmosphere, nature of inter-personal relationships, inter-personal trust and risk. The initial set of Aqua’s interviews then yielded themes that enriched the preliminary factors related to the contingencies of managers’ openness and relationship transparency. Examples of these were personal characteristics (i.e. propensities to trust and trustworthiness) as well as themes related to trust and risk taking behaviours. In addition, the initial set of coded interviews uncovered themes related to the consequences of relationship transparency, such as decision making, coping tactics and satisfaction. Aqua’s interviews were chosen because of the larger overall number of interviews. The actual number of selected interviews for constructing the initial template was a judgement call on the sufficient richness of the data in the selected interviews while avoiding producing a template so rich that it would require too much change later on

in the process. Once the initial template was designed it was used for a systematic analysis of the rest of the data set.

The initial template was further developed when it was subjected to the data set from all interviews. In this process new data were coded from the existing themes as well as the new themes that emerged from the data that were previously not included in the initial template. The new codes that emerged from the data were, for example, codes related to cultural distance, a subject often mentioned in particular by Skyfly managers, followed by themes related to communication environment and reciprocity, and power shifts and dependence. The development of the template was also a gradual movement from organising to interpretation of data. Although King (2004) suggests that interpretation is the last step in the method of Template Analysis, a great deal of interpretation already occurs in the process of template development when themes are actually identified. Themes developed in the template are not just simple summarisations of interview content, which could easily lead to shallow descriptive accounts. They actually represent recurring topics which embrace the main ideas exchanged in an interview (Dutton and Dukerich, 1991) and reflect the research questions. The process of identification of themes and simultaneous thinking about them in the light of the phenomena of interest enabled the emergence of themes that corresponded to the relevant contingent factors and consequences of openness and relationship transparency. Once these factors were identified, data were further interrogated along these themes. In this process, special attention was paid not to force the data into existing categories if they did not fit, but rather to create new ones and decide about their value once the whole data set was analysed. Newly emerged themes were coded as free nodes first and gradually reorganised into tree nodes. The gradual restructuring of data into tree nodes reflected maturation in abstraction and interpretation of the data. Template Analysis permits for parallel coding (King, 2004) which means, for example, that the same segments of data were coded on multiple nodes, because of the polyvocality of qualitative data. Given this characteristic of qualitative data, it was critical to maintain focus during the coding process. To do that, it was of great help to have the

two research questions printed out and placed in a visible place as a constant reminder of the questions this study is attempting to answer.

The final template was developed once all transcripts had been analysed twice, which facilitated an intensive engagement with the data set. In practical terms, that means that a template that was developed after the first round of coding of all interviews, was then used to screen the entire set of interviews again. During this process, certain themes were recoded or repositioned within a coding structure, and other themes were abandoned if they seemed unrelated to the research questions. The final template resulted in a hierarchical structure of themes that captured managers' perceptions about the influencing factors and consequences of openness and relationship transparency. The hierarchical structure of themes was organised in different levels. In order to maintain the clarity of the discussion and the presentation of results, a suggestion by King (2004) was followed, i.e. to name highest-order themes as first-level themes and lower-order themes as second- or third level-themes, depending on the depth of a structure.

The last step of the Template Analysis was the interpretation of the final template. The interpretation could be done along different dimensions, such as by the participant, by organization or by theme. However, given that participants belonged to two different organizations, the only meaningful interpretation that provided most coherence was interpretation by theme.

4.5 Quality criteria: the issues of validity and reliability

The concepts of validity and reliability originate from natural sciences (Ritchie and Lewis, 2003). Because of the different epistemological bases of qualitative research, caution should be exercised when making validity and reliability judgements of qualitative studies.

Validity of findings or data is traditionally related to the correctness or precision of research reports. In qualitative research, internal validity is concerned with

plausibility and the accurate reflection of the phenomena of study, as perceived by individual accounts (Miles and Huberman, 1994; Ritchie and Lewis, 2003). This study addressed the issue of internal validity through the following measures: a) polarity of cases and vertical and horizontal diversity in the selection of participants' minimised sample selection bias; b) the language in the research protocol was altered so that participants could easily refer to the studied phenomena; c) a significant amount of time was spent with both case companies prior to the main data collection, which was beneficial for establishing trust with participants. This, in combination with the transparent research process, ensured anonymity and confidentiality which resulted in open discussions about the phenomena.

When it comes to reliability of qualitative research, arguments are centred around the extent of replicability of research findings (Ritchie and Lewis, 2003; Patton, 2002). In this research, reliability was ensured by providing a full visibility of the research process and the key decisions that underpinned the design choices, data collection and data analysis.

As Buchanan (1999) stated, external validity and generalisability of knowledge is, in positivistic research, a basic criterion for research design. However, given the qualitative nature of this research, achieving statistical generalisability is not the intention of this study. That being said, Ritchie and Lewis (2003) and Miles and Huberman (1994) suggest that attention should be paid to whether findings are transferable and applicable in other settings. This was addressed in this study by selecting polar opposite cases and within them a diverse enough pool of participants to provide for deep and rich empirical insights.

4.6 Conclusion

Chapter 4 presents key philosophical and methodological considerations that, as translated in Part I, developed research questions into a viable research design. The discussion includes the presentation and justification of an adopted philosophical position that underpins the research design; it demonstrates a methodological fit of

the study and explains the rationale behind the choice of selected research strategy, i.e. case selection, data collection and data analysis techniques. The next chapter describes in detail the two cases in which the main data collection took place.

5 Description of the main case study organizations

This chapter describes two case organizations in which the main data collection activities were carried out. For each case study, the chapter provides an overview of the company, describes the relationship with the customer, and details my involvement with the company and the main data collection activities. The description of both relationships is a synthesis of the conversations that were held with management from both companies prior to the main data collection activities with individual respondents taking place. The intention of this description is to demonstrate the difference in the nature of the two buyer-supplier relationships and to demonstrate its compliance with the case selection logic explained in section 4.3.3.

5.1 Case 1 - Aqua

5.1.1 The organization

The first main case was Aqua. Aqua is a branch of Pharma Co., a global company that develops, manufactures and markets a broad range of animal vaccines, anti-infectives, anti-parasiticides and other pharmaceutical speciality products. Pharma Co. has five business units: Ruminants, Swine, Poultry, Companion animals, and Aquatic animals. They are a leading force in animal health, with combined sales of \$2.7 billion and 15% of the world market share in 2009. The key market positions of Pharma Co. are the following:

- A leader in global animal health product sales in Europe, Latin America and the Far East;
- A leader in cattle, sheep, poultry, swine and aquatic animals pharmaceuticals;
- Number 4 in companion animals pharmaceuticals;
- A leader in veterinary vaccines, marker technology, reproduction management and bovine respiratory disease management.

The company has offices in over 50 countries and business operations in more than 140 countries. In total it employs 8,200 people.

The case work was carried out in Aqua, the aquatic business unit of Pharma Co. The Aqua business unit shares production and research development capacities with the other four Pharma Co. business units, where sales and marketing activities are performed independently. The key markets in which Aqua operates are Norway, the EU, Chile, North America and the Asia-Pacific region. Aqua's current solutions portfolio ranges from vaccines to products for bacterial and parasite control for cold water species (e.g. salmon and trout), temperate water (e.g. carp, European sea bass and European sea bream) and warm water (e.g. Asian sea bass, Red sea bream and shrimp). The Aqua business unit also offers their customers a wide range of technical support services and training programmes.

The portfolio of Aqua's customers is comprised of companies operating in the aquaculture sector and whose business is the farming of aquatic animals. In this portfolio Aqua has one key account – the FishTin. FishTin is one of the world's largest salmon and seafood producers. Its product range stretches from fresh and frozen salmon to value added products such as coated seafood, ready-to-eat meals, finger food and smoked seafood. FishTin employs over 5,000 people on salmon farming and processing locations in Norway, Chile, Scotland, Canada, Ireland and the Faroes and value adding processing locations in the US, France, Belgium, the Netherlands, Poland and Chile.

5.1.2 The relationship

Aqua and FishTin have had a commercial relationship for over 25 years. Aqua supplies FishTin with a range of vaccines, pharmaceutical products and product-related services that FishTin uses in its salmon farming activities. Terms and conditions between the companies are negotiated on a yearly basis at the level of an individual market. The relationship between the companies is not contractually formalised. Although a legal contract does not exist, the companies signed a Strategic Framework Agreement (SFA) in 2008.

The SFA is an outcome of a systematic and focused initiative from Aqua's key account management department to develop a closer and more collaborative relationship between the companies. Although the relationship has never been perceived as hostile or adversarial, Aqua's management realised the value adding potential of a closer, more tightly coupled relationship with its key account. The view of FishTin is that this agreement will enable Aqua to more closely align their strategy with FishTin's challenges and expectations. The SFA is a form of behavioural contract, which outlines the principles and context of collaboration, development of joint "diamond" structure-based teams and framework implementation guidelines. The guiding principles for the companies' collaboration are (citation from the SFA document): *"openness, integrity, honesty, respect, equality and trust"*. The overall aim of Aqua's key account management initiatives is for Aqua's employees to adopt and work with FishTin in the spirit of SFA's guiding principles. A mutual perception from both companies is that their overall relationship is now much closer than it was. This is characterised by more communication, more face-to-face interaction, more openness, higher levels of trust and joint commercial activities. Nevertheless, the embracement of SFA's guiding principles is, in some parts of both companies, still seen as slower than anticipated. This is largely attributed to occasional issues that the companies still have to resolve, some of which have slowed down the relationship development process.

Both companies seems to be relative to each other, in a rather equal power position. Aqua's power rests in the direct influence that supplied products and services have on three key parameters that determine the success of the FishTin business, namely; salmon survival rate, feed conversion efficiency and the consequent price of salmon in the market. The link between these three parameters is that: a) the healthier the fish the more efficiently it converts the feed, (feed represents a major cost component in the fish farming cost structure), and b) the healthier the fish the better its meat colour and oil structure within its meat, which are key determinants of the market price of salmon. By the same token, FishTin leverages Aqua by being its biggest account, and in that way its biggest single source of income. In terms of supply competition, Aqua operates in an oligopolistic market structure in most global

markets. This, however, is not the case in one specific European market, where Aqua is a monopolistic supplier of a specific, yet strategically important product to FishTin. By patenting the product for this market, Aqua locked out a supply competition, which caused some tension in their relationship with FishTin, given the fact that FishTin strives towards a multiple source supply strategy.

The relationship between Aqua and FishTin is a multiplex. That means that it is horizontally and vertically complex, involving multiple people on multiple organizational levels and across many different functions in both companies. From Aqua's organizational structure perspective, respondents occupy eight business functions that could be grouped in three categories: commercial (Head office, Marketing, Sales, Key account and Supply chain), technical (R&D and Technical services) and support (Regulatory affairs). Vertically they span four organizational levels. The individual counterparts from FishTin, similarly to the case of Aqua, are across three groups of business functions: commercial (Head office and Purchasing), technical (Production, R&D) and support (Project management). Vertically, FishTin respondents span three organizational levels, with the majority being at the second organizational level. A detailed structure of the Aqua-FishTin relationship is presented in Table 10.

Table 10: Aqua and FishTin relationship structure

					Customer - FishTin																	
					Pseudonym	Gerry	Graham	Ken	Fred	John	Jay	Derek	Paul	Robin	Lisa	Leslie	Seth	David	Jonah	Mark	Steve	
					Title	CEO	Global Health Vice President	Technical Director	Technical Director Norway	Technical Director	Production Director	General Manager UK	Production Manager UK	Veterinary Health Manager UK	Health Manager Ireland	Veterinary Health Director	Research Director Norway	Technical Director	Fresh Water Director	Veterinary Health Manager	Regional Health Manager UK	
					Function	Head Office	Head office	Production	Production	Regional - Production	Production	Regional Head Office	Production	Purchasing	Purchasing	Purchasing	R&D	Regional - Production	Regional Head office	Purchasing	Project Management	
					Org. level	1	2	2	2	2	2	2	2	2	2	2	2	2	2	3	3	
Supplier - Aqua	Pseudonym	Title	Function	Org. level	Country	Norway	Norway	Norway	Norway	Chile	Chile	Scotland	Scotland	Scotland	Ireland	Canada	Norway	Norway	Norway	Chile	Scotland	
	Tom	Head of Aqua	Head Office	1	USA		x		x													
	Charlie	Head of R&D	R&D	2	Netherlands		x	x	x												x	
	Karen	Global Marketing Director	Marketing	2	USA		x					x				x						
	Ronny	Global Technical Services Director	Technical Service	2	UK	x	x	x											x			
	Michael	Product Planning Coordinator	Supply Chain	2	UK						x	x	x	x	x							
	Hank	Global KAM Director	Key Account	3	UK		x	x	x	x	x	x	x	x	x	x						
	Todd	R&D Project Leader	R&D	3	Norway		x		x									x				
	Nick	Global Marketing Manager	Marketing	3	UK		x					x	x									
	Richard	Global Tech Service Manager	Technical Service	3	UK		x		x						x	x	x				x	x
	Evan	Marketing Services Director	Marketing	3	Canada		x										x					
	John	Aqua BU Manager	BU head office	3	Chile					x	x											x
	Bart	Veterinary Service Manager	Technical Service	3	Norway		x	x	x									x	x			
	Jonathan	Sales and Marketing Manager	Sales	4	Norway		x	x	x									x			x	
	David	Sales Manager UK	Sales	4	UK							x	x	x								x
Ken	Consultant	Supply Chain	4	UK			x															
Marcy	Regulatory affairs	Regulatory Affairs	4	Netherlands			x										x					

Note: An “x” indicates a relationship between two individuals

5.1.3 Data collection activities

5.1.3.1 Preliminary engagement with the company

As part of the process of securing company access for the pilot study, I presented my work to the KAM Club meeting participants in February 2008. This was the place and time where I was approached by Aqua's Global Key Account Director, who expressed an interest in my research. He familiarised me with Pharma Co.'s and Aqua's business and specifically with their relationship with FishTin. The KAM Director also introduced me to one of Aqua's Sales Managers and to the Vice president of FishTin. I leveraged this contact in order to secure and collect the pilot case data with both companies. After the pilot case study, I presented the findings to Aqua employees in January 2009, as part of their key account development programme at Cranfield University. The fifteen participants on this programme were managers involved in relationship with FishTin. Aqua's KAM Director took this opportunity to formally introduce me to the managers. Given a positive feedback on my pilot case work from the managers, the Director asked them for their permission to be involved in the main data collection activities of my research, which was given to me without anyone's hesitation. Subsequently, on the basis of a joint invitation from Aqua's Global Key Account Director and FishTin's Vice President, I presented the pilot study findings to both companies at their global supplier-customer meeting in Oslo, Norway in March 2009. This participation enabled me to meet FishTin's top management, to learn about their business and their views on their relationship with Aqua. Table 11 summarises the mode and duration of my engagement with Aqua and FishTin prior to the primary data collection activities.

Table 11: Preliminary engagement with Aqua and FishTin – type and duration

Type of engagement	With Whom	Duration
<ul style="list-style-type: none"> • KAM Club presentation and subsequent discussion • Pilot case study data collection 	<ul style="list-style-type: none"> • Global Key Account Director 	60 minutes
	<ul style="list-style-type: none"> • Global Key Account Director – Aqua • Sales Manager UK – Aqua • Vice President – FishTin 	205 minutes
<ul style="list-style-type: none"> • Presentation of pilot case study findings to Aqua and participation at their Key Account Management workshop 	<ul style="list-style-type: none"> • Aqua’s managers involved in relationship with FishTin [in total 15 people] 	8 hours
<ul style="list-style-type: none"> • Presentation of pilot case study findings to Aqua and FishTin at their global supplier-customer meeting 	<ul style="list-style-type: none"> • Aqua’s and FishTin’s top management [in total seven people] 	300 minutes
	Total duration:	17 hrs and 25 min

5.1.3.2 Primary data collection activities

The primary data collection activities in Aqua started in May 2009 with the identification of key participants. Case selection criteria, which were developed up front¹² were first introduced and explained to Aqua’s KAM director. As the most knowledgeable about the Aqua-FishTin relationship, the KAM director was asked to identify key people from Aqua, who are actively involved in a relationship with FishTin counterparts. Once the list of participants was sent to me, the KAM director and I jointly crafted an email explaining to potential participants the purpose of the research, asking them for their consent to participate in the study, and to identify their counterparts in FishTin, according to the explicated selection criteria. The email was sent out to potential participants by the KAM director and once their approval was received, the correspondence was handed over to me.

Each interview with Aqua’s participants was scheduled individually within a convenient time. The primary goal in the data collection activities was to follow the research protocol and to collect rich qualitative data from the respondents. To do this, each participant was asked for at least 75 minutes of interviewing time and

¹² See Section 4.3.3.1

possibility to conduct an interview face-to-face. While time was not a problem, the geographical dispersion of participants prevented face-to-face interviews in some cases. These were consequently conducted over the phone.

During the interviewing process it became evident that a second phase of interviewing would have to be introduced if the objective of rich qualitative data collection was to be satisfied. Certain respondents indicated that their perception of transparency changed, and it was in the interests of answering the two research questions to explore this in more depth. However, because the questions on relationship transparency were in the third, and final, part of the protocol, the risk of 'interviewee fatigue' became relevant as the interviews exceeded one hour. For this reason a decision was made that all respondents who indicated perceiving a change in relationship transparency would be re-interviewed in the second phase. This phase followed as quickly as possible after the first set of interviews in order to ensure that relationships between individual and an overall buyer-supplier relationship atmosphere did not substantially change. Full details of the contact time spent with Aqua interviewees are presented in Table 12.

Table 12: Aqua – Contact time

Name	Phase 1			Phase 2			Length (min)
	Date	Length (min)	Mode	Date	Length (min)	Mode	
Hank	02.08.2009	88	face-to-face	14.09.2009	25	phone	113
Tom	12.08.2009	54	Phone				54
Charlie	04.08.2009	54	face-to-face				54
Todd	01.09.2009	66	Phone	14.09.2009	28	phone	94
Karen	05.08.2009	40	Phone				40
Nick	10.06.2009	64	face-to-face	17.09.2009	10	phone	74
Ronny	10.06.2009	54	face-to-face				54
Richard	10.06.2009	62	face-to-face	22.09.2009	35	phone	97
Jonathan	28.08.2009	86	Phone	01.10.2009	37	phone	123
David	09.06.2009	65	Phone				65
Evan	21.07.2009	63	Phone				63
John	27.08.2009	66	Phone	02.10.2009	40	phone	106
Bart	27.08.2009	53	Phone	02.10.2009	19	phone	72
Michael	11.06.2009	62	face-to-face				62
Ken	11.06.2009	40	face-to-face				40
Marcy	04.08.2009	58	face-to-face				58
Total interview time (min)		975			194		1169

5.1.3.3 Data analysis

All the data collected during this case study were recorded, verbatim transcribed and analysed according to the procedures described in detail in Section 4.3.

5.2 Case 2 – Skyfly

5.2.1 The organization

The second main case study was Skyfly, which is a part of TechnoEng. TechnoEng is the world's leading technology and engineering company. The group designs, manufactures and supplies components, systems, structures and related services. TechnoEng operates as a supplier in four different business areas:

- Automotive, with a supply of driveline components and systems;
- Powder metallurgy, with a supply of sintered products and metal powders;
- Aerospace, with a design and supply of advanced composites, transparencies and complex aero structures; and,
- Off-Highway, with a design and supply of a wide portfolio of products for off-highway vehicles (e.g. agricultural, construction and mining machinery).

TechnoEng is the market leader in all four business areas. Its total combined sales in 2009 was £4.4 billion, to which the automotive area contributes 47%, powder metallurgy 12%, aerospace 33% and Off-Highway 8%. The group operates in more than 30 countries worldwide and employs over 38,000 people.

The data collection activities were carried out in Skyfly, the aerospace division of TechnoEng. Skyfly is a global first-tier supplier of aerospace components and engineering services to the aerospace sector prime contractors. Its operations are comprised of design, manufacturing and services facilities, and it operates from 31 global centres across Europe, North and South America and Australia. In 2009, Skyfly's sales realisation reached £1.5 billion, of which 48% originated from the European and 52% from the markets of North and South America. The division employs in total over 10,000 people.

One of Skyfly's customers is ThrustCab. ThrustCab is one of world's largest aerospace prime contractors and Skyfly's largest European account. ThrustCab produces and assembles complex systems for commercial, business and military use.

It also supplies a wide variety of services (e.g. customer services, cargo services, business start-ups and asset management). Their production and sub-assembly lines are spread across 12 different locations in Europe and one in China. Overall they employ over 50,000 people.

5.2.2 The relationship

The commercial relationship between Skyfly and ThrustCab has existed for more than 20 years. Skyfly supplies ThrustCab with composite and metallic components and a range of technical services. Skyfly's supply of products and services supports a wide range of ThrustCab's programmes. From the supply market perspective, Skyfly operates in an oligopolistic market structure with very few competing suppliers with similar supply capabilities. By the same token, from the buying market perspective, ThrustCab is an oligopsonistic buyer, with only a few more competitors that have the same buying capacity.

The relationship between Skyfly and ThrustCab is contractually highly formalised. Every piece of business awarded by ThrustCab to Skyfly is the subject of lengthy contractual negotiations in which both parties try to secure their best contractual position. A typical contract is a thick document covering the commercial and technical aspects of the business, terms, conditions, responsibilities and liabilities for both parties, for a wide variety of scenarios in case "things go wrong". Although both companies called the relationship "a risk sharing partnership" (RSP), where one would anticipate finding things like trust, open information sharing and mutual adaptation among others, both parties perceive it as rather adversarial, strained and focused exclusively on deliverables. Managers from Skyfly stressed that the relationship with ThrustCab is particularly strained in the programmes where ThrustCab's products are in the development stage of a product life-cycle. This stage of the life-cycle is characterised with design uncertainties, which leads to frequent changes in product specifications and consequently disputes over absorption of additional costs. ThrustCab managers want Skyfly to act as an RSP and absorb design changes costs, where Skyfly pursues a goal of shareholder value

maximisation and rejects ThrustCab's position. In this situation, both companies frequently refer back to the contract and use its terms and conditions as a basis for conflict resolution. However, as managers of Skyfly pointed out, many of these disputes remain unresolved, because of the divergence in views and interpretations of the contractual terms.

Given the supply and buying market characteristics, coupled with the strategic importance for the survival of their businesses, both companies perceive each other as of equal power. They are mutually highly inter-dependent, as they both provide each other with input resources vital for their survival. From the structural point of view, the relationship between Skyfly and ThrustCab is a multiplex, vertically and horizontally rich one. The seniority structure of participants from Skyfly and their counterparts from ThrustCab spans across three organizational levels. Horizontally, respondents from Skyfly belong to three distinct organizational functions: commercial, programme management and engineering. Skyfly's counterparts in ThrustCab also belong to three organizational functions: commercial (includes purchasing and procurement), programme management and engineering. A detailed structure of the Skyfly-ThrustCab relationship is presented in Table 13.

Table 13: Skyfly and ThrustCab relationship structure

					Customer - ThrustCab										
					Pseudonym	Thomas	Barry	Avery	Oliver	Wayne	Ray	Kay	Mitch	William	Eddie
					Title	European Vice President Programme A	Vice President Procurement	Senior Purchasing Manager	Programme A Lead Manager	Programme B Lead Manager	Programme A FTE Lead Manager	Programme B Chief Engineer	Purchasing Manager	Programme A FTE Manager	Programme A Chief Engineer
					Function	Programme Management	Procurement	Purchasing	Programme Management	Programme Management	Programme Management	Engineering	Purchasing	Programme Management	Engineering
					Org. level	1	1	2	2	2	2	2	3	3	3
Supplier – Skyfly	Pseudonym	Title	Function	Org. level	Country	France	France	UK	UK	UK	UK	UK	UK	UK	
	Boris	Senior Vice President Commercial	Commercial	1	UK			x					x		
	George	CEO Skyfly Structures – Europe	Commercial	1	UK	x	x	x							
	John	Senior Vice President Business Dev. & Strategy	Commercial	1	UK										
	Frank	Vice President Programmes – Europe	Programme Management	2	UK			x	x	x	x		x	x	
	Doug	Commercial Manager	Commercial	2	UK								x		
	Tyrone	Vice President Product family	Commercial	2	UK			x		x			x		
	Tony	Vice President Engineering - Europe	Engineering	2	UK					x		x		x	
	Errol	Customer Account Executive	Commercial	2	UK										
	Mick	Product Programme A Manager	Programme Management	3	UK				x		x			x	
Darren	Product Programme B Manager	Programme Management	3	UK					x			x			

Note: An “x” indicates a relationship between two individuals

5.2.3 Data collection activities

5.2.3.1 Preliminary engagement with the company

The initial contact with Skyfly was established in June 2009 through participation in a short research project run by the Cranfield Centre for Executive Development (CCED), where Skyfly was a client. The objectives of my research were strongly aligned with the objectives of CCED's research project, therefore CCED involved me in the design of the project, data collection procedures and analysis. Similarly, as in the case of Aqua, Skyfly had a Key Account Manager who was responsible for relationship management with ThrustCab and was the most knowledgeable about the relationship. A representative of CCED introduced me to the KAM Manager. We then jointly explained to the Manager the objectives and the process of the research and, once approved, Skyfly's data collection activities began.

5.2.3.2 Primary data collection

Data collection activities with Skyfly began in October 2009. Similarly to the Aqua-FishTin relationship, the relationship between Skyfly and ThrustCab, had to be initially explored for its relationality to ensure it is different enough to represent a polar opposite case to the Aqua-FishTin relationship, namely to fit the case selection criteria¹³. While, the pre-main data collection activities with Aqua yielded enough information to understand the nature of the relationship with FishTin, the absence of prior interaction with Skyfly called for an extra step before the main data collection. This step was a Skyfly-ThrustCab relationship assessment meeting which was held at Skyfly's premises. It was attended by four of Skyfly's managers who were knowledgeable about the relationship with ThrustCab and were suggested by Skyfly's KAM manager. The meeting lasted two hours. At the end of the meeting and also after the meeting when the transcription was analysed, it was evident that

¹³ Case selection criteria are outlined in section 4.3.3.1

the nature of the Skyfly-ThrustCab relationship is very different, much more strained and adversarial to the one between Aqua and FishTin and in that way suitable to represent a polar case. At the end of the meeting the managers were also asked to identify suitable participants for the main data collection. It was left to Skyfly's KAM Manager to communicate the purpose of the research to potential participants and to ask them to identify their counterparts at ThrustCab. Once this was done, correspondence for arranging interviews was handed over to a CCED representative who scheduled interviews on my behalf.

The same as in the case of Aqua, interviews were scheduled with each individual separately within a convenient time. Most of the interviews were possible to conduct face-to-face, as the majority of the participants worked in the same premises. On the basis of learning from Aqua's case, a second set of interviews was scheduled to explore more in-depth issues around relationship transparency. The overall contact time spent with Skyfly is presented in Table 14.

Table 14: Skyfly – Contact Time

Name	Phase 1			Phase 2			Length (min)
	Date	Length (min)	Mode	Date	Length (min)	Mode	
Frank	19.11.2009	101	face-to-face	26.01.2010	42	face-to-face	143
Mick	19.11.2009	57	face-to-face	26.01.2010	31	face-to-face	88
Boris	30.11.2009	60	Phone	26.01.2010	63	face-to-face	123
Doug	08.12.2009	60	Phone	19.02.2010	38	phone	98
Darren	20.11.2009	61	face-to-face				61
Tyrone	20.11.2009	30	face-to-face				30
Tony	19.11.2009	76	face-to-face				76
George	20.11.2009	86	face-to-face	19.02.2010	23	phone	109
Errol	08.12.2009	60	Phone	26.01.2010	53	face-to-face	113
John	19.11.2009	110	face-to-face				110
Interview time (min)	701			250			951

5.2.3.3 Data analysis

All the data collected during this case study were recorded, verbatim transcribed and analysed according to the procedures described in detail in section 4.3.

5.3 Conclusions

Chapter 5 has described the two cases in which the main data collection took place, involvement with the two companies and the main data collection activities. The chapter also served as a place in which to describe the Aqua-FishTin and Skyfly-ThrustCab relationships in order to demonstrate the polarity of the two relationships. The next chapter describes the study's findings and concludes Part II of the thesis.

6 Findings

This chapter presents data analysis findings obtained from the two main case studies. Aligned with the research design¹⁴, the findings are presented for both cases together. The section introduces an empirically derived structure of themes from the template analysis, which makes it possible to describe in section 6.2, the contingencies of managerial openness and relationship transparency, and in section 6.3 the consequences of relationship transparency.

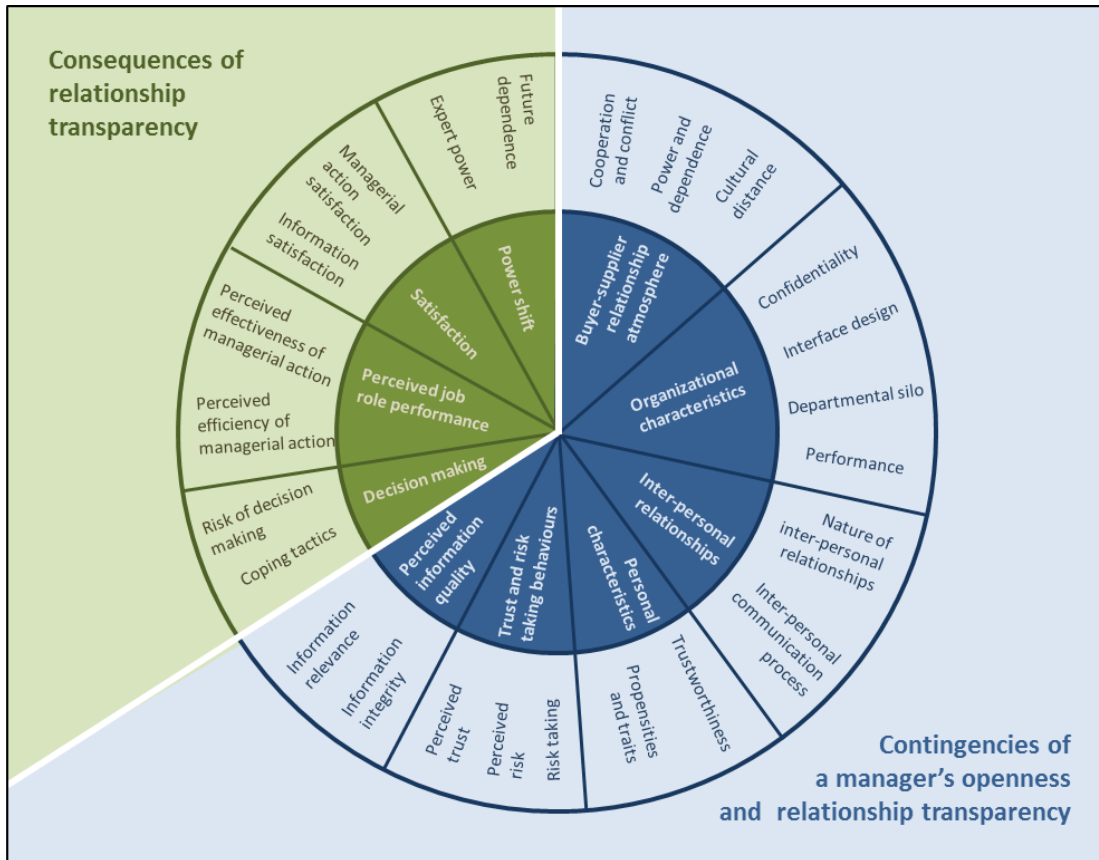
6.1 The results of the Template Analysis

As elaborated in Section 4.4 the results of the Template Analysis are usually presented in a set of hierarchically organised themes that reflect the characteristics of participants' accounts. The presentation of the findings in this chapter follows this format and organises the discussion in line with the first two levels of thematic hierarchy. It is helpful at this point to remind the reader that hierarchical arrangement of the themes follows the suggestion by King (2004), where the higher levels in the hierarchy represent the highest-order constructs, while the first-order constructs (i.e. the constructs closest to the data) are contained on the lower levels of hierarchy. This structure is presented graphically in Figure 1.

The themes in Figure 1 are organised into two main categories – the contingencies that influence managerial openness and relationship transparency, and the consequences of relationship transparency. Both of these two categories are equally important and necessary as both of them help to answer the two, although different, research questions. The separation of the themes into two categories also drove the separation of the presentation and discussion of the findings into two separate sections. Findings related to contingencies of managerial openness and relationship transparency are discussed in section 6.2, where the consequences of relationship transparency are discussed in section 6.3.

¹⁴ See section 4.3

Figure 1: The contingencies of a manager’s openness and relationship transparency and consequences of relationship transparency: Template Analysis



6.1.1 Language consistency in the presentation of results

For the sake of clarity in presenting the results, a short explanation is given as to how the language is used in presenting the results. This first rule that was followed was to stay true to the data and work with the language captured from the participants. This means that at least the first-order themes – i.e. themes closest to the data, reflect the language of the cases’ respondents, where the highest-order themes do not necessarily comply with this rule as they are already a ‘product’ of lower-themes’ aggregations and interpretation. Moreover, in spite of the fact that this study was conducted and data collected from the suppliers’ perspective, both case companies and their participants were engaged in inter-organizational and interpersonal relationships. For this reason a further clarification is necessary where words such as a supplier and/or a customer are used to explain what they mean – specifically to

which level they correspond. The use of language in the case findings explanations goes as follows:

- The word '*supplier*' refers to a supplying company – e.g. Aqua and Skyfly;
- The word '*buyer*' refers to a buying company – e.g. FishTin and ThrustCab;
- The word '*supplier's manager*' refers to an individual employee in a supplying company
- The word '*buyer's manager*' refers to an individual employee in a buying company

These exact terms may not always be used in the respondents' quotations. The language used was rich and different words were sometimes used to describe the same meaning. However, extra care was taken when quotes are accompanied by descriptions, that the descriptions reflect the right meaning, which may not always be apparent from the quotations.

6.2 Contingent factors of openness and relationship transparency

6.2.1 Buyer-supplier relationship atmosphere

The first theme that emerged from the template analysis was a theme on buyer-supplier relationship atmosphere. The theme included several sub-themes namely; *cooperation and conflict*, *power and dependence* and *cultural distance*. Each of these three sub-themes is presented in the continuation of this section and illustrated with representative respondents' quotations.

6.2.1.1 Cooperation and conflict

The theme on cooperation and conflict reflected managers' perception of the overall state of the relationship between a supplier and a buyer. It was manifested in various different forms. For example in the case of Aqua and FishTin, the development of a close cooperative approach to joint working was at the heart of the relationship management activities. It was an initiative that was instigated and led by Aqua's top

management with the ultimate aim of increasing the value of their products and services for FishTin. At the time of the investigation, the initiative had been in place for a good two years and both companies had signed a behavioural agreement, called a ‘Strategic Framework Agreement’, that specified the guiding principles of collaboration between the companies. The managers in Aqua felt that communication is easier in a collaborative spirit and because they could see the benefits of cooperation on some projects, they felt motivated to communicate more. For example Hank, Aqua’s Global Key Account Manager reflected how a cooperative atmosphere had a positive knock on effect on the frequency of interpersonal communication internally.

I think there’s a certain amount of just more frequent dialogue, actually helps that and where one individual sees a benefit, there’s a classic example in Chile. The chap that’s the head of Chile is you know just blown away over by the amount of help that he gets from global which he had none of before and he is enthusing about that to other colleagues in other business units and they are becoming much more receptive to help from global as well, so there’s much more of a team feeling, so it is passed on so that there is a connection between you know individuals can have a knock on effect, the relationship between a pair of individuals can have an effect on the relationship with other individuals within the chain of the organization. (Hank, Global Key Account Manager, Aqua)

The cooperative atmosphere was perceived by the majority of Aqua’s managers as one where conversations about joint work and value creation were possible as opposed to adversarial price reductions. For example David, Sales Manager for the UK mentioned that the ‘content’ of conversations with the General and Veterinary Health Manager from FishTin’s office has significantly changed in the past two years.

I’m going to see them tomorrow or later on today to discuss a project for a product that over the last three or four years they flatly denied they

would ever consider but now they are open to the idea of using this product so it's consideration of new products, consideration of joint projects, it's talking less about price and talking more about the work we do together, those sorts of things (David, Sales Manager UK, Aqua).

A similar situation was reported by Ronny, Global Technical Services Manager. He elaborated that whilst the atmosphere between the companies had improved, and Aqua as a company managed to deliver higher value services to FishTin, FishTin's managers started becoming much more interested in sharing more information with him and talking about *their input* in developing higher value solutions.

They seem to be much more interested and open to a collaborative approach because they realise they can't just do it on their own and they can't do it just having the pharmaceutical companies as suppliers they need more help than that and it is beneficial for them. (Ronny, Global Technical Services Manager, Aqua)

On this same note of increased openness, some managers shared information that they would not have admitted in the past. Jonathan, who is a Sales and Marketing Director illustrated this with an example where, Graham, FishTin's Global Health Vice president admitted that what they had in the past used as a 'beating stick' against Aqua's managers was indeed a complex problem and often not Aqua's fault.

Even Graham said to me once that he is fully aware that the reason behind most production deviations are extremely complex and very often it's not the vaccine supplier's fault that they occur, but it's a very easy step to get money back and improve the short term results, and they are doing that. He is not saying that he is supporting that, but that is what they do as a company. (Jonathan, Sales and Marketing Director, Aqua)

However, not all managers at Aqua perceived the atmosphere between Aqua and FishTin as collaborative. This was evident from managers who worked in the R&D

department that had in the past been an independent business. Charlie, Head of R&D Biologicals, for example, felt that his 'voice' has been lost in Aqua and that he is now merely 'a servant' for the commercial people. A similar attitude was present also with other former Research Company managers who all shared a skepticism about the benefits of collaboration between Aqua and FishTin. The most vocal about it was Charlie. He often referred to his past, pre Aqua, experience in working in a collaborative atmosphere, how openly information was shared and how easy it was to communicate in order to contrast his current perception about working with managers from FishTin.

When we started in Singapore, Asia including China produces 70% of all agriculture produce. There are huge companies in Asia. When we came there, there was absolutely no knowledge, nothing, zero. No institutes, no literature, nothing. We started working and we started collaborating with a number of the big farms. One of the bigger ones in tilapia is the biggest tilapia producer in the world. We started collaboration in the pure sense that we basically went to the farm, collected data, sent results back and we have since then a daily contact almost with these people. They call when they have an issue. We get to the farm, we supply the information, we discuss how to deal with it, we discuss future products, we discuss their needs. When we design an experiment it starts from initial isolation all the way to vaccine development. They get to know how the process all the way through. That is for me collaboration, and they see it that way too. There's no secrecy whatsoever. If we have a problem in supply of a vaccine at a certain point, I have no problem calling them and saying, "OK we have a problem, it's going to be a week later". And that's how it should be. That's collaboration. I don't get this with people from FishTin (Charlie, Head of R&D Biologicals, Aqua)

In 2009 for example, a conflict arose between Aqua and FishTin which was related to part of their business in one of the European markets. The conflict escalated to a degree that a law suit was filed and the case taken over by a court. According to

participants' accounts, this was an extremely unpleasant situation which was reflected in suppliers' and buyer's managers behaviours. In the conflicting atmosphere, the interaction between managers changed, the most obvious being a reduced access to information. Bart and Todd from Aqua, illustrated such behaviour by describing the information restricting behaviour of FishTin's managers.

When problems do arise, the door closes. That has been the case with FishTin all the way this case. Sometimes I and my colleagues are not allowed to come to take samples. Other companies, they said Yes, of course you can take samples. But they say, in case this is also going to the court, they are not giving us access to all information and that has been since that problem with the patent. (Bart, Veterinary Service Manager, Aqua)

When things go OK, they are very open. When there are problems, not open at all. (Todd, R&D Project Leader, Aqua).

The influence of the buyer-supplier relationship atmosphere is far reaching. For example, not only managers who were a part of a company where the conflict arose changed their behaviours towards buyer's managers, but also towards managers who worked in other departments. The quote from Bart who is Veterinary Service Manager in the Technical Services part of Aqua nicely captures how individual managers responded to the conflict in terms of reducing the amount of shared information. Bart for example, felt strongly that the conflict between Aqua and FishTin which originated in the commercial department influenced how he behaved towards managers in FishTin.

The changes [he was referring to the shift from collaborative to conflicting atmosphere – M.B.] affected my attitude more than my actions, to put it like that. But of course a long term consequence is that it will affect my actions as well, because you are less open you know they

are not constructing, so you are getting into a bad circle. (Bart, Veterinary Service Manager, Aqua).

The reduction of managers' openness may be manifest in two forms: a) as a reduction in the volume of disclosed information or b) in the quality of disclosed information, as illustrated in the following two quotes by Jonathan and Hank.

I feel as Aqua employee that transparency and their openness is hampered when it comes to problems. Firstly, I am often not allowed to take samples, and if I am, I have a feeling that, well they are not lying necessarily but they are telling part of the story. (Jonathan, Sales and Marketing Director, Aqua).

It's the way he presents things to the competition authorities and in the media it's mainly the performance of the vaccine I'm talking about now, but he is not telling good stories about it. Him and also others are just focusing on the negative stories and enlarging them and saying that this will be a trend for the future. They create a negative picture even though they are open on sharing that kind of information; they are hiding the full truth. (Hank, Global Key Account Manager, Aqua).

A conflicting atmosphere was very evident in the relationship between Skyfly and ThrustCab. The difference in comparison to the Aqua/FishTin case was that conflicting situations occurred more often and were manifested in much more adversarial behaviours. A good example of what Skyfly's managers experienced in daily dealings with ThrustCab's managers is illustrated in the quote from Tony, Vice President of Engineering for Europe. He explained that bullying and adversarial behaviours of individual managers are part of the conflicting atmosphere.

I've seen it in front of my eyes, when Oliver (Project A Lead Manager) in front of other suppliers openly tells them if you don't sort this out I will give it to someone else. In front of an open forum where I was sitting in

the room with my guys and he is telling another supplier that he thinks they are proper shit, they don't know what they are talking about, you're well outside the specification, I don't know why we gave you the package, we are going to take it back. I mean to me that is the wrong thing to do in an open forum and as a relationship that it does not drive the relationship that gonna be you know developing solutions. That drives conflict and so some of the people within the ThrustCab. community do operate in that manner. Actually as I see it, it is the whole organization that operates like this. (Tony, Vice President of Engineering for Europe, Skyfly)

Similarly to the case of Aqua, the conflicting atmosphere seems to create a perception of uncertainty and risk if information is disclosed to the opposite party. Managers at Skyfly were consistent when providing their accounts that this uncertainty over how the opposite party will behave influences what and how much information they will disclose in the relationship. This is captured in the quote by Errol who was Customer Account Executive at Skyfly:

But when you are looking at an environment where you are [with environment he was referring to the relationship atmosphere between Skyfly and TrustCab] not sure when you say that, whose going to use it and how's that going to come back at you. You sometimes reflect on that before saying it. (Errol, Customer Account Executive, Skyfly)

Moreover, a conflicting atmosphere is the subject of individual perceptions of both parties in a relationship. Although both interacting parties could perceive an atmosphere differently and/or with a different intensity, hence act upon it differently, managers at Skyfly were united in their view that when problems arise (e.g. conflict), both parties reduced the volume and quality of exchanged information. The quote from Boris, Senior Vice President Commercial for Skyfly captured this:

And I think we try to identify to them what the issues are at the start of any relationship with those individuals, we try and identify where we've got key areas and we try and put logical arguments together to support our position and if I look at their side when life gets difficult then they're not very transparent themselves so when we put a position forward and having reviewed and not been too close to the detail but looked at the surrounding facts but realised that we've got a big point at stake, then I would assert that even when Skyfly is 95% correct if it's such a significant point that it would cause ThrustCab a problem, they're not very open in terms of the conclusions they might reach, they will take a political view, they will argue the facts, they will argue perceptions... so there's a level of openness and transparency, when things are fine, but when life gets difficult they will bunker down to their position and we'll bunker down to our position. (Boris, Senior Vice President Commercial, Skyfly)

6.2.1.2 Power and dependence

The second atmosphere sub-theme that emerged from the data was *power and dependence*. It is an important sub-theme, as it influences manager's attitudes and actions on how they are interacting with their counterparts. In both cases, the two suppliers possessed resources (i.e. Aqua's patented vaccines and superior quality of products, Skyfly's unique engineering capabilities) that together with their selling power made their customers dependent on them and locked them in a long-term relationship. Doug, Commercial Manager described for example Skyfly's unique capabilities in the following way:

Yeah, we are very much dependent upon each other. I think we are two very large businesses that are actually similar in a lot of ways that if you had the money and the expertise, if you amalgamated to make one business you would be pretty strong in the world I think because the engineering expertise Skyfly has, the design capability and the

manufacturing capability that ThrustCab has and the hardware premises alone, things like that, would make you a formidable supplier I think or customer to anyone. (Doug, Commercial Manager, Skyfly)

One difference between Aqua's and Skyfly's case is that Skyfly's relationship with ThrustCab was also highly political. This is because Skyfly is a large UK and global employer and potential termination of contracts with ThrustCab would result in the loss of thousands of jobs. However, in spite of this high degree of interdependence between the companies, the power in the relationship did not reside exclusively with suppliers. As managers in Aqua and Skyfly stated, their customers are large multinational companies with a huge buying power and market access. The commonality between the two buyers was that firstly, they were proud of their history, products, size, and market position and secondly, they both disliked the degree of dependence on their two suppliers. Where the dependence of FishTin on Aqua was localised to some markets, the dependence of ThrustCab on Skyfly was global.

Managers in both case companies reported how their buyers' dislike of this dependence was reflected in managers' interactions. However, and not surprisingly, given the degree of interdependence between Skyfly and ThrustCab, Skyfly's managers' interactions were influenced significantly more. Managers' accounts suggested that often interdependence resulted in a conflict between the companies.

So I think it [the relationship] will go sour over the next few weeks, probably this evening when we have dinner with Thomas [Executive Vice President on Project A, ThrustCab] because that is where it will be discussed tonight. But it will get better again, we will find a way around it somehow and from next generation product A we are going to be a significant player because ThrustCab needs a significant amount of UK government launch aid for next generation of Product A and they will not get access to it unless they are working with Skyfly. (Errol, Customer Account Executive, Skyfly).

In some parts of Aqua, managers also reported that dealing with FishTin as a company that dislikes dependency is difficult as it can result in interaction difficulties between individual managers.

I think that FishTin – the big problem I would have is that they felt that everybody, they felt because they used to be huge and big, they are still big in other parts but in Chile they are not big anymore but even when they were big, a huge company and now exactly the same way they feel like they are doing suppliers a favour in buying them and that everyone in the whole industry must feel like being in heaven if they can sell products to them, so they feel and they make you feel that you should be ... you should be pleased to deal with them (John, Business Unit Manager for Chile, Aqua)

In both case companies, it was evident that dependency on a single source was not a desired position. The managers at Aqua and Skyfly reported two distinct responses from their buyers in dealing with this situation. The first type of response was a reduction in managers' openness as a tactic to increase their company's power position against the other party. These responses were manifested in a reduced frequency of communication between managers, restricted access to information for Aqua's and Skyfly's managers and misuse of information previously shared with FishTin's and ThrustCab's managers.

Because he is now fabricating all kinds of story to undermine our patent case, to undermine the vaccine performance to have extra arguments for the competition authority case it is ongoing simultaneously with the patent case. He don't want to give us field data from performance in the field although there is a written agreement of exchange of information basically that means that this information he would like to filter so that he can send all the negative information to the competition authority and keep hiding all the good ones and this is done to support our competitor,

not because they necessarily like the competitors but because FishTin want to disrepute us so they can press price so and then in this situation Fred [Technical Director in Norway, FishTin – M.B.] uses all kinds of tricks. (Todd, R&D Project Leader, Aqua)

I think it's worse now [the relationship between Bart and Fred] since they have been apart in a lawyer discussion since this vaccine patent. I think it's much more difficult now than it used to be. Until recently at least, Fred and I have spoken frequently with Jonah [Fresh Water Manager, FishTin – M.B.] but I met them recently in person and it struck me that it's more difficult now because they are suddenly taking our main competitors side than ours, which was the opposite in the past (Bart, Veterinary Service Manager, Aqua).

I think we are fairly dependent on each other and the way that we want to move forward with the business I think Skyfly it's good to do what you are doing with this Cranfield thing, because I think we do need to improve on certain areas and I think it can only benefit both sides by us doing that. But we need to be clear with each and not make stuff up as such – we need to be very honest about what we feel. Until now they were always issues, and they know they are dependent on us and they don't like it. You know, they would take every opportunity to make life for us difficult by not giving us information we need. Sometimes I feel it is like pulling teeth to get something out of them. (Boris, Senior Vice President Commercial, Skyfly)

The second type of response is related to situations where one party in a relationship has no choice but to accept the dependence on the other party, the behaviours of managers entirely changed. Especially in situations where a dependent company's business was jeopardised, managers from that company became much more receptive to giving access to information and increasing the frequency of interaction.

Situations such as these are captured in the quotes by Hank from Aqua and Mick from Skyfly.

No I wouldn't say we were and they'd probably gone to the other pharmaceutical companies as well but they seem to be much more interested and open to a collaborative approach because they realized they can't just do it on their own and they can't do it just having the pharmaceutical companies as suppliers they need more help than that. (Hank, Global Key Account Manager, Aqua).

Now where we do get more transparency is when there is a dependency from the customer, something they need to give to us to help us complete our task that affect them. In this case I would get further detail in and in fact at times I help them progress those issues that they've got trouble getting them, so I try to be proactive in that and therefore I get greater visibility as well. (Mick, Programme A Manager, Skyfly)

6.2.1.3 Cultural distance

The third sub-theme that emerged from the data as part of the buyer-supplier relationship atmosphere was *cultural distance*. The theme also consisted of two further sub-themes: *organizational culture* and *national culture*. Organizational culture was a theme that was particularly strongly present and often mentioned in the relationship between Skyfly and ThrustCab and occasionally in the relationship between Aqua and FishTin.

Skyfly and ThrustCab are two very different companies when it comes to their core values. Skyfly is what their managers described as a 'commercial organization', and the meaning of that was captured by Frank, Vice President for Programmes at Skyfly:

ThrustCab guys know that Skyfly is commercially very, very astute and strong and we are tough negotiators. We don't roll over easier. We are looking and continuously trying to improve our margin and certainly not dilute our margin so we are not in for example, we are not in the game for price reduction we are in the game of joint cost reduction. Yeah.
(Frank, Vice President for Programmes, Skyfly)

Where for example, Mitch, Purchasing Manager at ThrustCab, whom I had a chance to interview at the time of data collection for this research, explained that ThrustCab's mission is rather different:

Skyfly is a commercial organization. ThrustCab, we're a sort of commercial company and we're here to make our products and hopefully money. (Mitch, Purchasing Manager, ThrustCab)

This striking difference in the views of what the company's missions or 'purpose of existence' are, were viewed by Skyfly managers as something that separates both companies in the way they approach business and how individual managers behave towards each other. Skyfly managers were often comparing their experience in working with ThrustCab with other big multinationals companies. John, a Senior Vice President for Business Development at Skyfly, for example, explained how much more rewarding it is to work with organizations where you can reach a solution to a problem and reach a collaborative, win-win agreement, simply because they share the same understanding of the business and have a similar commercial orientation. Clearly, as he pointed out, this was not his experience in dealing with ThrustCab managers. He believed that ThrustCab management simply does not understand them.

And everybody can win so much more, you know and through personal experience working with the MoD years ago on a big naval weapon system, that I was a project manager for, you know working with Buyer-X (the real name of the company was omitted for confidentiality reasons

– M.B.] today, yeah, we have a fantastic relationship you know and we do have, generally have a one team approach to solving many, many issues and we always find a solution and we always... you know. In ThrustCab they clearly have a very, very strong, a very different culture. The point is that this is why it is so different I think when we deal with some of our other big primes like Buyer-X who generally the people who we are interfacing with are more business orientated, you know they understand and respect this is business at the end of the day, it is not a social experiment, it's not a European employment machine. (John, Senior Vice President Business Development, Skyfly)

Moreover, the relationship between both companies, especially on the commercial side of both businesses was strained. The behaviours of Skyfly's managers mirrored the company's commercially oriented culture in the way they interacted with managers from ThrustCab. This was, for example, manifested in lengthy and tough contractual negotiations and an ongoing challenge of ThrustCab's actions and activities that were perhaps not a part of the negotiated terms.

Contractually we believe that we have a reason to commercially challenge activities that are going on with ThrustCab and we will do that. ThrustCab tend to find that quite difficult to deal with at times. (Boris, Senior Vice President Commercial, Europe, Skyfly)

Cultural distance between the companies resulted in various conflicts between the managers. By far the most frequently mentioned was a dispute over absorption of costs related to design changes. Due to the immaturity of early product designs and subsequent evolution of product's features and specifications, ThrustCab's engineers have been sending out on a weekly basis design change requests to Skyfly's engineers. Every change request consequently required changes to components supplied by Skyfly. Skyfly's view on this is that ThrustCab should pay for all implemented changes, which are outside the contractually agreed quota of 'expected' changes. Skyfly's argument was that with every single change the company

encounters costs (e.g. staff, material, equipment, and administrative costs), which should be absorbed by ThrustCab, as they are a direct result of changes which originated from changes in the design of ThrustCab's products. Skyfly's managers' position was that their responsibility to shareholders makes absorption of such costs from a business point of view unacceptable. For this reason they invoice all the costs associated with the subsequent design changes to ThrustCab. On the flip side, ThrustCab management's standpoint was that, because they consider Skyfly to be a strategic risk sharing partner, they should show understanding and sensitivity and absorb risks and the costs related to the changes.

As a consequence of these two rather contrasting views on the same matter, both companies ended up in frequent conflicts and lengthy as well as tiring negotiations regarding who is going to absorb what costs and to what value. The data suggest that the longevity of these issues has created a negative atmosphere between both companies. Moreover, Skyfly management thought that the inherent differences in business outlook resulted not only in ongoing conflicts between the companies, but also created mistrust and doubts into Skyfly's ways of doing business. This has been vividly captured in quotes by Errol and Frank:

I think the perception of ThrustCab guys is, well I KNOW the perception of ThrustCab is we are absolutely screwing them all the time (Errol, Customer Account Executive at Skyfly).

Then when I come to the commercial side of life, I find it much more strained relationship and I think that is driven by the fact that ThrustCab believe that Skyfly are always trying to make a fast buck. Always trying to maximize, you know the profits out of ThrustCab. And the reality of the situation is that we don't do that and actually do is want to make a standard profit and agree profit margin with an agreed handling. (Frank, Vice President for Programmes, Skyfly)

Negative labels that existed at the inter-company level resulted in how managers were perceived as individuals. The data suggested that individual's interpretation or experience of an organizational culture acts as a lens through which an individual manager's behaviour is judged. This has been excellently captured in the quote by George where he is concerned that if ThrustCab perceives Skyfly as an untrustworthy company this is also how they perceive their managers.

So you know I heard the phrase Skyfly is a claims machine, I've heard it from some of our competitors as well by the way and it actually hurts me. I really, really dislike that that we are considered like that. I don't say that is wrong by the way, I don't say they are wrong to consider us like that, but it hurts me when they do, because it gets in the way. So right or wrong it doesn't matter it's their perception. It labels us because if they believe we are a claims machine, it means they don't trust us. It means they don't trust me and they don't trust my colleagues. If they don't trust us, we can't have a truly open one team approach to many things which we need on a one team approach to and I use that you know not gladly. If we can get a high performance relationship between customer and supplier or just between people in the same team, you can deliver so much more, so much better. (George, CEO Europe, Skyfly)

By looking at this line of evidence further, mistrust and relationship strains between individual managers due to the wide cultural gap has resulted in interpersonal relationships that were lacking in information exchange and in the perception of being informed. For example, the reduced openness in communication with ThrustCab's managers, left Skyfly managers with doubts and confusion over their understanding of ThrustCab's intentions to renegotiate the price for a package deal that had already been agreed.

They're clearly motivated by wanting to reduce their costs to them. They are also perhaps motivated by wanting to do offset deals to replace work in certain BRIC countries or whatever. We don't know that definitively,

you know we don't have that information... you know typically if we sit down and talk about why do you want to rebid this package of work or whatever, it is because we want the price down. From their perspective they just want the price down. The relationship is opaque and quite transactional. (Doug, Commercial Manager, Skyfly)

Cultural distance and its consequences for individual attitudes and behaviours were also mentioned by a few managers in Aqua. Similarly to the case of Skyfly, the data from Aqua's participant suggested that managers' interpretations of the buyer's cultural distance influenced their behaviours and actions – e.g. information sharing. From the way managers referred to this subject, it looks as if they thought about their counterparts as an individual level embodiment of organizational cultural characteristics.

Again everybody hates bad news and to be quite honest with you the flow of information from a production site to a commercial operation in terms of an early indication is typically bad news, we have supply issues and something has gone down, we have production issues and it's gone down, we have regulatory issues and there is a culture here of really, there is a blame culture as well in some instances and in particular at the moment if people are losing sales they will want to find the route of that and they will try and throw as much mud and as much stick at the supplier side because it's your responsibility to manufacture the product as possible. (Michael, Product Planning Coordinator, Aqua)

In spite of the staggering differences in the way the commercial management of both companies viewed the business they were in, there were 'pockets' in both organizations where managers perceived they were culturally much closer. Good examples of a lesser cultural distance, which nicely contrasts with the commercial side of the business, were from the engineering departments in Skyfly and ThrustCab. Skyfly managers, such as Tony and Mick for example, who worked with engineers from both companies, commented that engineers share a common

‘engineering’ mentality. The data suggest that this shared engineering culture facilitated greater reciprocal openness in interpersonal communication which was beneficial for the development of more trusting relationships.

Well they [engineers – M.B.] share with me what I share with them I think there is a more open relationship. Yeah. Because there is a general natural technical bonding that happens there. We can talk about issues. (Mick, Programme A Manager, Skyfly)

There is a shared engineering culture between us. I think basically an engineer has a desire to fulfil a task and make a very nice product and I think the only criticism I would make of an engineer is that you know he should be designing a Mini and he wants to design a Rolls Royce, but by and large that’s an engineering mentality. So I really feel the trust is there on the engineering side. (Darren, Programme M Manager, Skyfly)

The second sub-theme of *cultural distance* that emerged from the data was a theme on *national culture*. Although not mentioned very often, it was apparent from the data that managers were exposed to it in their daily interactions. The reason it is included as a part of cultural distance is that all managers who were referring to it had a perception about it, whether good or bad. They referred to it as an intrinsic attribute of an individual’s way of working, values, behaviours or attitudes. This was particularly strong in the case when a manager was dealing with nationally homogeneous groups, such as for example French or Norwegian managers. Tony, Vice President Engineering at Skyfly described the differences in communication styles and the fact that managers should consider this as part of the relationship.

And we may not recognise, so in relationships you got to consider cultures as well haven’t you. Because it is quite key, because why don’t people do that? They do that because their cultures is like that so if you deal with the Spanish they love talking, some of it is irreverent, but they love having that debate you know and therefore they might be different

and some of the English might not want to talk so much and decide we want do this, this and this and the Spanish think that's.... we want to have a long chat about it and then come up with lots of ideas and we might go back around the loop again. And then when you give the sat... we might go round it again so again. (Tony, Vice President Engineering, Skyfly)

Some managers believed that certain attitudes and behaviours originate in specific national cultures. For example, John in Skyfly was convinced that arrogance, ignorance and overinflated national pride were particular characteristics of French managers in ThrustCab and that structure, process orientation and strong separation between business and personal life were characteristics of German managers.

The fact that you said "I told you it was going to be 28 months and I need your date at day 1 and you're 14 months late, It doesn't mean I can do what I have to do in 14 months. It means it takes 28 months to do that. But they don't accept that and what we get into is this continual spiral of trying to compress because of the lack efficiency there. There isn't a grown up debate around. And it's a very French thing, it's not a Brit thing. I think the Brits would almost be....Yeah, let's get on with it. I think they do understand that, I think they choose to ignore it, because there is again, national pride. (John, Senior Vice President Business Development and Strategy, Skyfly)

There is that but in the way the Brits are seen to be very process orientated, less so than the Germans. They've got a methodology but the other thing is, dealing with the Germans I can remember I dealt with a guy and we did a very big contract with him. And it was always Herr Mayer and I was Herr Smith. In the end we signed the contract and I took him to dinner and I gave him the pen we signed the contract with. It was a gold Schaeffer pen. So I said, Herr Mayer I'd like to present you with this pen on behalf of the company. Thank you very much Mr. Smith

it's very kind. I said, I have one question. Can I call you Klaus and would you call me John? You'd think I'd asked to f..k his grandmother. He really did get upset. Herr Smith, that's reserved for very close friends and family. And he wasn't an old guy. But he was a very typical German guy. (John, Senior Vice President Business Development and Strategy, Skyfly)

A number of managers from Aqua for example were dealing with FishTin managers who were predominantly Norwegian. Aqua managers perceived and accepted them as people who like to do things their way and as people who are generally more secretive about sharing information.

Norwegians are very introverted I suppose towards Norway, they like things to be done by Norwegians in Norway for Norway, having worked for a Norwegian company for nine years before Aqua there is very much, that is kind of a cultural thing I find and again that's not a criticism it's just how they work. (Nick, Global Marketing Manager, Aqua)

Given that Norwegian was the dominant culture in FishTin, some managers at Aqua tend to associate those characteristics with FishTin as an organization.

Yes, this is a very important point as well. I would say FishTin is one of the companies that it is difficult to get information from. (John, Business Unit Manager – Chile, Aqua)

The findings from both case companies have demonstrated that managers perceived the buyer-supplier relationship atmosphere as an important factor that influences the way they behave and interact with their counterparts. The identified sub-themes of cooperation and conflict, power and dependence, and cultural distance all in their own and unique way provide an influencing context for individual managers' behaviours.

6.2.2 Organizational context

The next first level theme and the second contextual theme was organization. The four sub-themes that emerged from the data were: a) *Confidentiality*; b) *Interface design*; c) *Departmental silo*; and d) *Operational performance*. The sub-themes are discussed in the continuation of this chapter.

6.2.2.1 Confidentiality

Organizational confidentiality had a major significance for the amount as well as the content of information disclosed between the individual managers. Whether managers referred to explicit written confidentiality or not, the way managers from both case companies talked about confidentiality it was clear that they all have a very clear understanding of what information can and cannot be disclosed outside their companies. A common agreement was present between managers that a complete openness with an opposite party is dangerous and commercially unacceptable and that there are certain proprietary and critical pieces of information that are not shared with counterparts.

I mean we are running businesses here and you are trying to make profit for each of the businesses to continue being employed I don't think that sitting and being totally open with your opposite half about things that go on in your workplace and what you are doing may be the most beneficial thing to do. (Doug, Commercial Director, Skyfly)

Where they would view me not being open is I'm not going to pull my pants down and tell them everything about the profitability of my business. (Tom, Head of Global Aquaculture, Aqua).

Managers will tend to play within the boundaries of agreed confidentiality.

They're quite transparent in some areas as far as they can be when we go through a competitive process with them and they will share

information back from the marketplace in accordance with their rules which is fine because they've got to respect confidentiality (Boris, Senior Vice President Commercial, Skyfly).

If it was sensitive information I would discuss it with our team first to decide whether it's permissible because there's obviously confidential data within the company. If it's confidential data we're not allowed to share in the public domain and I would say sorry you can't do it but try and offer as much information as I can around the subject but if, as long as it's not sort of confidential information well then I wouldn't have a problem with sharing with it, pass back the data as quickly as possible, try and get an understanding of what it's for as well just to develop my own knowledge. (Nick, Global Marketing Manager, Aqua)

The managers also highlighted that, irrespective of any depth of interpersonal relationships they had with managers from the opposite party, there would always be a boundary they would respect and would not cross in terms of information disclosure. Karen, Global Marketing Director for Aqua, clearly stated that no matter who the person is, she would not cross the 'boundary' and disclose what is deemed to be confidential information.

I would abide by that boundary. If you go back to cost of goods again, I'm very happy to socialise with my customers and everything, but regardless of who that person is, if that's the expectation of my company that I can't disclose information, I will not do that. (Karen, Global Marketing Director for Aqua)

Also Hank, who had a long lasting and good relationship with Graham, Global Vice President from FishTin, explained that it would be unimaginable to disclose something that could potentially jeopardise Aqua's business. The way managers in both case companies talked about the issue of confidentiality is that risks from the

potential misuse of information that is critical for a company's success are just too high and individual managers were not prepared to take those risks.

There are things that we clearly from a corporate point of view, we don't tell each other because it would either be commercially sensitive or you know for example not that I particularly know but if I knew a formula for a vaccine, I would never tell that to Graham because it's an intellectual property rights for the company, so you'd never do that. (Hank, Global Key Account Manager, Aqua)

There's a personal level of transparency and there's a company transparency for example ThrustCab may ask for a full breakdown of our costs, they are not going to get that that's our business and not theirs if you see what I mean, at the end of the day we have a negotiated price in a contract, it's not a military contract so therefore why should be show them our costs? (Doug, Commercial Manager, Skyfly)

Yeah, you've got to protect your IP, it's a fine balancing act. You can't give them all your secrets but you've got to develop that relationship that says well actually, if I went to Skyfly and said, do it, then I know I'm going to get xxxxx. So we know what the goals are and what we want to achieve in this process can be. (John, Senior Vice President Business Development and Strategy, Skyfly)

6.2.2.2 Interface design

Another sub-theme of the organizational context was about companies' interface design. Managers in both Aqua and Skyfly described major issues in the way the structure of companies' interfaces influenced managers' communication with the buyers' managers. Two main issues were pertinent. The managers at Skyfly repeatedly experienced frustrating situations where they felt that everyone was communicating with everyone. Although not explicitly stated in the company's rules

or procedures, managers expected that they would communicate certain issues only with specific individuals at the customer side. However, this understanding was not always reciprocal, which resulted in an explosion of communication through multiple channels.

And actually one of our issues is that you talk about this misalignment of the structure is that we have a classic case of that is that we've got George talking to Thomas (Executive Vice President, Programme A, ThrustCab), we have Frank who is my boss, talking to and the you have got me talking to Ray, William and Martin (all ThrustCab) and I'm not sure we're actually got that bit sorted out very well. (Mick, Programme A Manager, Skyfly)

Moreover, the explosion of uncoordinated communication was perceived as particularly harmful for the relationship between the companies, because managers experienced frustration in situations where they didn't have clarity of their point of contact is when they needed, for example, specific access to certain resources (i.e. knowledge, information), and secondly because it sends mixed signals over relationship ownership.

The other side to this is about not confusing people where you want them to interface with you in the organization. For instance, I shouldn't see Oliver (Project A Manager, ThrustCab) on a very regular basis, because the important person for him will be Frank (Vice President Programmes, Europe, Skyfly). And we must not destroy that relationship. We can come in and make Frank look like a Skyfly hero by supporting, applauding or giving him what he needs to make Oliver happy, and do that visibly. And when we see Oliver, we stroke and path him and make him feel important, but also make him understand that Frank is the guy that's going to weed and feed him on a daily basis. So there's an issue here that's not, everybody's communicating with everybody. (John, Senior Vice President for Business Development at Skyfly)

*And there's an explosion at the top of the organization, everybody's saying "What the f**k's this about?" "Ah, well. You know when Bob went and saw Fred..." So it's the complexity of the relationship we have with this customer because when we actually plotted Skyfly's interfaces with ThrustCab's, there's 5 commodity groups on 4 sites and we've got 7 of our own sites and you start linking that all together. That's quite complicated. (Frank, Vice President Programmes, Skyfly)*

The interface design was seen by managers as part of the organizational 'set-up'; a fixed property of a company which, when they spoke about it, they usually associated with certain communication issues. Confusion over relationship ownership which was a big issue in the case of Skyfly was much less present in Aqua's case. On the other hand, Aqua's managers felt that the ownership was clear and managers understood who should communicate with whom. However, what emerged strongly from Aqua's data is that the way Aqua's interface was structured it introduced, in several cases, an intermediate party between two boundary-spanners, which was met by managers with frustration, as it restricted direct interaction.

The internal set up is definitely so that people in R&D should not talk with end customers, only people in the field, the commercial people should talk to end customers. I think it's foolish. That's something which is set. That's a company structure, but it's wrong. (Charlie, Head of R&D Biologicals, Aqua)

The intermediate party was always a superior person who was also the primary owner of the relationship. Managers at Aqua stressed that by not always communicating directly on important issues, some of the information quality properties are lost on the path via an intermediate manager. They stressed that in spite of the relevance of information for performing their daily tasks that information reaches them already filtered, or as Nick described it "second hand".

So in terms of the transparency they still feed out information but it's not the same level of transparency as when the wider team meets because second-hand information is never as good as first-hand information. (Nick, Global Marketing Manager, Aqua)

It's an interesting one, when you think in a very large company like FishTin, it could be useful to meet them face to face and hear what their long term capacities are and what they actually want, there's always a risk with anyone as the message gets passed down the line, the message changes. (Ken, Supply Chain Consultant, Aqua)

I mean again as I said previously I do not believe anywhere is there a relationship between a final customer, I'm not talking about commercial entity here, I'm talking about an actual integrated producer, fish farm, whatever you might call it and the ultimate supply side which would be the manufacturing side, that relationship has always been channelled through the commercial operation, now with the advent or with the desire to adopt more key account strategy and maybe that relationship or maybe the rules of engagement shall we say might be able to take a different form. (Michael, Product Planning Coordinator, Aqua)

6.2.2.3 Departmental silo

Another theme of the organizational context theme that emerged from the data was departmental silo. Silo structure was discussed by managers from three aspects: as a hindrance to the flow of information between managers, as a source of deterioration of quality of exchanged information, and as a company level lens to judge an individual's abilities.

For example, the presence of a departmental silo was seen by both case companies' managers as an impediment to the flow of relevant information that individual managers needed to fulfil their daily responsibilities.

I think it's the nature of I think the organization, Aqua as an organization does not promote openness, it's kind of the silo aspects where everyone is kind of defending their little territory and their little bit and there's not enough sort of cross pollination between the silos to get what you need for your job. (Evan, Marketing Services Director, Aqua)

Where in the case of Aqua, the flow of information was halted internally, due to the existence of an internal departmental silo, this was less of an issue in Skyfly's case. The Skyfly's case showed that their managers often lacked relevant information due to the siloed organizational structure of ThrustCab, which in their view obstructed the flow of information between managers.

Their engineering say I want this done tomorrow and I don't care how much it costs, and then I am saying well we haven't got a purchase order to do it and then I am going back to procurement – Mitch [Purchasing Manager, ThrustCab] and that, and saying where is my purchase order and here is the cost and he is saying I don't know anything about it, we haven't negotiated, we haven't agreed it. (Tyrone, Vice President, Product A, Skyfly)

Managers also reported that the existence of a departmental silo influences the quality of information they receive. In this case, the information flow still existed but the properties of that information, such as timeliness and completeness, changed.

“Oh definitely we have lack of openness within Aqua as well. Nobody would see wholesales figures corporately. They local guys yes, but not us. Even that they would see figures in terms of individual customers, nobody would see it corporately. I would see for example an overall number, maybe per product but generally more product grouping. The information flows and the finance people maybe but they tend to keep everything tied up. (Richard, Global Technical Service Manager, Aqua)

How could we do this more effectively, a lot of the information we get is second hand through the sales guys, so when there's maybe a problem such as this which comes about with the team that puts together the protocol and speak directly with those involved developing, that have seen this perceived problem, it would give a better idea of exactly what we need to do, so maybe that's an option... From where we were two years ago, that is improving and is still improving, maybe that ability to step in and have discussion with the customers where there are issues and where we need to develop or do a study to clarify an issue. (Nick, Global Marketing Manager, Aqua)

Negative experience with information flow interruptions, resonated with managers to the extent that some of them had started labeling the company as a 'siloes' company. This was a situation where an experience conveyed through an individual-level interaction was used to label the whole organization.

Whether they are internally transparent as they should be therefore we are not seeing that either, they are sort of known to us as a non-transparent organization. (Errol, Customer Account Executive, Skyfly)

However, similarly to the case of organizational and national culture described in section 6.2.1.3, an organizational level attribute is used to judge (and predict) behaviours of an individual.

I am not sure that some of the people we deal with are that clued up to know what they are up to. If I'm honest as a business they are so siloes, the whole business in ThrustCab is so segmented into their little groups of procurement and engineering and you know that they don't seem to talk to each other. (Doug, Commercial Manager, Skyfly)

6.2.2.4 Performance

The last sub-theme of the organizational context that was perceived as salient by managers was the performance of their companies. Within the term ‘performance’ managers described ‘how well they perceive their business to be doing’ in comparison to what the business was supposed to be doing. Managers from both companies were consistent in their views that how well they perform as a supplying company will influence individual managers’ behaviours, interpersonal communication processes, relationships and exchanges of information.

Managers reported that situations in which their company improved its performance were characterised by more frequent interactions at individual levels and more access to information which, according to their perception, originated in the increased confidence of their counterparts in benefiting from the supplier’s future good performance.

Over the last two years we’ve done a lot of work, not just with FishTin; other companies as well, to try and establish or the show the benefits of using the product and not the generics and the support that we are willing to give to back up the product and make sure it’s used in the correct way. I think they’ve grown in their level of trust in what we’re saying; our level of technical ability and our intentions to try and make this work. That’s lead on to us being given access to more information from the farms in Chile in respect of the problems they’ve been having, and sharing information with us now about treatments and when treatments are done. (John, Business Unit Manager, Aqua)

Yes, the frequency increased [of interaction] and what I actually believe happened is that, because of the improved performance and also Graham [Global Vice President, FishTin] having more confidence that we were making some progress on what is, when you look at the whole project

sort of in total, it's a huge project. (Richard, Global Technical Service Manager, Aqua)

The frequency of interpersonal interaction also increased in situations where the supplying company underperformed. However, the increase, according to managers' perceptions, frequently originates in the customer's aim to more closely monitor and control business activities at the supplier's side. Managers at Skyfly frequently mentioned that this is the situation where buyer's managers would demand an increase in their openness, specifically related to the information relevant to the particular problem situation in question. Compliance with such demands was frequent when managers wanted to demonstrate their positive intentions and will to resolve a critical situation and mitigate the risk of being overly blamed for the situation.

Once the performance shortfall is apparent in the customer then the level of customer engagement increases, it can go to daily telephone calls, status calls, it can go to them residing in your factory or participating in reviews. (Tony, Vice President Engineering, Skyfly)

Last year we had a problem developing a product and initially that was all handled in house but when it became apparent and this is on a weekly basis, we report progress but at a program level and when it became apparent that you weren't going to be a week late, you were going to be two weeks to a month late the escalation then increased such that we started having executive reviews on a weekly basis face to face and then the co-location of their team with our team to make sure they had real time data and could relay back to their management team that we were following the plan that we said we'd do and there weren't resource issues, that we were doing what we said we would do to meet our commitment. (Darren, Programme M Manager, Skyfly)

Marko therefore if there were no issues and if there were no commercial problems and issues would I have, would I maintain the same frequency of meetings with Thomas? In all honesty I probably wouldn't. I would probably back of a little bit you know to maybe twice a year or three times a year or whatsoever instead of five or six times a year and I'm not saying that's right or wrong I just think I'm being open that I think I would almost certainly see less of him and I will see less of him as issues diminish. (George, CEO Europe, Skyfly)

In summary, influencing factors that fell into a category of organizational context consisted of, confidentiality, interface design, departmental silo and performance. The data suggested that while confidentiality and performance may influence managers' openness by altering their perception of risk in disclosing information, interface design and departmental silo act as organizational barriers to the flow of information between individual managers.

6.2.3 Interpersonal relationships

This is the third first-level theme that emerged from the template analysis. It is the first theme that captures the influences at the level of an individual manager. It captures influencing factors that were deemed relevant to managers in relation to openness and relationship transparency. The factors are captured in the two second-level themes *nature of interpersonal relationships* and *interpersonal communication process*. The relevance of these two themes is further discussed in the continuation of this section.

6.2.3.1 Nature of interpersonal relationships

The nature of interpersonal relationships is the first second-level theme under the theme of interpersonal relationships. It captures suppliers managers' accounts related to the nature of the relationships with relevant buyers' managers and past experience of their interactions.

6.2.3.1.1 *Depth of interpersonal relationships*

The theme *depth of interpersonal relationships* encompasses Aqua's and Skyfly's managers' perceptions about the closeness of interpersonal relationships with their counterparts at FishTin and ThrustCab. Analysis of the evidence suggests that when suppliers' managers talked about the nature of interpersonal relationships they referred to it in a similar way to when they talked about the buyer-supplier relationships atmosphere. In general terms they described the nature of interpersonal relationships with words such as *good, deep, bad, better, worse*, etc. From their descriptions, it was evident that the nature of interpersonal relationships played a very important role in their decision whether or not to disclose information to buyers' managers. Although it was established earlier in section 6.2.1, that relationship atmosphere played an important role in influencing managers' behaviours, it was the nature of their interpersonal relationships that they considered particularly important. The quotes from George and Errol indicate that mutual openness is an essential part of deep interpersonal relationships.

I am completely open with Ray [Programme A Manager, ThrustCab] because our relationship is kind of very deep, we know each other very well from a long time, for many years so I can be absolutely open with Ray and he can with me too. (George, CEO Europe, Skyfly)

In terms of individual openness, it is absolutely down to personal relationships, absolutely. So the better the relationship with individuals, the more open we are with each other. Absolutely 100%! (Errol, Customer Account Executive, Skyfly)

Informal, social interaction is an essential ingredient of close interpersonal relationships.

I feel like I am absolutely convinced relationships are between people. I feel like if they believe me as a person, business will be much easier and

better, so being honest with them, laughing, crying, screaming with them, I feel is much better than having a formal and polite relationship. So I feel our relationship has improved with them since a couple of years. We haven't come to a plateau where the relationship is perfect but we are improving every day. (John, Business Unit Manager, Aqua)

In several accounts, managers indicated that the depth of interpersonal relationships evolves over time. This means it is dynamic and changes over time. For example, the amount of time that managers physically spent together interacting and communicating positively influenced the development of interpersonal relationships.

Well I guess with Thomas [Programme A Vice President] I think the level of openness has probably increased slightly, and I guess the reason for that is pretty simplistic, simplistically is, well there's probably several components to it actually, I think one is our personal relationship has evolved, i.e. that's because the more time we spend together I think the more relaxed we are in each other's company. (George, CEO Europe, Skyfly).

In Chile my relationships have definitely improved with the FishTin guys Jay [Production Director, FishTin] and Mark [Veterinary Health Manager, FishTin]. Not because we've been particularly successful at showing them that the correct use of slice is better for them but the overall relationship that we've had that has been a much more frequent communication, much more specific about actual physical things that they can do on the farm and how to do it. (Hank, Global Key Account Manager, Aqua)

Managers also deemed that the depth of interpersonal relationships plays an important role for relationship transparency. For example, perception of the depth of an interpersonal relationship tends to increase through a series of trustworthy interactions, as discussed in detail in section 6.2.4.1, and influences the way received

information is interpreted. The quote below is a good example of the link between the depth of interpersonal relationships and relationship transparency which was described in this case with the words as ‘...they’ve come to believe that they’re having more trust in what we are saying...’.

... it has been much more of a positive nature rather than a negative nature so I think they’ve come to believe that they’re having more trust in what we’re saying because they are largely coming round to agreeing and following what we are saying, rather than closing their eyes to what we’ve been saying. (Hank, Global Key Account Manager, Aqua).

In situations where interpersonal relationships were perceived as conflicting and strained, managers felt they lack an understanding of the opposite party’s actions and properties. This was partly because of the information sharing behaviours of their counterparts, which were manifested in a restricted inflow of information to suppliers’ managers.

Well, if he was to carry out his threat it would certainly cut us off from understanding of what is going on because they were basically shutting off collaboration with us and stop sharing information with us (Tom, Head of Global Aquaculture, Aqua).

I lack a real understanding of where they want to go. I think that’s it probably lack a real understanding of their vision, because I have a few issues with various members of their staff that still cause some political arguments and that and really firstly hold the negotiations, and secondly I don’t trust them enough. (Tyrone, Vice President, Product A, Skyfly)

Similarly, as discussed in section 6.2.1.1 that for example a conflict that arises in one department influences managers’ interaction behaviours with another department, the evidence suggests that the conflict between two managers may influence the interaction with other managers who were not a part of the original conflict. In the

quote by Todd it was evident that one strained interpersonal relationship with a FishTin's manager influenced Todd's interaction behaviour with other FishTin managers.

*When you have one person like [Todd is referring to the person with whom he had bad relationship, M.B.] that it affects the communication to everybody. It pollutes that relationship. It's going downwards and I don't communicate much with them. In fact I'm pi**ed with them. (Todd, R&D Manager, Aqua)*

However, once a bad interpersonal relationship is removed, or interaction with a manager ceased, other interpersonal relationships may improve.

It's like being in a family with five children and they all get on really well but there's one that just causes problems and when that one goes away for the weekend everyone gets on really well but when it comes back everyone starts arguing again. (David, Sales Manager, Aqua)

6.2.3.1.2 Past interaction experience

Past interaction experience is the second sub-theme of the theme nature of interpersonal relationships. It refers to suppliers' managers' experiences that they accumulated after single or multiple interactions with corresponding buyers' managers. Where depth of a relationship is more general – overarching and over longer time accumulated perception of relationship closeness, interaction experience has also a short term nature.

Managers in both case companies had had good as well as bad experiences with their counterparts. What they described is that interaction experience, whether good or bad, provides a 'framework' for their future interaction. For example, depending on a manager's experience from the last interaction with her/his counterpart, s/he will

adjust her/his future behaviour. Probably the most often cited example was misuse of disclosed information. The quote from Evan captures this:

I have to pull back because if individuals misuse the information that I've given or I think they are misusing the information. So the starting point is let's be open and if I experience anything negative in dealing with them then I'll start closing the book! (Evan, Marketing Service Director, Aqua)

Moreover, managers' interaction experience facilitates their ability to predict the future behaviour of their counterparts. This was observed in both case companies, where managers used their past interaction experience to adjust their behaviours. One example of adjusted behaviours is, for example, reducing the sharing of information with a counterpart, who repeatedly displayed untrustworthy behaviours by misusing previously shared information.

I have told him that I can't share as openly as I did before because I am seeing again and again you are using it against me. (Jonathan, Sales and Marketing Manager, Aqua)

They have used things, documentation that we have openly shared with them in a context of confidentiality that normally has never been shared outside, they have approved that it is going to be shared to a third party and very openly used by them towards competition authorities, towards media, towards the customers, they have openly gone out and said they shared data which could be used disfavor or open up to force a licence to another competitor, so when that happened several times, something changed in our minds, in my mind as well, so I have been actually within this year and especially – not this year, last year and especially Autumn 2009, I have been very careful of not sharing that much information back to them. (Bart, Veterinary Service Manager, Aqua)

Another possible response from suppliers' managers to negative interaction history with their counterparts, is that when the counterpart demands information sharing, managers may alter the properties of disclosed information, such as accuracy.

Yes I had a bad experience with them before. I think it is a combination of you know ThrustCab beating Skyfly up for every last issue and therefore there is a tendency to do I guess deny the truth in some instances and not take a beating because it's like everything you know if you're bullied, if someone's bullied in some instances, if you get bullied too often you know you give up don't you and therefore you tell the customer in some instances what he wants to hear because you know you're not going to get bullied and that definitely happens within the relationship (Darren, Programme A Manager, ThrustCab).

The quote that follows reinforces the connection between past interaction experience and future adjustment of individual managers' behaviours – this time as a result of a positive experience.

“We have had co-operations projects with them, had project meetings where it has been a real exchange of internal information and project information and that does something with the way that you communicate because then you start just to not think about every word that comes out of your mouth, you have an open discussion which makes it a lot more creative but it is based on trust and if you take away the trust you do something with the content of the discussion, basically that's what they did at that meeting and will affect how I talk to Graham next time” (Todd, R&D Project Leader, Aqua)

A property of past interaction experience related to managers' ability to predict their counterpart's future behaviours also played an important role in situations where suppliers' managers were in the role of information receivers. In such situations, past interaction experience gave managers a framework for thinking about counterparts'

past behaviours and they used this as a basis for interpreting received information. Such a situation is illustrated in the quote below, where the manager, after experiencing an ongoing bluff from his counterparts, doubts the truthfulness of received information.

So to some degree I have to take it with a pinch of salt what they tell me in terms of how bad we are, so that perhaps maybe not of much trust but interpretation of what they are telling us. What they are telling me is that they are frustrated not meeting our commitments. If we are truly the worse, then we are the worse, because it gets escalated very quickly and shouldn't be a surprise. (Frank, Vice President for Programmes, Skyfly)

6.2.3.2 Interpersonal communication process

The second, second-level theme under the theme of interpersonal relationships was the *interpersonal communication process*. This consists of five sub-themes: *formal vs. informal communication, communication environment, communication frequency, reciprocity, and communication motivators*. These are now discussed further.

6.2.3.2.1 Formal vs. informal communication

The interview data suggest that formality of communication was for managers from both case companies an important direct and indirect influencing factor of their openness and relationship transparency. It refers to factors such as rules, hierarchies, degree of spontaneity, interactivity and richness of communication between the managers.

In both case companies, it was clear that daily communication between suppliers' and buyers' managers consisted of a mix of formal (e.g. structured and planned meeting discussions) and informal communication (e.g. spontaneous and unstructured corridor talk, social gatherings or pub conversations). Managers from both companies perceived the informal communication as a route for easier problem

solving and strengthening of social relationships and as a way to become more familiar with each other.

I think it is a good opportunity to understand what makes this person tick and you know and what sort, what is his real likes and dislikes and understand some of that, it helps you deal with some of the business issues more easily. (Darren, Programme A Manager, Skyfly)

I think we should have more open discussions, almost like nights out between the two on an informal basis – I think a lot of things are sorted and resolved at that sort of level. (John, Senior Vice President Business Development and Strategy, Skyfly)

And I'm meeting up with one of their managers tonight actually and rather than just go to see him tomorrow I'll meet up with him tonight and have a drink with him and that, so we do other things rather than just the hard business side, we could probably do more though to be honest. You need to get on with the personalities before you can work together I would have thought, it helps lubricate things along the way. Lubrication like alcohol, I think it just helps obviously you can do business with people you don't like probably but I think you can do better business with people you do like, that you get on with. (David, Sales Manager UK, Aqua)

It was evident from conversations with suppliers' managers that firstly not all managers perceived the utility of the informal communication equally; secondly that informal communication was an essential part of close interpersonal relationships; and thirdly that as the quotes above demonstrate, informal communication fostered interpersonal closeness and problem solving.

The role of informal communication was particularly interesting at Skyfly. Skyfly managers valued informal communication as a channel where interacting managers

displayed greater degrees of openness, thus managers felt this is the way to become better informed about the issues concerning their roles as well as wider business.

Yeah, you look the guy in the face and he has had a couple of beers with you, you know, I have had conversations with people in the evening that have had a few beers together and I have sort of said well what really do ThrustCab think of us and the guy was honest enough to say look we have got a league table and you are top of it – and we were like oh, that's good, and he said no you are top of the worst supplier league table. That sort of comment, and I took that away and I spoke to senior management about it and said look this is serious guys we need to improve this. (Doug, Commercial Manager, Skyfly).

The reason managers perceived informal communication as the one that is fostering their perception of being informed was because their suppliers' managers perceived this as an 'honest' channel of communication in comparison to formal meeting settings for example. It is a channel where communication was more interactive and rich and where company rules and hierarchies were dropped from the communication process. However, it was obvious that managers used the informal communication only with counterparts with whom they had close, trust-based interpersonal relationship.

At the end of the day they work for the same company and they are restricted in how much they can say, there is a particular one like I said that we do have the odd offline chat about things and that helps sometimes get issues resolved because it tells us what we should be doing and we say to them what it would be nice for them to do for us so you know it helps that way sometimes, but there is only one of them that I would do that with. (Boris, Senior Vice President Commercial, Skyfly)

In terms of our visibility into their programme or into their information we would benefit from greater transparency of where they are in the

programme but having said that I think through some of the relationships we can get perhaps a more exact understanding of where a program is, where ThrustCab is not on the official what's on paper which will be communicated broadly but through personal relationships we can get perhaps better information, never full but a better idea which is helpful. (Frank, Vice President Programmes, Skyfly)

If there is a personal relationship, I think there is a lot to be said for that and it makes the conversation a lot easier. (Michael, Product Planning Coordinator, Aqua)

Contrary to formal communication, data suggest that informal communication is used in, and copes better with, situations where uncertainty is high, for example where unplanned issues and problems arise. Especially in the case of Skyfly, managers used informal communication to resolve a myriad of unexpected and complex issues in relation to design change specifications.

Do I believe, I certainly believe it is important [informal communication – M.B.]. I think one of the difficulties has become the programme is going through a bit of a slow period and therefore the need for me to be or guys from ThrustCab to be at our place, face to face is not quite as important as if it was when there were lots of issues needing resolving. (Darren, Programme A Manager, Skyfly)

6.2.3.2.2 *Communication environment*

Communication environment is the next sub-theme of the theme *Interpersonal communication process*. It refers to a physical environment in which an interpersonal interaction takes place. The communication environment was seen as an important factor for influencing managers' openness and perception of being informed. Particularly in the case of Skyfly's managers, they perceived the physical environment that was outside of a formal, organised, rule and hierarchies-based

corporate environment, as conducive to greater openness and transparency between managers.

Managers felt that when they are liberated of corporate communication formality and rules, they are prepared to share more information with their counterparts. Specifically in the case of the Skyfly-ThrustCab relationship, the formal communication between managers was very often strained, polluted with blame, conflicts and escalation of issues. An informal communication environment, in this respect, felt like a safe environment where individuals could share information and resolve issues without risking potential negative consequences.

A few years ago on the Programme A we used to regularly out with the customer and sort out a lot of the issues and understand a lot of the information on an informal basis, not minuted, nothing written down and I think they were really good, really useful, good team-building exercise for both sides. (Doug, Commercial Manager, Skyfly)

I'm finding it difficult – they are pretty closed officially, unofficially they'll open up to me but not to be repeated in a court of law or you know a classroom. Outside of the meeting room they'll be more open. (Tyrone, Vice President, Product A, Skyfly)

An informal communication environment was inherently perceived as more 'honest'. Skyfly managers repeatedly indicated that their counterparts in social settings come across as more open and honest. This worked in favour of perceiving buyers' managers to be more trustworthy which, as shown later in section 6.2.4.1, had a direct influence on how managers interpreted received information. For this reason, the informal communication environments were often selected by the managers to enhance their understanding about business issues relevant to their work.

I think it is the private discussions we have outside of the formal meetings that I think they share where they really are on the key issues they have

and the challenges, so it is the corridor conversations are honest and open and provide the better visibility for decision making and perhaps than the formal reviews. And you have to understand that the formal reviews, there is a company line and there is the reality. (Frank, Vice President Programmes, Skyfly)

I see Thomas once every couple of months and typically it's in an informal setting even though say it might be in his office or it might be in a restaurant in ThrustCab or it might be in the bar of a hotel or dinner in a restaurant in a hotel, but it's generally just he and I so we don't have everybody around us trying to position or parade or whatsoever, it's just two guys at a similar level in an organization. All this helps maintain the relationship and it seems quite good and the transparency seems to grow. Where the socialization starts to drop away then so does the transparency. (George, CEO Europe, Skyfly)

Depth of interpersonal relationships between the suppliers' and buyers' managers could influence with whom exchanges of sensitive information in informal physical environments was carried out.

Do you know one of the things, during the big bidding phase for Programme A I used to spend two or three days in Country X [M.B.] and they would be more open and I would get more transparency with the guys that I was negotiating with or talking with in the bar in the hotel after we'd finished the meetings, they'd drop their guard. But you know, you do this with, you talk sensitivities in such settings with guys, where the relationship is good enough. (Errol, Customer Account Executive, Skyfly)

6.2.3.2.3 *Communication Frequency*

This is the third sub-theme of the theme *Interpersonal communication process*. It refers to a frequency of information exchange between suppliers' and buyers' managers. In both case companies, the frequency of communication between managers varied from relationship to relationship. According to the managers these variations could be attributed to the depth of interpersonal relationships, physical distance between the managers, work on common projects, differences in hierarchies, etc.

Frequent communication between managers helps in maintaining the relationship, irrespective of whether it is for business or social purposes. The expanded version of a previously used quote by George, demonstrates that the interaction time, which could be seen as a proxy for communication frequency, helps maintain an existing relationship between two managers.

I guess the common ingredient Marko is you know it's the amount of time which we interact and also the environment because typically. I see Thomas once every couple of months and typically it's in an informal setting even though say it might be in his office or it might be in a restaurant in ThrustCab or it might be in the bar of a hotel or dinner in a restaurant in a hotel, but it's generally just he and I so we don't have everybody around us trying to position or parade or whatsoever, it's just two guys at a similar level in an organization. All this helps maintain the relationship and it seems quite good and the transparency seems to grow where the socialization starts to drop away then so does the transparency. (George, CEO Europe, Skyfly)

Moreover, in cases where the social component of interpersonal relationships is weak or perhaps non-existent, the increase in interaction frequency helps to foster familiarity and potentially trust between interacting parties. The quote from David, Sales Manager from Aqua, for example, illustrates that albeit the initial

communication between him and managers from FishTin was business related, individual characteristics also became visible to the communicating parties which fostered individuals' perceptions of knowing the opposite party better.

But with the other individuals it has changed in that we know each other better because I've been dealing with them more in relation to the products, when we have a new product, a PD vaccine and I've been speaking to them about that product more, so my contact rate has increased and therefore I've got to know them better. (David, Sales Manager, Aqua)

Something similar was experienced by Evan.

Well, with Graham, I've had no direct contact for probably a year and a half, so I can't say it's changed. With Leslie, now that I'm in Canada, before when I used to meet her it was only visiting Canada from Netherlands, but now that I'm here, I'm more used to her and especially on a day-to-day basis, I am THE contact person for the company here, so yeah, I'd say it's got more frequent and... better, I guess, because before we'd have met but we didn't really know each other at all. Now I know her a little bit, so yeah. (Evan, Marketing Service Director, Aqua)

Additionally, managers stressed that in relationships where trustworthy behaviours are emitted on an ongoing basis, the relationships tend to grow beyond pure business relationships, towards more personal relationships.

I've got to know them better, so they probably trust me more, I trust them more, I know them as individuals, I know they've got three children, they go on holiday to France that sort of stuff, so we've got personal things that we know about each other as well, so it's moved more towards a personal relationship. (David, Sales Manager, Aqua)

Furthermore, the frequency of communication did not only help with fostering familiarity between the individual managers. In both case companies, it also helped with a better understanding of product and/or service characteristics or the wider business context in which the companies operated, because managers had an opportunity to exchange more information. Ongoing communication for example was used to achieve managers' 'buy-in' to Aqua's products and to overcome initial negativity and resistance to the use of their products.

We've been talking to them for more than two years about this product and the fact that it works and it could help them with some of their issues, and they previously had always been very negative to the use of it – they just didn't believe that oral vaccines could work, etc., etc. Over the last two years, there's been a lot of information passed to them; a lot of discussions explaining about oral vaccines; what the limitations can be but how it can help them. They've finally gone as far as suggesting that they're going to use it, in fact, David is with one of the FishTin farms in Scotland today, talking specifically about starting a vaccination regime with them (Chris Gould)

Ongoing communication also helped managers from Aqua and Skyfly to increase their understanding of the context that surrounds their counterparts. This was important for interpreting why their counterparts behave the way they do and is captured in the following quote by Doug.

I mean the more you talk, the more you got to know somebody obviously the more they understand what you were like and how you reacted, how you negotiated and things like that. I think there was a mutual respect was built up between the two, you understood where you were both coming from like I say I think in the early days you may have thought that the guys arguing with you for the sake of arguing and you almost sort of took it personally. Where in the later years you start to realise that they are just there to defend their business the same as you are and they are

trying to do their job as best they can. (Doug, Commercial Manager, Skyfly)

6.2.3.2.4 Reciprocity

Reciprocity is the fourth second-level theme of the theme *Interpersonal communication process*. Reciprocity in interpersonal communication was perceived as extremely important by literally every manager at Aqua and Skyfly. This refers to a social norm where an individual manager responds in kind to the behaviour or action of the opposite party in the relationship.

The reciprocal response to a positive action or behaviour in the communication process between two managers is seen as a ‘fuel’ that powers a two-way communication process. A direct positive effect that reciprocity has on individual managers’ openness is that when a supplier’s manager’s openness is reciprocated with a buyer’s manager’s openness, the supplier’s manager is likely to exhibit the same behaviour in the next communication episode.

I also think that there are some events in ThrustCab that may, he obviously, now he knows me more he understands that I know a lot about ThrustCab I worked for them and he feels more confident in being more open with me and if he is more open with me then I tend to be more open with him, I guess you know we’ve both opened the window, the Jahari window I guess is the concept that comes to mind Marko. (George, CEO Europe, Skyfly)

Yes, so there is clarity of when they are going to give us something and what it is and is accurate, but also for them to be more open so maybe we would be more open back. (Tony, Vice President Engineering, Skyfly)

Yes but if you react openly to people and speak to people openly they tend to reciprocate as well and it gets people’s guard down and that’s

something I learnt in sales with my time in sales and marketing I was very open with people and even if it's bad news if you're still open with them, you don't always have to tell it like it is and hit them over the head with it but if you show people the facts and you're very open and honest in that respect generally it tends to be reciprocal. (Nick, Global Marketing Manager, Aqua)

Unsurprising was the fact that in cases where reciprocity was absent from the interpersonal communication process, managers experienced communication difficulties and frustration. For example a buyer's manager's non-reciprocation to the initial supplier's manager's act of information sharing is likely to result in the supplier's manager's reluctance to share information again.

I don't know if it's a correct analogy but what I refer that as in the Tom school of business is the sponge strategy. Where somebody wants to suck up all the info they can and never wring out the sponge. Suck it all up but never give you anything back. (Tom, Head of Global Aquaculture, Aqua)

Sharing of information may also decrease when a counterpart does not reciprocate in providing a communication environment where openness and relationship transparency can be fostered.

*The thing we have to look at here is, there's a couple of guys and I don't think anyone on this site has the balls any more, that's the problem. There's a couple of guys who went out and spent money, they got a box at Bristol rugby, and they invite selected suppliers and you go and have a few beers and a laugh and a joke. I see a lot of the guys here socially. I see some of the senior guys from the ThrustCab organization on a social basis. We all go to concerts, we go out on the p**s or something like that. The problem here is, there's no reciprocity. The trouble is you almost feel like you prostitute yourself at times and it's a comfortable environment if you're in the position of being a supplier, whether you're*

a partner or not, and you're being seen to be offering incentive or hospitality. That's not the most comfortable way to do this. (John, Senior Vice President Business Development and Strategy, Skyfly)

Moreover, to corroborate the evidence that reciprocity fuels a two-way information exchange between managers, a quote from Hank shows that when his counterparts do not reciprocate, he would behave in a similar way – i.e. stop sharing information.

With those individuals who I know are not open with me or who I perceive as being not fully open with me, I would tend to be less open with them as well. (Hank, Global Key Account Manager, Aqua)

Additionally, the lack of reciprocation was perceived by managers from both case companies as a form of untrustworthy behaviour, which resulted in the erosion of trust that suppliers' managers previously granted to their counterparts.

So they [Managers from ThrustCab, M.B.] came over to the UK, we met with the commercial guys and provided all that data. One week later there was an action list we provided more data, that submission was made in December last year. We contacted TrustCab commercial every week since and still no response, so you know that in itself as far as I'm concerned is where the trust falls down because they are not even coming back to the table saying this is the plan to get it sorted out. This company..... silence is golden and silence to me is another well reason why I distrust them. (Darren, Programme M Manager, Skyfly)

On the other hand, the presence of reciprocity helped with fostering trust between supplier's and buyers' managers

Well it's a snowball effect, as you get to know the individuals better, you trust them more, they probably feel more inclined to trust you as they get to know you, so as you actually give them more information and work

with them more they trust you more, so it's a physical thing, the more trust you give them, the more they give back to you probably and that means they give you information, therefore you give them information, so it builds over the years but it's been a slow process for sure. (David, Sales Manager, Aqua)

To conclude, reciprocity in the interpersonal communication process was also perceived as a manifestation of commitment to the relationship.

*I was so pi**ed off! Because at times it can make you feel that there isn't the relationship there, that he is not interested in the relationship – he is just on the take and he is not giving back. Maybe in those respects there might not be a huge value to me, whereas there is value to him, and this is not a proper relationship. (Richard, Global Technical Service Manager, Aqua)*

6.2.3.2.5 *Communication motivators*

The fifth and last sub-theme of the theme *Interpersonal communication process*, was a theme on communication motivators. It includes four sub-themes: asking for help, bargaining and power play, expectation of benefits, and protecting own position. All these are motivators that suppliers' managers deemed important in influencing their information sharing behaviours.

Asking for help

Asking for help is the first of the four communication engagement drivers. It describes the situations where, for example, otherwise reluctant buyers' managers were willing to share information that would otherwise remain secret. Asking for help was an individual level manifestation of usually unwanted inter-firm dependence. Such situations typically called for one party in a relationship to solve a problem of another party. This was not possible unless managers from a party that

wanted a problem to be solved shared information with their counterparts who were then able to respond with a solution.

Such situations were reported on numerous occasions by managers at Aqua and Skyfly. For example, when fish diseases escalated on the FishTin Chilean farms, it was impossible to solve the problem without involving Aqua who were their vaccine supplier. This increase in asymmetrical dependence forced FishTin managers to share information about the nature and degree of the fish diseases which would otherwise have been kept a secret.

FishTin had in Chile in particular, enormous health problems. They have dramatically reduced their production from something like 90,000 tones down to maybe only well certainly probably less than 10,000 tones so its dramatic, and I would say that has prompted a much greater openness with us or a much greater willingness to listen to us and have us help them in Chile. At a recent meeting the senior operations people in Chile, I mean specifically asked us for technical service proposals for our three main products in Chile and we've been to meet with them and they have been much more open and helpful about giving us the information we required, in order to help them. (Hank, Global Key Account Manager, Aqua)

A very similar reaction, i.e. increased openness of managers when problems arise, was observed in the relationship between Skyfly and ThrustCab managers.

William and Oliver [Both ThrustCab – M.B.] will be open with us when they need our help. They will, they will be open with us and say have you been looking at whatever asked because you know there is a problem there (Mick, Programme A Manager, Skyfly)

The increase in asymmetrical dependency between the communicating parties was largely an undesired situation for at least one company in the relationship. This is

mainly because one side, e.g. a buyer, has to involuntarily give away information that would in normal circumstances be kept secret. That firstly decreases dependency of supplier on the buyer, secondly, a supplier becomes informed about their counterpart's properties and actions, which can use as an opportunity to leverage it either in favour of or sometimes even against the opposite party.

Now where we do get more transparency is when there is a dependency from the customer, something they need to give to us to help us complete our task, then we get further detail in and in fact at times we help them progress those issues that they've got trouble getting them, so we try to be proactive in that and therefore get greater visibility (Frank, Vice President Programmes, Skyfly)

Although involuntary disclosure of information is not a desired state for one of the parties in the relationship, it may instigate the development of closer relationships between managers. This may happen in situations when initial involuntary information sharing results in further interaction.

I think there is also another relatively minor issue in global terms, a minor health issue that they have in Canada that they have asked us for some help with which we have been struggling with but have been getting back to them and communicating with them and making some suggestions with them and again they seem you know the relationship seems to be coming more relaxed and more open because of that, albeit that we haven't actually delivered anything to them yet, they can see that we're actually doing something about it. So that's another positive one in a similar vein to the Chile situation. (Hank, Global Key Account Manager, Aqua)

Bargaining and power play

Bargaining and power play is the second motivator. It refers to situations described by managers at Aqua and Skyfly where one of the managers in the relationship deliberately controlled a degree of openness with the purpose of gaining bargaining power against the opposite party. Bargaining power refers to the relative ability to exert influence on the opposite party in the relationship.

Managers in Aqua and Skyfly were consistent in their views that control over how much information one discloses is a source of bargaining power. Maintenance of bargaining power through information retention influenced the communication between managers in the case companies. However, the difference was that in contrast to the asymmetrical dependency where more information was disclosed than would be normally, the maintenance of bargaining power resulted in less information being disclosed.

In extreme cases it could reach the point where essentially we're wasting each other's time. If they're asking you questions and you're trying to answer them but you need more information than they're willing to give, then the situation becomes very difficult to get to the bottom of. And I know there are a few of the names on that list that like to feel they're very important and very powerful, and limiting this information is one way of maintaining that feeling of power. If you're not giving everything you know away... (Richard, Global Technical Service Manager UK, Aqua).

MB: But why do you think they didn't tell you that?

INT: Because they wanted to have something to negotiate with. (Tyrone, Vice President, Product A, Skyfly)

In terms of an example resource, you know we do have some issues within Skyfly; we are under resourced in some instances to do the tasks. That is of a result that the scope of work has grown, we are now trained to do more work than we thought we were gonna do and clearly we got to

train, recruit or whatever. And so what we will, you know I won't be told to open in how many engineers we have on the job, is it the right level of skill set, is it really what I need to do really carry out that task, I will play it, I will play my cards closely to our chest, I won't be told to be open in that respect. (Doug, Commercial Manager, Skyfly)

Moreover, because exercising bargaining power is likely to stop the flow of information, the opposite party could perceive this as a lack of reciprocity and react 'in kind' to the act of information retention. An effect of this is that for at least one of the interacting parties' the relationship transparency will reduce.

All the challenges they received from us and that started first as a joke, you're not going to get that until we get the data from the performance of vaccines from you, so then it really turned into a difficult situation and at the end of the day we haven't got the data from them, they haven't got that information from us, so it's really the transparency has absolutely decreased. (Bart, Veterinary Service Manager, Aqua)

In addition to the above, the maintenance of bargaining power is also achieved through dissemination of inaccurate information. This was, for example, the case when managers from FishTin deliberately communicated what Aqua's managers interpreted as a 'half-truth'. In such situations the flow of information between the communicating managers is not interrupted in terms of the volume of information. Conversely the volume could actually increase; what is compromised is the quality of information.

Because he is now fabricating all kinds of story to undermine our patent case, to undermine the vaccine performance to have extra arguments for the competition authority case it is ongoing simultaneously with the patent case. He don't want to give us field data from performance in the field although there is a written agreement of exchange of information basically that means that this information he would like to filter so that

he can send all the negative information to the competition authority and keep hiding all the good ones and this is done to support our competitor, not because they necessarily like the competitors but because FishTin want to disrepute us so they can press price so and then this situation where Fred uses all kinds of tricks and Fish Tin uses all kinds of tricks. (Todd, R&D Project Leader, Aqua)

It's the way they present things to the competition authorities and in the media it's mainly the performance of vaccine X I'm talking about now, but they are not telling good stories about vaccine X, they are just focusing on the negative stories and enlarging them through media this will be a trend for future. They create a negative picture. Even though they are open on sharing that kind of information, they are hiding the full truth. (Jonathan, Sales and Marketing Manager, Aqua).

Another form of information quality distortion is when managers enter into negotiations. Distorting the information was a strategy to achieve the best bargaining position against each other.

In terms of openness it's all about positioning in terms of where you need to end up and how you're going to get there and so from a business perspective they [ThrustCab managers] will tell us what the target is or what it needs to be, they'll tell us what they want to tell us about how we sit against the rest of the marketplace, I don't ever remember ThrustCab telling us that Skyfly is the most competitive and you've got your number wrong it's 5% underneath the target, when you're 5% better than all of your competitors and I'm sure when they talk to our other competitors they will tell them that they're 5% more competitive than anyone else, so you know we're in this to get the best value for each of our respective companies and they are in negotiation, we're in negotiation and at the end of the day we'd like to win a contract that we turned a return on it, the returns that we get in this business are not exceptional and typically

if we get in double digit margins it's through hard work and you don't get any gifts and therefore you've got to try and protect your position if you go into negotiation and equally they have you know so no one is totally open. (Boris, Senior Vice President Commercial, Skyfly)

Expectation of benefits

Expectation of benefits is the third motivator to engage in communication. It refers to managers' expectations of benefits from the act of information disclosure. The difference between this driver and *asking for help*, which was described earlier in this section, is that in this case the information disclosure is voluntary. In situations where a manager is asking for help, this is usually not the case. A typical situation of voluntary information disclosure, driven by the expectations of future benefits, such as creating more value for the customer is captured in quotes by Todd and Richard.

I mean you give and take some and you communicate what you feel you can deliver without compromising confidential information, but still you say more than you would to just anybody because you want invest in what you see to become something good so you give something away (Todd, R&D Project Leader, Aqua).

So some of the things where requests have been made, yes, have definite value to us as a company. And hopefully, in most of the cases, we've already thought about these things ourselves, and we've either taken an internal decision that we're going to do something or at least we've been thinking about it, and sometimes, that question from FishTin might be enough to spur us into saying, we've been thinking about this; they've now said that this is an issue for them so we should get on and act on it and do something. I'm thinking particularly in the spectrum of Slice and having to do some trial work, or new feeding methods or whatever the case may be. (Richard, Global Technical Service Manager UK, Aqua)

A degree of voluntary information disclosure was also present in relationships between Skyfly's and ThrustCab's managers. Although this was less common practice, given the often strained interpersonal relationships, some degree of information disclosure, driven by expectation of benefits was present. It is worth stressing however, that in the case of the Skyfly-ThrustCab relationships, so much bad past experience was accumulated between the managers that the word 'benefit' often took the form of 'avoiding a loss'. This means that managers were willing to selectively disclose information for the sake of avoiding confrontation and issues.

Now the relationship is such that often the customer is co-located with us, so you're not going to be hiding a lot then anyway because they get to see it first hand and there is a level of timing on when you share information perhaps, holding back data because you've got to be sure if an issue arises for example, we need to do our fact find recalls and even the corrective action before you necessarily engage the customer and validate is it an issue or not, so there will be some information we selectively feed to the customer. (Frank, Vice President Programmes, Skyfly)

Overall, the discussion in this section shows that interpersonal relationships, consisting of the nature of interpersonal relationships and the interpersonal communication process, play an important role in influencing managers' information sharing behaviours as well as being very relevant for managers' perception of being informed. Moreover, it was demonstrated that the nature and process of interpersonal interactions are not suspended in a vacuum. On the contrary, they are embedded in organizational and inter-organizational contexts and in this way provide a very important bridge for conveying external influences into individual managers' behaviours, such as information sharing and information interpretation, which are discussed in the next section.

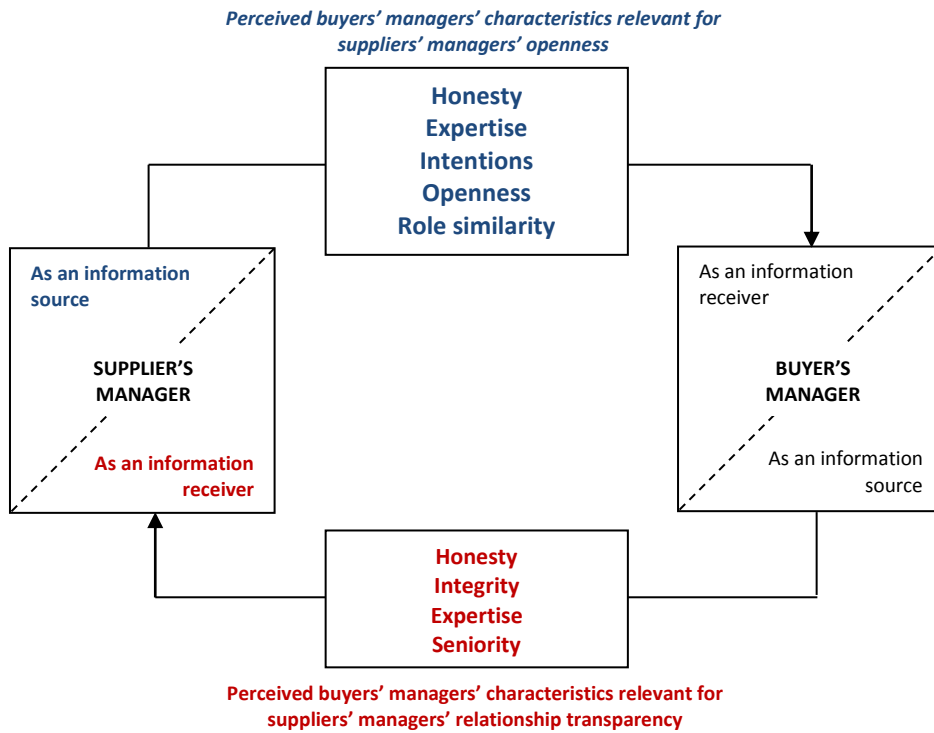
6.2.4 Personal characteristics

The theme *personal characteristics* was the fourth first-level theme that emerged from the analysis of the cases data. It refers to behaviours of interacting managers and is divided in two sub-themes: *trustworthiness* and *propensities and traits*. The theme on trustworthiness captures the personal characteristics and behaviours of buyers' managers, i.e. managers from FishTin and ThrustCab, where propensities and traits capture the personal characteristics and behaviours of suppliers' managers, i.e. managers from Aqua and Skyfly. These characteristics seem to play a very important role in influencing managers' openness and relationship transparency. The next section firstly presents the trustworthiness theme, which is followed by the theme on propensities and traits.

6.2.4.1 Trustworthiness

Trustworthiness is the first second-level theme in the analysis of factors that influence managers' openness and relationship transparency. As mentioned above, trustworthiness refers to characteristics of buyers' managers, i.e. managers from FishTin and ThrustCab. From the data, seven key characteristics emerged that were captured in the following themes: *honesty*, *integrity*, *expertise*, *openness*, *role-similarity*, *intentions* and *seniority*. However, the way managers talked about these characteristics, it was clear that different characteristics are considered, depending from which perspective, i.e. information source or information receiver, that suppliers' managers were relating to them. As depicted in Figure 2, when suppliers' managers talked about openness, i.e. being in the position of the information source, they talked about slightly different trustworthy characteristics of buyers' managers as oppose to when they talked about relationship transparency, i.e. being in the position of information receiver.

Figure 2: Buyers' managers' characteristics relevant for suppliers' managers' openness and relationship transparency



The themes represent the key sources of buyers' managers' trustworthiness which were deemed to be of significant importance for the way they behaved, in terms of sharing information, and perceived being informed about buyers' managers' properties and actions. These themes are now discussed in the continuation of this section.

6.2.4.1.1 Honesty

Honesty was a first second-level theme that emerged from the data as a key characteristic of buyers' managers' trustworthiness. Managers in both, Aqua and Skyfly reported that this is a characteristic they consider in both situations, when they share information with or when they receive information from buyers' managers.

In situations when suppliers' managers were approached to share certain information with buyers' managers, they considered the request in the light of past interaction experience with a specific individual. Honesty of buyers' managers was a characteristic that managers often referred to.

Well Robin is a nice guy. He's a purchasing manager but really he doesn't decide on the medicine side of things that's more the vet, so he's a guy that I need to keep in the loop but he's very down to earth and honest though, he's been completely open with me as far as the price for slice goes and what he wants to see with that price over the next few years and how it relates to the price in Norway so I think he's one of the more positive type things. (Hank, Global Key Account Manager, Aqua).

A consistency between what a buyers' manager said s/he will do and what s/he actually did was an important factor for a supplier's manager to regard him/her as being honest. In essence it was important that buyers' managers emitted behaviour that was consistent with what s/he actually delivered.

Honesty. I think you would not build trust if you said one thing and did another. Your actions are consistent with what you say you will do, and either way whether we like it or not, you are not hearing one thing and getting another. (Karen, Global Marketing Director, Aqua)

You have this mutual discussion which is quite creative and you pop up with ideas and you play the ball back and forth, which is very constructive and then a week later it's of no interest.(Bart, Veterinary Service Manager, Aqua)

From the accounts provided by Aqua's and Skyfly's managers, it was evident that honesty is sometimes expected and perceived as a rational choice in interpersonal relationships in order to protect individual interests. However, irrespective of

whether managers expected dishonesty from their counterparts, it probably had negative influences on their perception of trust.

I feel there is less trust in some of the programme side of the ThrustCab people compared to the engineering people. There is not a lot of trust because the engineering will tend to be more realistic and the programme guys will be unrealistic and to some extent programmes guys have got to be unrealistic if they're gonna drive the engineers to get the right solution so there is a reasoning in while they do this. (Tony, Vice President, Engineering, Skyfly)

Moreover, managers considered dishonesty also as a property of a larger social unit, i.e. department or company. This view was then used as a lens through which they perceived an individual that belonged to such a group.

The issue there is, nobody likes to fail and I don't think people are frightened of it, I think people like to avoid failure. Is anybody frightened of doing their very best and trying to make sure they do the right thing and get it right, but may actually come short. Probably less so than of the stigma attached to failure. So these guys are all in the position of, there is no honesty in their organization at times and there is nothing but heroes. (Doug, Commercial Manager, Skyfly)

Managers could be perceived as potentially untrustworthy simply because they were part of an organizational culture that was deemed incompatible. This was certainly the case in some relationships between Skyfly and ThrustCab managers¹⁵.

I think the biggest blocker for me to believe them what they are saying to me is that the fact that you know there is a culture of wanting to hear

¹⁵ The issue of incompatible organizational cultures was described in section 6.2.1.3.

good news and transmitting that onwards and upwards to the centre and therefore everything becomes critical and what is difficult therefore is for us to actually pick out priorities within priorities as everything has become super critical. And nobody really knows what is you know the real, the real critical. (Tony, Vice President Engineering, Skyfly)

The above quote also demonstrates that managers doubted truthfulness of information about criticality-specific projects in terms of requirements for on-time delivery. Namely, the perception of buyers' managers' honesty influenced how suppliers' managers thought about information received from them. Managers in both case companies talked about the honesty of their counterparts as an important lens through which they relate to the received information. Several relationships with buyers' managers' were exposed in conversation where suppliers' managers perceived them as dishonest and hence doubted the truthfulness of information received from them.

I often think that he's telling me things that might not be accurate and the truth and this individual I don't fully trust in what he is telling me. (Todd, R&D Project Leader, Aqua)

An individual is dishonest about how, did he obtain a data about slice. On a scale of 1-10 again I'd put him more at either 3 or 4 for sure because he's tending to find things out from various other people in the industry but he hasn't been completely honest, he's asked us for support on the provision that it's linked into slice and it actually isn't, so he's the guy I think there's more work needs to be done in order to trust him. (David, Sales Manager UK, Aqua).

Well I think that's the issue that's what I said earlier, it's dependent on exactly where the information comes from and my confidence in those individuals, that will colour how I translate that message to Skyfly as a business, so from someone where I do have a high degree of confidence I

will most probably relay most of a health check to the information as opposed to from an individual I had confidence that he's most probably bullshitting me, I will just say well look guys it was you that said this, so you've got to be careful this is what the message is but the soundings are within the business that actually it's going to be five weeks late and I kind of suspected that it was going to be five weeks late, so it colours how I would translate that information. (Mick, Programme A Manager, Skyfly)

Interpretation of information through the lens of trustworthiness is specific to an individual. If the same information were supplied, say, by two different buyers' managers, then two lenses for information interpretation would be used. For example, when David discussed his relationship with Steve – Regional Health Manager for UK at FishTin and compared it with his relationship with Paul – Production Manager at FishTin, whom he perceived more trustworthy he explained:

I know for a fact that some of the people on that list [he is referring to Steve – M.B.], when asked a direct question, disease on the West coast of Scotland, for example, are not going to give an honest answer, or the full answer, or they may downplay /minimise the problem somewhat. I learned that now and I always have to think whether I can believe what he is saying (David, Sales Manager UK, Aqua).

On the other hand, when an individual or group of managers was perceived to be honest, it was more likely for his/their counterpart to believe the information he/they received from him.

I think that when I'm in a meeting with them and discussing things when I'm asking them direct questions even about sensitive issues you know, when they are giving me an answer almost always I believe they are giving me the truth, as much as they can tell me, I don't believe there is anything hidden and I trust them (George, CEO Europe, Skyfly).

I strongly believe that what he tells me is what he thinks. He is honest and he is newer trying to play me just because I'm not directly responsible for sales because I'm not the person he has to negotiate with. (Nick, Global Marketing Manager, Aqua)

6.2.4.1.2 Integrity

The second trustworthiness characteristic that was identified from the data analysis was integrity. Where honesty related more to an individual's truthfulness, a manager with integrity was the one who adhered to his set of principles and values. In order for a supplier's manager to perceive integrity as a positive, trustworthy characteristic it had to be acceptable to him.

The Veterinary Service Manager at Aqua, for example perceived his counterpart at FishTin, Fred, as a person with high integrity. This was rooted in Bart's multiple positive experience in interactions with Fred, where he demonstrated a sense of justice and moral/ethical values.

We had an agreement that we discuss some local reaction to things in a meeting and suddenly that came back from some lawyers from Pharma for instance in competition about PD and I asked Fred, did you provide this? No, he said. Then he came back half an hour later, he called me and said, well it might be that Paul asked me some questions and I submitted that information but myself I didn't communicate with Pharma. So I trust him very much. But I have to push him sometimes to get the truth. Because he has loyalty the company as number one and loyalty to me as a friend and a former colleague. (Bart, Veterinary Service manager, Aqua)

The quote above demonstrated that trust has been granted to the individual manager on the basis of possessing certain trustworthy characteristics, such as in this case

integrity. Moreover, the consistency of buyers' managers past actions was also seen as a manifestation of their adherence to certain principles and values.

And generally he said say I can't tell you that Richard [M.B.] because it's not commercially appropriate. Likewise, I feel that when I say, I will do that, I will do this, he believes that I will do it, that we are good to his word and my word. So because this is how we are, there is a level of integrity and trust at that degree level. So that's a personal level. (Richard, CEO Europe, Skyfly).

Similarly, as in the case of honesty, the integrity of buyers' managers was another lens through which suppliers' managers interpreted received information.

I can appear to be open, I can tell you here's everything you want to know about me, how many times I've consumed alcohol and gone to the movies and do everything else, but the first thing is you've got to establish trust before the transparency. Can I really believe what this guy is telling me? I could be saying, I'm the most transparent guy alive, I tell everybody everything they want to know. But it's all a lie. SO to me the evolution of the relationship has to be based on credibility and trust come before transparency (Tom, Head of Global Aquaculture, Aqua)

6.2.4.1.3 Expertise

Expertise was the next important characteristic that suppliers' managers perceived as an important source of buyers' managers' trustworthiness. It refers to the possession of a specific set of skills and/or knowledge. Managers also spoke about trustee's *abilities* and *competences*; however, the data did not suggest that they were conceptually so different from the term *expertise* that they should be treated as separate characteristics. For that reason they were grouped under the theme *expertise*.

Similarly, as in the case of honesty and integrity, expertise was another buyers' managers' characteristic that Aqua and Skyfly managers considered as being important for their behaviours when they were in the role of information source or information receiver. For example, the ability of a buyer's manager to correctly interpret and use the disclosed information was of key importance for suppliers' managers. Trust in buyers' managers ability to correctly interpret and use the disclosed information was granted on a selective basis. Aqua's and Skyfly's managers mentioned that not all managers at FishTin and ThrustCab were equally skilled. For example, suppliers' managers tried to target situations where they were disclosing highly technical information to those counterparts whom they trusted and who would understand not only the content of a message but also the context around it. For example, a Key Account Manager at Aqua was reluctant to disclose the information about the performance of a specific vaccine to his counterpart at FishTin, because he perceived that he did not have sufficient contextual knowledge to objectively interpret it and disclosing information to him could be commercially risky.

I may be less minded to tell an individual such as he's not on my list either, a chap called John Doe [M.B.] who is in charge of health in fresh water in Scotland, I'd be maybe less minded to tell him about that, give him that information because he may take you know, rather than looking at the spectrum he may take one stance and say ah right he told me that, in which case there's no point in revaccinating because I've got that disease, now he may have it in a very limited amount in which case he won't buy the vaccine, therefore it's commercially detrimental to our company because I don't necessarily trust him to have the capability to understand the full spectrum of what I'm telling him. (Hank, Global Key Account Manager, Aqua).

Similar selectivity to whom information will be disclosed was also apparent in interpersonal relationships between Skyfly and ThrustCab's managers.

I think at times there is a lack of competency on their side of the equation, they just don't always understand what I am telling them, and that's a problem. So I really need to be careful with whom I am talking. (John, Senior Vice President Business Development, Skyfly).

To re-emphasise what was discussed above, contrasting evidence was provided by a Business Unit Manager at Aqua, where it is evident that he felt an ease in sharing information with a FishTin manager, as he felt that she possesses professional ability and expert knowledge.

I feel that she is extremely professional and I would say that I have no fears in sharing with her even some strategic parts of my business because she has always separated, because she also knows about these legal cases between both companies. She also always has been capable of keeping both things separated and discuss and find a solution. She is very practical so I would trust her absolutely in terms of professional things. I don't know her in a personal way. (John, Business Unit Manager, Aqua)

The possession of expert knowledge, paired with familiar background and a history of a shared working environment, contributes to an individual's trustworthiness. A Customer Account Executive at Skyfly, for example, perceived that he is trusted by ThrustCab's managers because he worked for ThrustCab in the past and because of his possession of intimate knowledge of ThrustCab's business.

So they always know where to go, they always know who to talk to, they see me probably along with other people like George [CEO Europe, Skyfly – M.B.], I'm ex ThrustCab anyway, so they're comfortable that I know what I'm kind of talking about because of my background. I think they see me as trustworthy and a safe pair of hands if you understand what I mean by that. (Errol, Customer Account Executive)

Managers in both case companies operated in environments that required specialised skills and knowledge. Possession of expertise was a very relevant attribute of buyers' managers also when suppliers' managers were in the role of information receiver. Identical to the case of honesty, the received information was judged through the lens of perceived expertise of the source, i.e. the buyer's manager. Both teams of managers stressed the importance of trustworthiness in their counterparts when they are receiving information because if they perceive a buyer's manager as an expert they are more likely to believe the information received from him or her.

Sometimes it's a lot better coming from someone who actually is involved in the whole process than coming from a commercial guy who really doesn't know what's involved for each stage, where the safety of supply comes from, where the manufacturing constraints are, where the problems are there and it's very powerful to do it and I think a lot of it has been words (Michael, Product Planning Coordinator, Aqua)

It is very difficult to see, other elements would be, it's almost trust as well but specifically it's a faith in their knowledge because you know you may have an individual that appears on the surface to know a great deal about a particular topic but you need to have faith that that comes from sound education, knowledge etc. and is not just something that's been regurgitated off Wikipedia. (Ronny, Global Technical Services Director, Aqua)

I think that when I'm in a meeting with them and discussing things when I'm asking them direct questions even about sensitive issues you know, when they are giving me an answer almost always I believe they are giving me the truth, as much as they can tell me, at the end of the day they I believe they know what they are talking about. (George, CEO, Skyfly)

In Skyfly for example, engineers respect each other on the basis of expert knowledge. As mentioned in section 6.2.1.3, a degree of information exchange in culturally compatible entities tends to be higher than between entities who are culturally distant.

I trust his expertise, hence I trust his words. I think there is a lot of mutual respect which is very positive. So if I had to characterise my relationship with him, I think there is a lot of mutual respect and I think there is still although it is tested more in this environment, I think there is quite a high degree of trust. (George, CEO, Europe, Skyfly)

6.2.4.1.4 Intentions

Perceived intentions of buyers' managers was the fourth characteristic that managers from Aqua and Skyfly considered as important for granting trust to a trustee. Suppliers' managers reported that this characteristic was mainly relevant in situations when they act as a source of information, namely when they are disclosing information to managers from FishTin and ThrustCab. In both case companies, managers described that when they are asked to disclose specific information, they are thinking and trying to understand buyers' managers' intentions for the information request in order to determine potential outcomes once any information is given away. Buyers' managers' intentions were considered irrespective of whether suppliers' managers had a direct past interaction experience with specific buyers' managers. Sometimes just knowing that the buyer-supplier relationship atmosphere was strained was enough to impose judgement on the potential intentions of an individual manager.

I have this feeling fishing, constantly fishing for something he is going to use for something else, that's strange. I mean when you go to a meeting you have an agenda, that's what it is about and if you wanted to be constructive you focus on that but he has this. But now that it is this sensitive period between us [dispute over vaccine patent – M.B.] I have

this gut feeling about him that he uses any occasion to collect information on people and issues that he processes and then uses somewhere else and not necessarily to your benefit. (Todd, R&D Project leader, Aqua))

The vibrations are not very good and I think more people think in the same direction. Not good energy. And sometimes when he has made some statement I will say, Fred [Technical Director FishTin – M.B.], is this right? Because Fred is his superior. And Seth [Research Director, FishTin – M.B.] also, I talked with him and I said I am not discussing this with him. (Bart, Veterinary Service Manager, Aqua)

Past negative experience with a specific buyer's manager, who for example misused trust, has led the supplier's manager to doubt the real intentions for requesting information, i.e. that the real intentions may be hidden. Such violations of trust were not uncommon in both case companies and managers reported that when this happens they tend to change their information sharing behaviours.

But when he demonstrates the behaviour that I've seen him demonstrate, then I am wise to be protective of our position, but that protectiveness can actually disable the transparency you need to go forward. You know, an innocent question was asked, an innocent response was given. No feedback was provided and he went off and made a statement that was completely erroneous. (John, Senior Vice President Business Development and Strategy, Skyfly)

If we had a similar meeting that we had 2 months ago tomorrow, on a different topic, I would probably be less open, I will probably be more consistently asking why are you asking, what are you going to use this information for, should we have a confidentiality written agreement before we discuss this, things like that. (Jonathan, Sales and Marketing Manager, Aqua)

Moreover, a supplier's managers may have a negative experience with someone else within buyers' managers' company, and not specifically with the manager who was requesting information. However, suppliers' managers will still question the intentions of a specific buyer's manager in the light of a negative experience with someone else in his company.

I've certainly had that [negative experience – M.B.], in the past that someone's asked for something and clearly it's not for the reasons they're asking – they want to see if they can get a better deal with a competitor or something like that. And then, the next time you always get back to this, asking will be with this guy the same? (Richard, Global Technical Service Manager, Aqua)

Well it makes me – it's like having the truth of something you already know, I've been working for 15 years in this industry so I know about those guys, nobody behaves like this but you never feel it very intimate until you live it, experience it you know, I wouldn't say it was a big disappointment because I know that it's the way those things are but it makes me a little bit skeptical about the real intentions of those guys and every word they say, it makes me more how can I say that doubtful. (Errol, Customer Account Executive, Skyfly).

6.2.4.1.5 Openness

Managers at Aqua and Skyfly considered openness of their counterparts at FishTin and ThrustCab as a significant characteristic of trustworthy behaviour. This was particularly important because buyers' managers' openness was perceived as a warrant of their reciprocity. Managers at Aqua and Skyfly consistently mentioned that they would normally expect some sort of return or feedback from buyers' managers if they have previously disclosed certain information to them, specifically

if that had been at the buying managers' request. Lack of feedback from buyers' managers was perceived as an act of untrustworthy behaviour.

I don't trust him a great deal really. I don't think, I don't think he is open enough. (Darren, Programme M Manager, Skyfly)

They [management at ThrustCab] want us [Mick and his peers] to be open and honest with them but they don't want to show us commercially what they've got behind their business model. So, why should I share then my figures? (Mick, Programme A Manager, Skyfly)

A complete lack of feedback was not the only property that would qualify a buyer's manager as not being open. Based on accounts given by managers at Aqua and Skyfly, they would perceive their counterparts as not open if they deliberately provided them with incomplete information. However, irrespective of the qualifying characteristics, lack of openness was generally undesired and reciprocated with a reluctance to disclose information again, mostly due to the lack of trust in the buyer's manager.

Yes I'm just trying to think of a particular situation, it obviously depends who you're dealing with in some respects because we had an incident recently when the health manager approached us to help with one of their pieces of work they would like to do which involved slice but we later found out that slice wasn't the important part of the project, it was another product that they were assessing we didn't know this, so and that's the individual I keep referring to that we have maybe an issue with, he kept information back from us and operated with half truths. (David, Sales Manager, Aqua)

For instance, you know there was a project plan that was on the table from the organization and I knew from the engineering community that actually the team X could not and were not working to that agreed plan,

*okay. See and in when you know that he is not telling you everything you then think twice how you gonna react next time. Of course as usually that will p**s him off if he doesn't get what he wants. (Tyrone, Vice President, Product A, Skyfly)*

6.2.4.1.6 Job role similarity

Job similarity was another characteristic relevant for buyers' managers' openness. This referred to a shared background between the interacting managers. In general the way suppliers' managers referred to this characteristic was that in relationships when their counterpart has shared views, understanding or empathy of their situation, they would find communication easier. The most telling evidence of this is in the quotes from George and Darren, where they perceive that commonality of backgrounds give them a basis for more open communication.

I guess it helps actually to talk to somebody at a similar level in the organization, we all need soul partners don't we I guess, we all need soul mates you know it's good to have somebody who you feel like you can talk to and they understand so I guess our relationships got to the point where I think he appreciate that I can understand a lot of his pressures and that allows us to be a bit more transparent, a bit more open about the issues we think we are facing on the programme and I do actually think that you know he and I can move things on quite well. (George, CEO Europe, Skyfly).

I think it is a reasonable working relationship to be honest. I think about people, the likes of Kay [Programme M Chief Engineer, ThrustCab – M.B.]. we have similar backgrounds but technical, technical minded backgrounds so we can talk on an engineering to engineering basis, so I think the relationship there is... is one of I'd say of mutual respect. (Darren, Programme M Manager, Skyfly).

6.2.4.1.7 Seniority

The last of the seven themes of the theme *individual's trustworthiness* was seniority. The seniority level was deemed particularly important for, but not limited to, those managers at Aqua and Skyfly who had relationships with FishTin and ThrustCab's managers who were in higher positions within their organizations than themselves. Seniority was intrinsically associated with a counterpart's credibility and respect.

On the personal level, for the most part I would say there's professional respect. (Tom, Head of Global Aquaculture, Aqua)

I know that he is in a position of strong influence in ThrustCab now. I respect this and we both know that Skyfly is hugely important to them as ThrustCab is to us. (George, CEO Europe, Skyfly)

The association of buyers' managers' seniority with their credibility was particularly obvious in situations when suppliers' managers were in the position of receiving information. Seniority was associated with an individual's credibility and almost by default granted him trust, which reflected in how suppliers' managers interpreted received information. The quote from Nick has the most telling evidence of the influences of counterparts' seniority on the interpretation of information properties¹⁶ by buyers' managers.

Technical issues because he's technical health vice president, if he says certain countries are seeing certain issues then I would expect that to be true. (Nick, Global Marketing Manager, Aqua).

In summary the data suggested that an individual's trustworthiness was one of the key themes that managers referred to when they were discussing influences on their openness and relationship transparency. All the identified sub-themes: *honesty*,

¹⁶ Information properties are discussed in detail in section 6.2.6.

integrity, expertise, intentions, openness job role similarity and seniority play an important influencing role for suppliers' managers' openness and relationship transparency. As shown in the above discussion, this role is different, depending on whether a manager is in the role of information source or information receiver. As an information source, a manager considers elements of his/her counterpart's trustworthiness as a basis for granting trust to the counterpart. However, when in the position of information receiver, the manager uses the elements of the counterparts' trustworthiness as a lens through which s/he interprets received information. Moreover, irrespective of the source of trustworthiness (i.e. honesty, integrity and expertise), buyers' managers' interpretation and belief in information (or lack of it) seems to result in their perception of how well informed they felt about their counterparts' properties and actions. The perception of being informed could be influenced by one, or the combination of more than one source of trustworthiness. For example, a manager can be dishonest and lacks expertise or can be dishonest but possesses deep specialist knowledge.

Most commonly, managers in the case companies described their perception of being informed with words like '*understanding*' or '*being sure*' or '*I know/knowing*'. In the opposite cases when managers did not feel sufficiently informed, they described this with words like '*if I would understand*' or '*not sure*' or '*don't know*'.

For example Darren's, Mick's and Richard's quotes provide excellent accounts of situations that suggest a manager's perception of being informed is influenced in the way the received information is interpreted.

I can't deliver everything he requires. But if I understand what his priorities are, meaning that I know he is telling me the truth then I can go back and prioritise my business as I've got scope, I've got flexibility and I will make sure what's important is delivered and what's niff naff and trivia is delivered, but is delivered later. (Darren, Programme M Manager, Skyfly)

Well actually I think it drives a number of – which goes all the way up in Skyfly and that is in a complete lack of belief in any of the plans ever generated and so the discussion becomes not how do we achieve those delivery milestones but actually how late should we plan on being late on this program, should we plan on being three months late or six months late and generating a plan for that of which there's no substance to that delay, it's just an expectation and I think that's a bit of a wasted management effort really, when the management effort ought to be on trying to achieve those things but there is just no belief in any of the plans now throughout the organization. (Mick, Programme A Manager, Skyfly)

Similarly to Darren's and Mick's case, Richard felt he was not sure about the real status of his counterpart's situation, as he felt his counterpart had been dishonest with him in the past.

Inevitably when you're answering questions you've got to ask some as well, but if you're not sure you're getting the full story, sometimes it might be difficult to make sure the advice or information I'm giving is exactly what is required from them in terms of dealing with a particular problem. (Richard, Global Technical Service Manager, Aqua)

On the flip side, when received information is perceived to be truthful and relevant, managers tend to feel better informed, which is for example captured in the quote by Tom as having 'a pretty good feel'.

So from him [Tom is referring to Graham, Global Health Vice President at FishTin whom he perceives trustworthy and competent – M.B.] I get a pretty good feel as to what's actually going on at the farm level. What are the problems, what's perceived as new and emerging problems, potentially problems down the road? (Tom, Head of Global Aquaculture, Aqua)

6.2.4.2 Propensities and traits

Propensities and traits was the second, second-level theme related to the personal characteristics of interacting managers. Where the theme on trustworthiness was related to the characteristics of buyers' managers, propensities and traits refer to personal characteristics of suppliers' managers. It consists of three sub-themes: propensities to trust, propensities to risk and an individual's knowledge. Propensities to trust and risk were both deemed important by Aqua's and Skyfly's managers for their information sharing behaviours, where possession of an individual's knowledge was more relevant for relationship transparency. The three sub-themes are now discussed in the continuation of this section.

6.2.4.2.1 Propensity to trust

Propensity to trust is a theme that refers to an individual manager's willingness to trust. From the way managers talked about their willingness to trust, it is possible to believe that propensity to trust influences manager's perception of trust. Perception of trust, which is discussed in section 6.2.5.1, plays a key role in manager's decisions about what and with whom information will be shared.

Data consistently suggest that propensity to trust is an individual characteristic, possibly independent from an individual to whom trust is granted, i.e. interaction subject, as well as interaction situation. This is reflected in the quotes from Marcy, Karen and John.

You need to trust people you work with. (Marcy, Regulatory Affairs, Aqua)

For me, unless I have a reason not to trust someone, I think I start out trusting. I think you need to build upon the trust, but I don't really think I don't have a reason. (Karen, Global Marketing Director, Aqua)

This is my personal way of doing my work. I'm not saying it's right or wrong, but it's my way of doing things. (John, Business Unit Manager, Aqua)

Moreover, on several occasions managers indicated that their propensity to trust others is their 'modus operandi'. This suggests that propensity to trust could be indicative of how much trust an individual manager has in his/her counterparts, prior to new information about the counterparts' behaviours arriving or being accessible. The quote from Boris and Nick illustrate this point.

Yes definitely, as I said my nature is to trust individuals until such time as they give me reason not to, so I tend to be fairly open right from the very beginning and sometimes I have to pull back from that but I'd rather not. (Boris, Senior Vice President, Commercial, Skyfly)

I work on the assumption that I tell people the truth which often surprises people, so I tend to be quite an open and trusting person. (Nick, Global Marketing Manager, Aqua)

Where the quotes above demonstrate that individual managers are relatively trusting, some individuals tend to be less so.

I think I am by nature a little bit suspicious sometimes. I think people have to earn their trust with me and I'd always be wondering if there's more to it, you know. So I don't think I automatically trust people. (Evan, Marketing Services Director, Aqua)

6.2.4.2.2 Propensity to risk

Propensity to risk was the next theme related to propensities and traits and it captures managers' tendencies to take or to avoid risky situations. Data suggest that it shares similar properties with propensity to trust, namely it is an individual characteristic, a

willingness to take or avoid risks and it tends to be independent from the interaction subject, i.e. counterpart in a relationship and interaction situation.

The influence of propensity to risk was particularly evident in situations when suppliers' managers were in the function of information source. For suppliers' managers, information sharing was a risk taking action¹⁷ influenced by managers' perception of risk. How risky information sharing is perceived by an individual manager is likely to be influenced by that individual manager's propensity to risk. For example, Karen from Aqua is a very risk averse person. For her, any act of information sharing was a 'risk issue' and it was no surprise that she firmly believed that any exchange of proprietary information should be the subject of non-disclosure agreements.

I still believe in secrecy agreements. Regardless of whether we have a strategic framework. (Karen Global Marketing Director, Aqua)

On the other hand, Tom, Head of Global Aquaculture, displayed a much more casual approach to risk taking when he was sharing information.

So, what I say is the truth and I have a tendency to say more than I should. (Tom, Head of Global Aquaculture, Aqua)

Interestingly, although propensities are individual-specific and independent of interaction situations, managers were talking about risk propensity exclusively in situations when they acted as sources of information. This is very probably because they perceived information sharing as a risk taking action, as something that is largely irreversible and if misused can have detrimental consequences either for an individual, his organization or both. A caution exercised prior to the disclosure of information is described by Errol, who called himself a 'natural cynic'.

¹⁷ Information sharing as risk taking is covered in section 6.2.5.3

And being a natural cynic, I always ask myself, why does he want this information? Is this what he is really asking or is there another reason for asking this? And you know, until I am sure what is going on I wouldn't give anything away. (Errol, Customer account executive, Skyfly)

6.2.4.2.3 Individual's knowledge

Where propensities to trust and risk were associated mainly with information sharing, individual knowledge tended to be more relevant for relationship transparency. The theme on individual knowledge refers to the suppliers' managers' possession of factual knowledge about specific part(s) of a business which was the subject of a discussion and information sharing between suppliers' and buyers' managers. It does not relate to the knowledge about an individual manager's behaviour as this is acquired through ongoing interaction and is a part of past interaction experience.¹⁸

When managers talked about their knowledge, they referred to it as something that enables them to judge certain aspects of information properties received from their buyers' managers, such as truthfulness and accuracy, related to a specific business problem they are knowledgeable about. The most telling evidence of this is the quote from Hank, who worked at FishTin for almost two decades and had a lot of knowledge about their business.

I know what it's like from their side of the fence, having worked on that, I do however get accused by them of always bringing that up and saying yes but you haven't farmed fish for the past five years, you've been in pharmaceuticals, things have changed and to some extent they're right but to another greater extent, these three elements of their business

¹⁸ Past interaction experience is covered in section 6.2.3.1.2

success of survival, preconversional issues and the price they get for the product that anybody has not changed one bit. And in this respect I know exactly when they are trying to bullshit me. (Hank, KAM Director, Aqua)

Similar evidence that an individual manager uses his/her knowledge to judge and consider the information received from a counterpart is captured in the quote by Boris from Skyfly.

I was also for a while about three years ago, the chief operating officer for Skyfly and I was responsible for major programs for and those major programs are predominantly ThrustCab's and subsequently I've got quite an operational knowledge of ThrustCab as a customer and the issues that I come across in dealing with ThrustCab and therefore when I looked at reviewing where we are commercially with them I can sort of bring those experiences and knowledge to bear knowing that sometimes they are unrealistic and that what they are telling me does necessarily reflect what is really going on. (Boris, Senior Vice President Commercial, Skyfly)

The quotes above also tell us that an individual manager's knowledge may act as an important factor for influencing managers' perceptions of being informed about their counterparts' properties and actions. This is because the data suggest that managers use it for judging information properties received from their counterparts, which, as shown in section 6.2.6, have a major role in fostering relationship transparency. The quote from Ken, for example, corroborates that by showing if a manager was knowledgeable about certain aspects of the business s/he used this for questioning the information quality properties.

I say that I'm lucky but I've been in the industry now a number of years and I can look at what we've sold in the countries by month over five or six years and you can generally pick up that something is going off trend

and then I can ring up my commercial colleagues and say are these figures right? (Ken, Supply Chain Consultant, Aqua)

Possession of factual knowledge also gave suppliers' managers the ability to respond more quickly to their counterparts' requests as they were able to understand customer needs and coordinate appropriate responses with the rest of the managers' team without the need for any additional searching for information and clarifications.

Given I've been here a while I subsequently know exactly what they're asking I would then, as necessary, talk internally within Aqua, whoever may be relevant to the discussion. (Richard, Global Technical Manager, Aqua)

I feel like after 15 years working in the same industry, i am much more in a position to be open and tell customers exactly what they need and also things they don't like to hear sometimes (John, Business Unit Manager, Aqua)

The discussion on individual's knowledge concludes the presentation of results under the theme of propensities, which is, together with the theme on trustworthiness, a key theme related to individual managers' characteristics. The analysis details and discusses numerous sources of individual managers' trustworthiness which is one of the central themes for understanding how managers behave within the role of information sources – and thus central to relationship transparency. Analysis of the data also showed that suppliers' managers' propensities are very important for understanding managers' behaviours related to information sharing.

6.2.5 Trust and risk taking behaviours

Trust and risk taking behaviours of suppliers' managers was the fifth first-level theme that emerged from the template analysis. The accounts captured in this theme suggest that managerial openness is, in essence, a *risk taking action* that stems from

the interplay of *perceived trust* and *perceived risk*, which are two key sub-themes under the theme of trust and risk taking behaviours. These are further discussed in the continuation of this section.

6.2.5.1 Perceived trust

Trust is the first second-level theme within a theme on trust and risk taking behaviours, and, according to suppliers' managers accounts, one of the key influencing factors of managerial openness. In both case companies, discussions on trust occupied a significant part of the interview conversations. Data suggest that suppliers' managers' perceptions were formed based on the trustworthy behaviours of buyers' managers, as discussed in section 6.2.4.1, and they broadly fell into two sub-themes: *intentions-based* and *competence-based* perceived trust. Both themes relate to suppliers' managers' belief that the opposite party (i.e. managers from FishTin or ThrustCab) will act in a favourable way once the information is disclosed.

6.2.5.1.1 Intentions-based perceived trust

A theme labeled intentions-based perceived trust includes suppliers' managers' descriptions of how they were assessing FishTin and ThrustCab managers' intentions and the probability that they will act as they promised. Quotes from Mick and Tony describe typical situations, where a manager judged the intentions of a counterpart and probability that s/he will act in a favourable way prior to being engaged in the act of information sharing.

*I guess now the first thing that strikes my mind is why do they need to know this? Why do they need to know this what depending on what it is?
(Mick, Programme A Manager, Skyfly)*

So I might say to Mick who might be closer to him "why is he asking that question" "what do you think of this" and maybe Kevin and I would then go back so. (Tony, Vice President, Engineering, Skyfly)

The assessment of counterparts' intentions when asking for information was almost automatic prior to giving information away. This was, in essence, a cognitive assessment trust that suppliers' managers granted to buyers' managers. A typical example of when a supplying manager trusts his counterpart, in that the counterpart will act in a favourable way once information is shared with him and not misuse it, is captured in the following two quotes.

In the case of Mark [Veterinary Health Manager, FishTin – M.B.], as I told you before, he is a very cautious person, but I know he is a very good man, a good person. I have been discussing with him since I know him very crucial things from both sides, all those kind of things and I have never felt like Mark is trying to get something out of me, like a declaration or something, no, absolutely not so I feel very comfortable talking with him about all kinds of things. (John, Business Unit Manager, Aqua)

Well, with him is different. When he is asking me for information, I don't think that he will use it against me in any way. I trust him on this one. He probably could, but at least until now I haven't had a bad experience. (Hank, KAM director, Aqua)

I trust the information that we will share and will not be then used as a tool to manipulate, as a tool to hit you over the head later. (Michael, Product Planning Coordinator, Aqua)

In relationships where suppliers' managers had had previous bad experience with their counterparts and they lacked trust that the counterpart would behave in a favourable way, they were generally reluctant to share information with them. Firstly they would doubt their intent and wonder why they were asking for information.

I'd probably ask myself, is this what they're really asking or is there another reason for asking this? Is there a competitor angle to this; are

they trying to play us off against somebody else? (Richard, Global Technical Service Manager, Aqua)

Moreover, suppliers' managers would be plainly open that they are reluctant to share information with individuals whom they perceived as dishonest and don't trust.

Even if they say I'll get something back I don't believe it. With those individuals who I know are not or who I perceive as being not fully open with me, I would tend to be less open with them as well. And it is again because of that element of trust of not knowing how they were going to use it. (Hank, Global KAM Director, Aqua)

Consequently many conversations between suppliers' and buyers' managers are difficult, even about strategically important matters such as inter-firm cooperation or identification of future opportunities for example.

Would I trust them to confide "Hey look William [Program A FTE Manager, ThrustCab], I think there is a couple of opportunities here that I think we might have in 4 weeks" and do I think that conversation could be held in the spirit of cooperation and mutual exploring to try and derive you know whether that 4 weeks is real you know and be recorded as a potential opportunity as opposed to being banked, then no I couldn't. I couldn't have that conversation. (Darren, Product Programme M, Manager, Skyfly)

6.2.5.1.2 Competence-based perceived trust

The second source of perceived trust was a supplier's manager's perception that his counterpart will possess the necessary skills and competences that when information is shared with him/her, s/he will act in a favourable way. This second dimension links perceived trust with buyers' managers' trustworthy behaviours such as expertise, which was elaborated in detail in section 6.2.4.1.3. Suppliers' managers

tend to consider prior sharing information, whether or not their counterparts in FishTin and Thrust Cab have the expertise to correctly interpret and act upon received information.

I think at times there is a lack of competency on their side of the equation, they just don't always understand what I am telling them, and that's a problem. So I really need to be careful with whom I am talking.
(John, Senior Vice President Business Development, Skyfly).

Buyers' managers' expertise was domain specific. For this reason the expertise based trust, granted to a counterpart is domain specific as well. For example, Bart who is Veterinary Service Manager at Aqua commented that he needs to have trust in his counterpart's abilities so that they will correctly interpret information about vaccine performance.

So I need to have a faith in their abilities as well when I am sharing information, which is something similar to trust to be a bit more specific.
(Bart, Veterinary Service Manager, Aqua)

Domain specific trust was granted to her counterparts also by Marcy, who was working in regulatory affairs at Aqua.

I trust their expertise in the subject. I trust their scientific knowledge.
(Marcy, Regulatory Affairs, Aqua).

The analysis of data suggested that managers may match shared information with the specifics of trust they granted to their counterparts. So for example, in the quote below, Mick clearly suggested that he would share technical information with his counterpart as he perceives him to be technically competent, but not to handle commercial offers as he implicitly suggests he does not trust him on this subject.

Could I, could I go and see, I do go and see Mitch [Purchasing Manager, ThrustCab] occasionally in Europe and say “Look Mitch we need to grab a coffee somewhere mate” and we go and talk about other aspects of which Mitch will then share about technical issues such as AGS nuts and bolts specifications, about material specifications and that kind of stuff and Mitch will say “look it is a bit of a mess that one” and “you are going to watch your back because engineering haven’t specified it”. Would I trust him for that, yes I would. So we can work on that level and we do work on that level, but if it is off making offers potential offers to Mitch then I’m much more reticent nowadays. (Mick, Product Programme A Manager, Skyfly)

6.2.5.2 Perceived risk

The second, second-level theme of the theme trust and risk taking behaviours that emerged from the data analysis was perceived risk. The theme on perceived risk captures suppliers’ managers’ perceptions of probability of potential *negative* outcomes if they were to engage in information sharing with managers from FishTin and ThrustCab. This makes theme perceived risk as a concept a mirror image of perceived trust, described earlier in section 6.2.5.1. Similarly to perceived trust, the perceived risk fell into two sub-themes: *relational risk and competence risk*, which are discussed in the continuation of this chapter.

Managers’ accounts of competence and relational risk were much more skewed towards descriptions of relational risks. This was particularly evident in relationships between the Skyfly and ThrustCab managers, whose relationships were more strained than relationships between Aqua and FishTin’s managers. Managers’ references to perceived risk indicate that perceived risk is an important influencing factor when a manager is in the function of a source rather than in the function of a receiver.

6.2.5.2.1 *Perceived relational risk*

Perceived relational risk captures suppliers' managers' perceptions of the possibility that if they were to disclose information to buyers' managers, those buyers' managers may misuse it because they are not fully committed to the relationship. The lack of commitment manifested itself in various untrustworthy behaviours, which, as suggested by the data, are considered by managers prior to engaging in information sharing with their counterparts. The existence of relational risk is also likely to influence how much as well what information gets shared.

I guess now the first thing that strikes my mind is why do they need to know this? Why do they need to know this what depending on what it is? If they just want a schedule update or weight update or whatever else that's fine. You know guys you know get it every week anyway so just have the latest copy; I'm not concerned about that. If they want to know where something we are actively discussing is, such as engineering tools, set deployment or whatever else, I don't have a problem with that, but they can have that you know. The more we can give them with that kind of information; there is no reason to be protective about it. You know when it comes around to other things such as where are you with the building, those kinds of questions; you know I can say generally we are on schedule or whatever else. I'm always a bit concerned to why... what is it then, they get a schedule overlap every month on that, they can it, what's driven to actually ask that question all of a sudden? (Darren, Programme M Manager, Skyfly)

Consideration of a potentially negative outcome prior to sharing information with a trustee did not necessarily involve only consequences for the trustor's company, as in Nick's quote below. Bart's quote demonstrates that managers may also consider the consequences for buyers' managers' companies.

Well it's probably because of this but as long as it's not confidential or damaging to the company or anything like that then I wouldn't have an issue with disclosing it but you would generally discuss it with the team first to make sure that everyone agrees it's not damaging. (Nick, Global Marketing Manager, Aqua)

It's difficult to answer but that's always a balance, you try to weigh things. Does this harm that long term relationship with FishTin? Do they need to know? Should they know? Will they be disappointed? Will this affect their business in a negative way if they don't know? I mean, that's evaluation I do from time to time, because if it does, I think if we know something they should know that will affect the business in a negative way (Bart, Veterinary Service Manager, Aqua)

The data analysis also suggested that managers tend to consider relational risk as part of a broader context in which an individual manager operates. For example, the cultural characteristics of an engineering community would be taken into consideration as part of the risk consideration.

There is at within I think within the engineering function, there is a greater openness about sharing of information than there is within a project organization. And I think the reason for that is that the engineering guys quite frankly don't have to report the programme status to headquarters. So for instance on an engineering level, I think there is greater sharing on where other people are on the programme and some of the issues and hence we might find ourselves. (Mick, Programme A Manager, Skyfly)

While managers could consider as part of their risk assessment an external context such as group culture, they would also consider the broader context. In situations when the buyer-supplier relationship atmosphere was strained, managers became more cautious with whom and what they were communicating, as they had a

tendency to judge buyers' managers' behaviours through a lens of an overarching relationship atmosphere. Quotes below capture an example of a manager's behaviour when he perceived the relationship atmosphere as risky, and in the same he perceived risky his counterparts.

Why would I sign a confidentiality agreement, rolling over showing our bellies [Charlie referred here to disclosure of information to FishTin managers – M.B.], where we are, even under secrecy if they then continue with somebody else? (Charlie, Head of R&D, Biologicals, Aqua)

But in this situation it is the whole company of FishTin that is playing this game not Fred alone and in such a situation if I had told him something that basically just was honesty he could use it to compromise the company name or me. So I am very, very careful how I communicate with him. (Todd, R&D Project Leader, Aqua)

6.2.5.2.2 Competence risk

Competence risk is the second perceived risk sub-theme. It refers to a manager's perception of the probability of potentially negative outcomes, rooted in a buyer's manager's lack of expertise. Competence risk was perceived by managers as an important factor in the same way that relational risk, described above, is taken into consideration by managers prior to engaging in information sharing with their counterparts.

I may be less minded to tell an individual such as he's not on my list either, a chap called John Doe [M.B.] who is in charge of health in fresh water in Scotland, I'd be maybe less minded to tell him about that, give him that information because he may take you know, rather than looking at the spectrum he may take one stance and say ah right he told me that, in which case there's no point in revaccinating because I've got that

disease, now he may have it in a very limited amount in which case he won't buy the vaccine, therefore it's commercially detrimental to our company because I don't necessarily trust him to have the capability to understand the full spectrum of what I'm telling him. (Hank, Global Key Account Manager, Aqua).

Well no it's because we share a building and the ThrustCab's team for instance are in the building and so we meet with the them to talk about this and it comes up as part of that conversation that they're not planning to do that, they actually have to provide their information through ThrustCab's so we go back to ThrustCab and say well we hear that your team aren't going to be whatever else and it's no they're going to be delivering and there's the categorical belief until the day that it doesn't turn up. And I don't know, are they incompetent or what, but it is just difficult to have more talks with them, because you never certain what is the next issue that you will have with them. (Tony, Vice President Engineering, Skyfly)

From the way managers talked about performance risk, it was evident that similarly to relational risk, they also consider in their risk assessment the external context, such as department, organization or buyer-supplier relationship atmosphere.

You tend to fall back quite quickly into the sins of the past and subsequently you know you get back into this conflict mode that neither of us are being totally open with each other and we're not sharing maybe as much information, we take longer to respond because you're trying to overanalyse what will be the significance of your response and therefore even when they ask us for simple information as part of this process we tend to take a long time. So we'll be more cautious about the data we'll provide and we'll try and make sure that we'll go all the technical arguments why we should be paid for any changes and we'll make sure that in terms of passing that data to the customer then from our point of

view it supports our position, so we'll analyse the data and we'll look at it from their perspective to see how robust our case is and therefore it may take much longer to give them the data than if we were in a very own relationship (Boris, Senior Vice President Commercial, Skyfly).

6.2.5.3 Risk taking

The previous two sections have demonstrated that individual managers tend to consider two key aspects prior to engaging in information sharing with their counterparts: perceived trust and perceived risk. In the way managers from Aqua and Skyfly talked about trust and risk taking behaviours it was clear that the result of trust/risk considerations is a risk taking action. i.e. sharing of information with the manager's counterparts. This, however, tends to happen as long as the perceived trust, i.e. that the counterpart will behave as s/he promised in a favourable way, will outweigh the perceived risk that this (the favourable behaviour) will not materialize.

Although most of the quotes that were used to describe the themes on perceived trust and risk, implicitly suggested the anticipated outcome, it is this theme here – *risk taking* that shows the outcome of trust and risk considerations by suppliers' managers. For example, the quote from Darren is an exemplar case that captures situations where managers decided about a selective information sharing based on what Darren considered as acceptable and what he considered as risky.

I guess now the first thing that strikes my mind is why do they need to know this? Why do they need to know this what depending on what it is? If they just want a schedule update or weight update or whatever else that's fine. You know guys you know get it every week anyway so just have the latest copy; I'm not concerned about that. If they want to know where something we are actively discussing is, such as engineering tools, set deployment or whatever else, I don't have a problem with that, but they can have that you know. The more we can give them with that kind of information; there is no reason to be protective about it. You know

when it comes around to other things such as where are you with the building, those kinds of questions; you know I can say generally we are on schedule or whatever else. I'm always a bit concerned to why... what is it then, they get a schedule overlap every month on that, they can it, what's driven to actually ask that question all of a sudden? (Darren, Programme M Manager, Skyfly)

To build on the quote above, when managers engage in risk taking action, i.e. information sharing, they voluntarily expose themselves to being vulnerable. Vulnerability is inherently related to a degree of severity of potential negative outcomes once a manager discloses information to his counterpart. Moreover, data suggest that the act of information sharing is likely to be influenced by a manager's perception of risk. For example, Michael's quote illustrates a situation where suppliers' managers would consider the potential risk of information being misused prior to sharing information.

Where you have a very good working relationship like with for instance the guys in Germany, I feel and this is from experience that I've seen that the information I give them is not then used, if it doesn't actually come to fruition, so for instance if I've told them that they are expecting 50 million doses on Thursday and we have a problem and the flight gets bumped or we then have an issue right at the end that we ship it the following week, they're happy with that and they won't then use that as a beating tool further on down the line whereas if I was to give somebody that I maybe am uncomfortable with dealing with that information, I have seen instances where that then bounces up from the drain and comes back again with mud on it saying well you committed to doing this why the hell didn't you meet it. (Michael, Product Planning Coordinator, Aqua)

With the exception of a few respondents, almost every manager in Aqua and Skyfly had some sort of negative experience in dealing with their counterparts. When trust is

breached and the perception of risk increases, managers become reluctant to engage in information sharing with their counterparts.

I had that phone conversation and we were talking and then he started asking more question.

MB: Were they asking you anything about the future?

INT: Yes, promises. What do we have in the pipeline. And that is very tricky information. I have no problem with people or companies I trust. It's people, it's never companies, to give information and also company information. And I just thought, these are not the right questions, what is he trying to do? Where is he going? We are just not there with trust yet. And yes, I can't give that away. (Charlie, Head of R&D Biologicals, Aqua)

Sometimes even intuition that a buyer's manager may breach their trust was enough for the supplier's manager to perceive information sharing as risky enough not to be engaged in.

I was personally involved in the teleconference, I was personally one of the people that delivered information to FishTin as an investment for what I thought was common interest but then I had this gut feeling afterwards OK they had the same conversation with Novartis or Pharmac and they are just fishing for information – yes.

MB: On what basis Todd did you make this conclusion?

INT: Gut feeling – I don't know if it's true but you said what affects my impression of trust I have absolutely no proof that this is actually a reality, it may be just a perspective made in part from the destructive part of my brain but it's the gut feeling I had following that meeting. And next time we meet I'll be very careful what I give away.(Todd, R&D Project Leader, Aqua).

In summary the section on the trust and risk taking behaviours of suppliers' managers showed that information sharing is perceived by managers as essentially a risk taking action. Information sharing as detailed in the presentation of results is, under certain conditions, an outcome of trust and risk consideration, which is closely related to the personal characteristics of interacting managers, as well as the external environment in which the interaction takes place.

6.2.6 Perceived information quality

Perceived information quality is the final first-level theme that emerged from the template analysis related to the contingent factors of openness and relationship transparency. The theme broadly falls in the two sub-themes: Information relevance and Information integrity. The latter is further detailed into three sub-themes consisting of: comprehensiveness, accuracy and timeliness.

6.2.6.1 Information relevance

Relevance of information is the first second-level theme of *perceived information quality*. It refers to a manager's overall perception of the quality of the response that s/he gets based on the query or information needed relevant to the manager's domain and purpose of interest. The domain and purpose of interest is defined and specific to each individual manager, based on his/her job characteristics and responsibilities.

For example, managers felt that they received relevant information because the supplied information matched their information needs. The needs for information are mainly defined by a manager's job requirements and responsibilities, although they could also include the manager's wider interests that are not necessarily part of his/her direct job responsibilities or even the job itself. A typical example of receiving relevant information is captured in the quote by Tom. Tom, as Head of Global Aquaculture, was responsible for the overall results of the business and having information about how Aqua performs in the eyes of FishTin was of utmost importance.

Graham will tell you what the issues are. Graham will give you a good perspective on what's actually going on. Or at least he will be making recommendations, so from him I get a pretty good feel as to what's actually going on at the farm level. (Tom, Head of Global Aquaculture, Aqua)

Depending on the job position and requirements, suppliers' managers needed different granularity of information to perform their daily tasks. Irrespective of the information detail needed, the expectation of information relevance was always present, though not always fulfilled. Another important characteristic that relevant information had to have is that a manager could act upon it.

We have got to freeze what they call wings skin covers we have this inner module line freeze so we can then go design our spar. And the person who gives me that information is a guy from ThrustCab. Right, he gives me the data and I look at it and say hang on this data does not have the amount of granularity I need to work with and his immediate comment is you didn't ask me for that. He should know this, I cannot work with such data! (Tony, Vice President Engineering, Skyfly).

Again at the moment I don't think I have good information to use. It can go through an intermediate or third party, it can be filtered, it can be misinterpreted, it could not be correct and all these sorts of things. (Michael, Product Planning Coordinator, Aqua)

Managers perceived the relevance of received information as an important quality attribute. Moreover, having the relevant information to work with is of major importance for fostering managers' perception of being informed about the opposite party's actions and properties. In many instances, the perception of being informed was expressed with words such as 'having a good perspective', 'having a good feel', 'having a visibility' or something similar. The quote below, demonstrates the

influence of a lack of relevant information on a manager's perception of being informed.

On the opposite side of that how much visibility I have into the customer's organization in terms of let's say schedule. It's quite limited, I think one of a number of risk sharing partners, it's almost a game that is played, let's say we're ten weeks late to the requirement and everyone is trying to get that same requirement, the customer will not share that information with other risk sharing partners and likewise will not share with Skyfly where the other risk sharing partners are because that tends to be a domino effect, so as soon as one person knows somebody is late, it tends to go towards the common denominator, you will all be late and then if you're late then somebody falls out and it spirals down, so it's that knowledge that the customer needs to keep the cards close to his chest and maybe not share either program data that would be useful to us, so it would be very good to also understand where our partners all tie in to a commonality called ThrustCab in their program and I don't get that visibility. I don't have this understanding. (Frank, Vice President Programmes, Skyfly)

6.2.6.2 Information Integrity

This is the second of the two sub-themes of the theme *perceived information quality* and refers to information being free of defects or flaws. It consists of the following three sub-themes: completeness, accuracy and timeliness.

6.2.6.2.1 Completeness

The category of information completeness involves managers' reports on having all required parts of an entity's information. The importance of this attribute of information quality was particularly obvious in relationships between Skyfly's and ThrustCab's engineers. They normally required very detailed information about design requirements in order to be able to understand what the opposite party (i.e.

engineers from ThrustCab) expects from them. Communicating information with high completeness was an expected practice in engineering community.

It is quite a detailed message because on these engineering programmes you do need to get into a bit of the detail to actually understand it. (Mick, Programme A Manager, Skyfly)

Well engineering will be pretty clear about what their requirements are so they will document, everything will be documented by an ECM they call it a engineering change memorandum. It is very clear what the requirements are. I can go back and do a complete trail of those requirements and this is why I have done what I've done. It is very clear, communications good. (Darren, Programme M Manager, Skyfly)

By expanding the previous quote from Mick, it becomes obvious that sharing of complete information may not be a common practice in all parts of an organization.

It is quite a detailed message because on these engineering programmes you do need to get into a bit of the detail to actually understand it so I can perhaps understand why. But in terms of it talked about lots of risks, it talked about non-performance of things such as various other things and I'm not sure Darren wants to have all of that in the open (Mick, Programme A Manager, Skyfly)

Providing complete information, for example about the consequences that ThrustCab's design changes had on Skyfly's operation, helped to avoid any misunderstandings in information interpretation from ThrustCab's managers.

When we give mods and stuff to them, we give them the full breakdown – everything. All the bookings we have done on Programme M we give that to them weekly with a name and how many hours they book each week on the redesign. We have put a new estimate to complete into them and that

has multiple tables on the back of it which gives you a breakdown of all the hours of what we have got there. And we have been open with our mark ups that we have put on things like handling. I don't know if we can be any more open? (Doug, Commercial Manager, Skyfly).

Moreover, to continue the story from Darren's quote above, providing or receiving information where completeness is not compromised, positively influenced managers' perception of being informed.

We shared a lot of data to try and get these convergences, I mentioned some time ago and it's sharing that data, there was some convergence and clearly there was an agreement because we're contracted, so there must have been some acceptance that what they got was reasonable value for money, maybe it wasn't, well they would have liked to be but we got some convergence because we shared a lot of data and therefore they felt that they knew enough about. Skyfly (Boris, Senior Vice President Commercial, Skyfly)

And lastly, some managers from the case companies perceived that having a good interpersonal relationship, characterised by mutual respect, fosters disclosure of more detailed, complete information.

Well the content is detailed because again there's mutual respect in those two parties. (Michael, Product Planning Coordinator, Aqua)

6.2.6.2.2 Accuracy

Accuracy was another important characteristic for information integrity. For managers it was important to work with information that is error free and, according to their perception, true. In both case companies, i.e. Aqua and FishTin, managers complained that accuracy of information is often a missing characteristic of information they receive from their counterparts. Lack of accuracy in received

information acts against the perception of being informed as well as prevents managers from acting upon the received information.

I am only just receiving an aggregated forecast, how are you going to know where that demand trigger comes from, I've got no idea, I mean I know that that product only goes to FishTin but that's only because we're speaking with Hank and he actually gets that in, in reality you don't know a lot of the times where your product actually ends up. (Michael, Product Planning Coordinator, Aqua)

In our supply of fish vaccines globally, the standard of forecasting varies as I said before from sophisticated countries in Europe to lesser sophisticated countries like Chile to even worse ones like the Asian countries, where you have no bloody idea what's going on at all. (Ken, Supply Chain Consultant, Aqua)

It's not always clear what they want. So when I think we have answered the question in turn causes another question, so it looks like it's taken a long time to answer the question, when the question is actually matured as we go through various situations of feedback, prior I can act. (Frank, Vice President Programmes, Skyfly)

Moreover, the lack of accuracy in received information can have potentially catastrophic consequences if a manager or team in an organization acts upon it in good faith that it was accurate. This is nicely captured in the following quote by Errol.

I was a program director so I was the Frank effectively on the Programme A and one of the packages that we built for the Programme A is the main landing gear doors and I got a phone call on a Saturday morning to tell me that the Programme A test aircraft, the main landing gear doors had blown off, so they were flying the aircraft round over the

*Pyrenees or wherever they were and they took a turn or a bank and there are cameras all over the test aircraft, I'm teaching you to suck eggs I guess but there were cameras all over the aircraft and suddenly they saw the main landing gear door because it was flying with the gear down, the main landing gear doors blew off and hit the tail plate and took a massive chunk out. So, on Saturday morning I get the phone call "these f***ing doors of yours have blown off, you'd better get your team down to us here to take a look at it what the f**k have you done wrong with this Errol"! Ok ok we'll get down there and we'll find out what the problem is, we didn't need to go down in the end, within days we established they'd given us the wrong loads. (Errol, Customer Account Executive, Skyfly)*

Furthermore, information accuracy is not only an objective property of information. As discussed in section 6.2.4.1, suppliers' managers tend to interpret received information through the lens of buyers' managers' trustworthy characteristics. This was also brought up by suppliers' managers in discussions about information properties, i.e. in those interpersonal relationships where buyers' managers were perceived to be less trustworthy, suppliers' managers doubted the accuracy of information received.

I often think that he's [conversation is related to Steve from FishTin, with whom David had strained interpersonal relationship] telling me things that might not be accurate and the truth (David, Sales Manager, Aqua)

There is not a lot of trust because the engineering will tend to be more realistic and the programme guys will be unrealistic. (Tony, Vice President Engineering, Skyfly)

6.2.6.2.3 Timeliness

Timeliness of the information is the last of the three sub-themes under the theme *information integrity*. The way managers talked about the timeliness of information refers to whether information was available in time to be useful. Interestingly, issues around information timeliness were mentioned exclusively by Skyfly managers. It looks as if in their business environment, which was fast paced (particularly when ThrustCab's products were in service), this feature of information played a crucial role in the execution of their daily tasks.

The data suggest that late supply of information may influence managers' perceptions of being informed at least for the duration of delay, because s/he is cut from the information source. The manager's reaction to such situations is that s/he cannot effectively perform her/his daily tasks, which are dependent upon the receipt of information. Programme managers at Skyfly for example, often complained that ThrustCab managers do not understand the high level of information dependency between the two companies. This dependency requires timely delivery of information from ThrustCab managers, which then enables Skyfly managers to fulfil their job responsibilities related to, for example, on-time product delivery.

They supply us with loads, aircraft loads, aero lines, interfaces with other parts of the aircraft, they are always, always, I mean I've been working on these programs for 20 years, over 20 years and they're consistently, consistently late with data. (Errol, Customer Account Executive, Skyfly)

But we can't deliver sometimes until ThrustCab themselves have delivered a starter and that's what Frank's alluded to I think probably, they are very, very poor, very poor in delivering things they need to deliver to us, data effectively, very, very poor. (Tony, Vice President Engineering, Skyfly)

An understanding of what customer requirements are in terms of deliveries is impeded through the late supply of information, as stressed by Darren, which has a negative effect on the fulfilment of managers' responsibilities.

Well if everything keeps moving, this spar has still got to be delivered on that date, so you get this, all this information in the middle with slips on both sides and why those slips are well it's never really understood you know Germany don't deliver what we need... it's multinational, it's a very complex picture, ThrustCab make a commitment based on you know 3 or 4 dependencies down the stream, we don't really see those. ThrustCab miss their commitment and we miss our commitment, this delivery does not change and all of a sudden we have a major fall out because you know the delivery goes to the right. (Darren, Programme M Manager, Skyfly)

The discussion on perceived information quality formally concludes the discussion of results related to the contingencies of openness and information sharing. The analysis identified six first-level themes that were deemed important by supplying managers as key contingencies of their behaviours when they were in the role of information source as well as information receiver. These themes are: *buyer-supplier relationship atmosphere, organizational context, interpersonal relationships, personal characteristics, trust and risk taking behaviours, and perceived information quality*. While this analysis presents evidence for subsequent discussion related to contingencies of openness and relationship transparency, the evidence related to the consequences of relationship transparency still have to be presented. This is the task that will be accomplished in the next section.

6.3 Consequences of relationship transparency

The second part of the results chapter is related to the consequences of relationship transparency. Identically to the first part, the presentation of the results maintains a close link with the hierarchical structure of the template analysis. At the first level,

themes broadly fell into four distinct categories: decision making, job role performance, perceived satisfaction, and potential power shift and control.

6.3.1 Decision making

Decision making was the first, first-level theme related to the consequences of relationship transparency. It consists of two second-level themes: risk of decision making and coping tactics. These are now discussed.

6.3.1.1 Risk of decision making

Based on the accounts given by the managers from both case companies, decision making carries risks related to the consequences of making a decision. Relationship transparency was seen by the managers in both case companies as a key enabler of decision making related to a manager's daily tasks and responsibilities. Managers were providing various accounts from their daily work on how their perception of being informed influences their work responsibilities. In Skyfly, where relationships were particularly strained between managers and the perception of being informed was often low, decision making risk reported as the inability to predict the outcomes of decisions was often brought up.

I'm constantly trying to work out well actually I won't try and aim to hit that date but I'll aim to hit that date and what would be the implications of that and whatever else and we ought to be collectively trying to bring it all back. (Mick, Programme A Manager, Skyfly)

When conditions to foster transparency were in place, such as for example the availability of information, managers felt they could make better informed decisions and mitigate the risk of decision making better.

So then helps our decision quality, so having known where the customer is really we can make better decisions about investment, about resource allocation and then how we treat our supply chain. Knowing that we may

see some issues so I know maybe got a 20 day slack there but I'm not going to give it to my own team because they will have issues and it's good to know how critical is that real delivery to make the right decision. Because I may want to invest more time with it and take risk out of the programme and knowing that I have 20 days in there, I may want to do that but maybe not now. So it's all about risk bouncing. (Frank, Vice President, Programmes, Skyfly)

It facilitates our decision making, understands how critical our deliverables are, how late we are, where the customers true hot points are, so it may get communicated you're late, everything is bad, then through detailed discussion well what are the real big issues that we need to knock over and address, such that we're not high on your radar and you don't have to spend time micro managing us. (Tony, Vice President Engineering, Skyfly)

Relationship transparency was seen as an enabler of managers' decision making. The data suggest that managers' perception of being informed fostered conditions that reduced managers' perception of risk of making decisions. While situations where managers' perceived they are sufficiently informed were generally favoured, irrespective of whether a specific business situation was good or bad, non-transparent situations were deemed as problematic and undesirable. Managers in both case companies developed coping tactics to deal with such situations.

6.3.1.2 Coping tactics

Coping tactics is the second, second-level theme under the theme decision making. It refers to the way managers were responding to situations when their perceptions of being informed were insufficient. Coping tactics broadly fell into two third-level themes: *avoidance* and *minimisation*.

6.3.1.2.1 Avoidance

From the way managers talked about dealing with decision making in situations of low relationship transparency, it was clear that avoiding decisions would be their preferred choice.

So that's sort of a deliberate act from ThrustCab to keep you in the dark in order not to think ok they're late so we can be a bit later, doesn't make sense to me. From a business point of view it doesn't make sense to me because then it can make me make decisions that aren't necessarily cost effective, pay for expedite fees and pay for additional hours, overtime, when at the end of the day I may not have to. (Frank, Vice President Programmes, Skyfly)

But meanwhile because we have targeted that as a programme we want to capture and we kind of we have only got so much to invest in a given year, yeah and there is volume of money set therefore we decided we would invest in that. So I am potentially not pursuing other projects, other work with other customers because I got this waiting, yeah and if we win I am going to invest these millions of dollars in this programme. (George, CEO Europe, Skyfly)

However, although perhaps preferred, avoiding making decisions was rarely possible. The interdependencies between companies and task interdependencies between individual managers largely prevented them from not making decisions. Risk acceptance and minimisation was therefore the most common choice for managers to deal with decision making risk.

6.3.1.2.2 Acceptance and minimisation

Acceptance and minimisation of decision making risk referred to tactics such as guessing and searching for new information. Both of these tactics were used by managers in both case companies to respond to situations where they felt that they

were inadequately informed, while at the same time being pressured to make decisions.

Guesswork was often a tactic employed by managers to cope with the pressures of decision making. To ensure continuation of business operations, more or less informed guessing acted as a replacement for missing information. This tactic in fact had an inherent acceptance of decision making risk by a manager built in. Whether a more or less informed guess, managers tacitly accepted that their decision may be wrong.

Well it makes me want to second guess and sometimes the decisions that you make are probably the wrong ones (Michael, Product Planning Coordinator, Aqua)

If I'm told that everything is important as you know, everything is equally important, then I have no chance to manage my business. I take a guess and I think that has come about because again ThrustCab guys would say Skyfly continually fail to deliver (Darren, Programme M Manager, Skyfly)

The difficulty with guessing was not only the fact that decisions based on guesswork may be wrong, it also introduced inefficiencies in managers' daily execution of responsibilities, because time was spent thinking whether decisions will result in some negative outcomes and how severe such outcomes may be.

I think it comes back to a point where I mentioned earlier is that in certain areas there is a lack of transparency for either for deliberateness or incompetence or whatever else and so I guess I spend more of my time trying to second guess what actually is going to happen than working on trying to achieve what should happen and hence that's a distraction I think for me that I could otherwise be trying to add more value to the business, if I'm constantly trying to work out well actually we won't try

and aim to hit that date but we'll aim to hit that date and what would be the implications of that and whatever else and we ought to be collectively trying to bring it all back. (Mick, Programme A Manager, Skyfly)

Decision making pressure was particularly high in the relationship between Skyfly and ThrustCab. This was due to the high levels of interdependencies in terms of inputs that the organizations provide to each other in order that their businesses can function. This was also observed at the individual level where managers were pressured, for example, by ThrustCab managers' demands to provide decisions around delivery dates, which were the main key performance indicators Skyfly was measured upon. In such situations, where decisions carried high risk if they were to be wrong, managers resorted to searching for additional information in order to increase their understanding of a specific situation. As with the case of guessing, searching for additional information introduced inefficiencies in managers' daily execution of job responsibilities.

But what we find is that you know it is disjointed and I have one person on the phone, programme manager asking me this is super critical today, can you get your guys looking at that then an engineer will be on the phone, this is super critical can you look at that. So then I will go back and say to the likes of Wayne [Programme A Manager, ThrustCab, M.B.], which is the most you know if you gonna die in a ditch this week Wayne, which one do you want. (Darren, Programme M Manager, Skyfly)

However, while guessing largely involved single, individual managers, the search for new information may involve other managers as well. This means that if inefficiencies with guessing were confined to a single manager, the search for new information may introduce inefficiencies in a relationship with that manager's counterparts. The quote above is a demonstration of how the search for new information involves also counterparts from external organizations, in this case a manager from ThrustCab.

6.3.2 Perceived job role performance

The second first-level theme that emerged from the data was related to managers' perceptions of their job role performance. This theme refers to managers' evaluation of effectiveness and efficiency of execution of their daily responsibilities under different levels of relationship transparency. Because of managers' boundary spanning roles, discussions often referred to managers' customer focused activities and how they see those activities being influenced by their perception of relationship transparency. Their accounts broadly fell into two distinct categories: effectiveness and efficiency of executing daily responsibilities. These are now presented in more detail.

6.3.2.1 Perceived effectiveness of a managerial action

The theme on perceived effectiveness of a managerial action refers to managers' perceptions of being able, or unable, to perform their daily responsibilities at certain levels of relationship transparency in relationship to their counterparts. It was evident from the data that in relationships where managers perceived they were not being informed adequately or not being informed at all, they were significantly inhibited in executing their job responsibilities. In situations referred to as the 'black box', which corresponded to having literally no, or very little, information and hence very limited understanding of a specific situation, managers were largely inhibited in executing their daily work activities.

It definitely affects my work in the sense that I don't know what part of the organization to go to when we have an issue, which is technical towards the market, I don't know how to handle things when I go into field trials automatically. Who is heading what and why? In what countries? Who am I to contact for what purpose? What decisions are made where? So on. It's completely a black box. (Todd, R&D Project Leader, Aqua)

On the other hand, when information that is needed for the execution of a task becomes available (in the quote below it is provided by a counterpart Mark, Veterinary, Health Manager, FishTin with whom the supplying manager has a good and relational exchange), the manager can engage in completing his/her tasks, or in the words of John ‘get his job done’.

But I say this is one of the things we have improved, now I think we are getting the information we want and most of the information I need to get my job done I get from Mark and not from Jay. (John, Business Unit Manager – Chile, Aqua)

Particularly in Skyfly, where relationships were strained and companies were constantly struggling to provide each other with the resources necessary for normal functioning, e.g. information, a general view was that lack of relationship transparency erodes the potential for adding value to the customer.

In terms of adding value I think the lack of transparency generally does reduce value creation both for us as a company and for ThrustCab in particular and I think that’s bad for UK Plc. (Mick, Programme A Manager, Skyfly)

Further illustration by Mick, re-emphasises what was typically observed in the strained relationships – that a manager’s perception of being inadequately informed due to a lack of exchanged information can result in inhibiting value adding activities.

I think there is, I add less value to the business as a result of that and also I think to ThrustCab also you know I think if I come back to the data release question, if there was a higher confidence collectively all working to one set of plans whatever else then I think the value to ThrustCab would be significant because things would happen. (Mick, Programme A Manager, Skyfly).

Look again because what it would help me to understand as programme director is you know what are your real requirements so that I can prioritise within my business and you know I can't deliver everything you require, but if I understand what your priorities are and I know you are telling me the truth then I can go back and prioritise my business as I've got scope, I've got flexibility and I will make sure what's important is delivered and what's niff naff and trivia is delivered, but is delivered later. (Darren, Programme A Manager, Skyfly).

I think on the tangible side I think previously we were able to have much more precise, what's the best way to put this, we were able to have much more precise flow of information about for example a new bid or a new work package opportunity or a sourcing decision on their side and we were able to just be more aligned because of that, we knew exactly where we needed to be or position ourselves best xxx from their perspective on a new package I think as the distance has grown between us and the level of communication and transparency has probably reduced between us and that hasn't been picked up by anybody else in my organization there's the key point then I think we've suffered slightly from that, I think we've lost some of the communication flow and the transparency and the sort of precise information about what we needed to do to improve ourselves in the customers eyes, I think we have lost out something there. (George, CEO, Europe, Skyfly)

On the other hand, when managers perceived they had been sufficiently informed, they felt it was easier to determine how to respond to the counterparts in the most effective way.

If you can have confidence that the information you're getting from somebody is real, then it makes our life that much easier in terms of determining the best response; the best actions to take in order to satisfy

that need from FishTin. (Richard, Global Technical Service Manager, Aqua)

Another example from Aqua, indicates that in situations of adequate relationship transparency, managers are able to focus their efforts on what they believe is relevant in a particular situation.

I think it helps you to really focus down or target better what the potential solutions might be. (Ronny, Global Technical Services Manager, Aqua)

As discussed earlier, in chapters 6.2.3.2.3 and 6.2.6, increased volumes and quality of information exchanged, together with other factors, foster relationship transparency and, as demonstrated throughout this section, could enable managers to target their response more precisely.

The context of our communications has necessarily changed from what it was previously but I suppose it's better now, it is more detailed and I think the report has thrown up a lot of specific areas that we can move on with and talk about now. (Richard, Global Technical Manager, Aqua).

If I understand again what the needs of the customer are and I understand exactly what they want, then it allows me to do my job that much more effectively and make sure that the messages we're getting across are correct. (Nick, Global Marketing Manager, Aqua)

Furthermore, managers indicated that understanding and being informed about their counterpart's situations and properties, e.g. having a specific problem that requires a solution, can help in identifying opportunities for more business engagement. For example, more detailed information about a specific problem situation provided by the counterpart in a relationship helped a supply manager to identify areas where he could assist the counterpart and in that way continue the interaction.

I've just been literally in communication with Graham again this morning on various aspects that have arisen from the report being issued and projects that we've got going on, so I'd say it's a more in depth specifics with a technical relationship if you understand what I mean, more in depth on specific areas. (Richard, Global Technical Manager, Aqua)

But that definitely had value for us because the end point would be hopefully more effective uptake of the treatment into the fish; better treatment response; less chance of resistance developing and shortening the life of the product. (Bart, Veterinary Service Manager, Aqua)

Continuous effectiveness in executing tasks, coupled with an ongoing interaction with managers' counterparts, may well translate into trustworthiness recognised by the opposite party.

So they've become a lot more open. And since we can respond better to what they need, they are gaining more confidence in us and trust, and they don't think we're just trying to sell them something. But actually, yes, we do believe in the product and there is some science behind it, and we're there to help them through with it. (John, Business Unit Manager – Chile, Aqua)

As the discussion demonstrated, managers' inability to make informed decisions resulted in various forms of perceived (in)effectiveness of managerial actions. However, the influences of relationship transparency went beyond managers' perceptions of effectiveness. The data suggested that the efficiency of managerial action is relevant as well and is influenced by different levels of relationship transparency.

6.3.2.2 Perceived efficiency of a managerial action

This was the second, second-level theme of the theme perceived job role performance. It corresponds to managers' perceptions of how relationship transparency influenced the efficiency of executing their daily responsibilities such as the speed of their responses to their counterparts.

When managers talked about perceptions of being informed and how this influences the execution of their daily responsibilities, they were consistent in their accounts. Irrespective to which case company managers belonged to, the perception of being inadequately informed, irrespective of the reason – i.e. lack of information or disbelief in information, introduced significant inefficiencies in their daily execution of tasks. A high level example given by Hank, illustrates this influence.

If we would have better transparency of FishTin's business fully I think we would find solutions for them a lot quicker. (Hank, Global Key Account Manager, Aqua).

When conversation descended to a more detailed discussion, managers started describing how inefficiencies actually materialise. A typical example is when a manager engages in additional working activities that delay the execution of a task originally intended.

Everything that eats hours is a direct delay on things that are actually in development. Because if I have to do a feasibility study to demonstrate that something is not feasible, that eats hours. (Todd, R&D Manager, Aqua)

I can't do our job good because a lot of the information they give me is wrong. And I need to constantly search for clarifications and waste my time, where I could invest it elsewhere. (Tyrone, Vice President, Product A, Skyfly)

As demonstrated earlier in section 6.3.1.2, when a manager searches for new information in order to increase the understanding of a specific situation, s/he may do it on her/his own, in which case inefficiencies such as delayed responses are introduced in the execution of her/his tasks.

So I need to know roughly where the schedule is. I have to you know that is why I spend half my time trying to work out where we think things really are, you know so we can picture about then. Because it effects machine installation, depending were the schedule is and when we're going to start is do we keep the machines in country X doing more development work in country X or do we bring them to the UK and try do development. You know all of those you have to reconsider, yeah, every time things start moving. So the more knowledge you have about where the schedule really is, allows you to do sensible planning for the good of the programme, yeah. (Mick, Programme A Manager, Skyfly)

In addition to this, inefficiencies could be introduced in a relationship with a counterpart manager, who, due to task interdependencies, has to be involved in the search for (or provision of) additional information. Given that both case companies, significantly more so by Skyfly, relied on but also provided critical resources to ThrustCab, Skyfly's managers had inefficient dealings with their counterparts from ThrustCab. This is captured in the following quote:

I must admit it can be quite annoying in terms of if you feel that you've got such a point but in terms of a factual assessment that it either falls in their favour or our favour and therefore they should either concede or we should concede, that does not occur very often so what tends to happen is that even the most obvious points we'll both argue the points hoping that as we go through out negotiations that we converge on an agreement and some of the more obvious points will be conceded along the journey and that can be quite frustrating for both sides because it's quite arduous and

subsequently it takes a long time and it can be quite fretful I guess.
(Doug, Commercial Manager, Skyfly)

In summary, analysis of the data showed that perceived effectiveness and efficiency in executing their daily responsibilities is one of the key outcomes of relationship transparency, specifically, managers' ability to make informed decisions.

6.3.3 Satisfaction

The second first-level theme related to the consequences of relationship transparency that emerged from the interview data was the theme on satisfaction. Satisfaction encompasses managerial emotional responses related to various degrees of relationship transparency. The theme broadly captures two types of response from managers: satisfaction and frustration related to information availability and task execution.

6.3.3.1 Information and task execution satisfaction

When managers talked about satisfaction, they referred to it in two distinct ways. One was general satisfaction of the state of being informed, thus having information about the opposite party's properties and actions. Such reports of satisfaction were common from managers who had good relationships with their counterparts, where trustworthiness, trust and information sharing was present to a greater extent. In both case companies they were managers who had such interpersonal relationships and where perception of being informed was part of those relationships. The quote below captures an example of how managers referred to satisfaction that stemmed from a current level of relationship transparency.

It was good to talk to him and air it all out and better understand, it's always better to understand what is happening isn't it? And it is for a while like this. I think a corner was turned and we get on a lot better now and like I say every now and again we do have a little chat just to see how things are going from both companies point of view because like I

say a lot of the time some of the bigger issues like the Programme M are up with the senior management and are out of our hands so options and where they think they are with us. (Doug, Commercial Manager, Skyfly)

It feels refreshing, it's very positive because it makes you feel that there are people listening at the other end that what you're doing is actually relevant to the customers, so yes so all very positive. (Nick, Global Marketing Manager, Aqua)

The quote below illustrates a manager's satisfaction with being informed about his counterparts. However, it also showcases that disclosure of information from the opposite party is perceived as something positive – a trusting action to which the manager responded with a reciprocal action.

I mean I find its quite rewarding that you know when guys who you know are very at the top in the kind of upper quartile, the upper strata of an industry you know big guys with big jobs, very talented individuals, very clever individuals with big challenges I find it rewarding to some degree when they start to open up and I feel better about it! It's nice to understand what is going on and I am also being more open as well because I feel like well there's less barriers because this transparency or lack of it, is like an invisible barrier isn't it. (George, CEO Europe, Skyfly)

Managers' satisfaction did not only originate from preferring a state of having an understanding of what is going on in a relationship in general. The quotes above, capture managers' overall satisfaction of being informed. This was a preferred *modus operandi* by managers, irrespective of whether they took advantage of it. However,

in several cases managers felt satisfied because they could execute their daily tasks related to their responsibilities in more effective and efficient manner.¹⁹

The quote below captures situations where managers felt positive about having the ability to make informed decisions and fulfilling their responsibilities in a way that was beneficial for both their organization and that of their counterparts.

I'm actually better able to align those building the equipment and tooling for instance to the correct dates. Some of our things for instance are sort of related prices, okay and you know shipping costs of 10 metre tools steel in part tools from the US, air freight you know whatever asked is critical. Now I have got to deal with the supplier that says provided that I hit a window of plus or minus 2 weeks, whatever asked, they will bare all the risks on shipping costs. Otherwise last time I did a German tool, I got a 40 thousand pound bill. I mean overall, you understand, it makes me much happier knowing where we are. (Mick, Programme A Manager, Skyfly)

There is transparency, it gives me more confidence and therefore more ability to drive the process, I mean we talk about slowness and things like that, if I have more confidence in the need and the definition and the outcome of the project, it's easier, I mean psychologically but also motivationally to drive the other people who don't get access to that point of contact to carry them forward to support the project, so it's beneficial for the outcome and it probably keeps the priority higher in your mind because you have more confidence in it, you understand what needs to be done, so you push forward more, so I think it's definitely beneficial, when you see that and you see the benefit from the customer,

¹⁹ Effectiveness and efficiency of execution of daily responsibilities were discussed in sections 6.3.2.1 and 6.3.2.2

that motivates you to make things happen. (Ronny, Global Technical Service Director, Aqua)

While managers generally felt positive and satisfied in situations when they perceived they were adequately informed about the opposite party's properties and action, this was certainly not the case when they felt uninformed. In situations of unwanted opacity managers felt frustrated. Managers generally referred to frustration in two situations. The first was really a mix of disappointment and frustration when their expectations that they should be informed did not match with the actual behaviours of their counterparts. This is described in the case of Skyfly's manager Errol when his counterpart withheld information from him, while Errol expected him not to, as at the Skyfly-ThrustCab's level, the relationship is called a strategic partnership; ThrustCab is their biggest account, as well as Skyfly being one of ThrustCab's major suppliers.

In in my opinion when we're talking about transparency, we're a big supplier to ThrustCab now, somebody could have quite easily within the first few days of looking at our bid documentation called me up or called George and said look we like your idea but we don't like your position on IP, we think we need to talk about it and I think that's when you talk about transparency and openness yes, the sort of relationship we should have with them, somebody should have called us. And I find this massively frustrating (Errol, Customer Account Executive, Skyfly)

A similar example, when a manager commented how he felt when information was hidden from him, whilst perceiving there was no reason for his counterpart to act in this way, is captured in the following quote.

I am frequently communicating with parts of their global organization and I think, why are you hiding some cards, and what are the cards you are hiding. We are part of the same relationship and it shouldn't be like that. (Todd, R&D Manager, Aqua)

Similarly to the earlier discussion on satisfaction, frustration originated from managers' inability to effectively and efficiently perform tasks related to their responsibilities. Having to resort to coping tactics, as described earlier in section 6.3.1.2, in order to reach a satisfactory level of understanding of certain problem situations was frustrating as that time could be better invested elsewhere.

It can be frustrating sometimes because we you know we sometimes run around all day on something to find out that ThrustCab have done something else in the interim and not told you. That can be a bit frustrating. (Doug, Commercial Manager, Skyfly)

And I don't really understand why they lost interest but there hasn't been an open dialogue to find out, you know why so we still think it was worth pursuing but you know if FishTin aren't going to help us I am not sure how we were going to go there. Quite literally this morning I got an email in from Graham almost out of the blue about where have we got to with plasma testing instead of flesh testing? Now I need to find out why does he want us to do this! (Hank, Global Key Account Manager, Aqua)

I think it's a bit pathetic actually on their behalf, you would have hoped that we could all be a bit more mature about these things and recognise when things aren't going well and actually say well look guys it is actually going to be to here, let's realign this set of data and be more realistic and actually our companies to manage their costs appropriately. There is no recognition of that kind of concept with my colleagues within ThrustCab until it gets to such a mess that they have to. (Mick, Programme A Manager, Skyfly).

While satisfaction has positive implications for the way managers thought about their relationship with their counterparts and continuation of interaction, frustration may

well result in anger and managers' reluctance to continue interacting. The anger of a manager is captured in the following quote.

And then the consequence is, I think about that person or that organization in a different way and I think, how can you be manager of something like this if you don't see the value of what I have been addressing. How come you are in the position you are? Pretty straightforward. (Jonathan, Sales and Marketing Manager, Aqua)

In situations when managers felt that a lack of transparency is a consequence of a deliberate act of withholding information by the opposite party, the perception of mistrust could form and this may result in sanctioning reduced openness, so they reciprocated by withholding of information. This is the opposite situation, but in principal is similar to the one discussed earlier in this section, when a manager satisfied with a degree of relationship transparency, reciprocated by disclosing more information to his counterpart.

They said "we want to go to our management and discuss it and we will get back to you". Then obviously something happened during that management meeting they didn't get the support they thought they would or they didn't have the power to say what they said in the initial meeting, I don't know. But basically nothing happened, I think maybe Luke received some very quick feedback anyway the whole thing stopped and then you are in the situation that you, OK what were these guys actually doing? Were they just fishing for information? That was my impression, that was my conclusion, I don't want to discuss this type of thing with these guys again, I don't trust them. (Todd, R&D Project Manager, Aqua)

Overall, the data suggest that managers prefer to operate in situations where they feel informed about their counterparts' properties and actions. Satisfaction and frustration are the two most commonly observed emotional responses rooted either in a

generally accepted state or, more commonly, rooted in (in)effective or (in)efficient fulfilment of job responsibilities.

6.3.4 Power shift

The fourth first-level theme that emerged out of the template analysis was a theme on power shift. This theme is captured in supply managers' accounts in which they were referring to the shift of power between them and their counterparts largely as a result of being able to effectively and efficiently execute their daily responsibilities. This theme captures two different situations: the ability of Aqua's and Skyfly's managers to showcase their expertise to and reward what they received from their counterparts at FishTin and Skyfly. The first situation is captured under the sub-theme *expertise power*, and the second under the theme *future dependence*.

6.3.4.1 Expertise power

Expertise power is a theme captured in suppliers' managers' accounts when they were describing situations in which their perception of being informed not only enabled them to more effectively and efficiently perform their job responsibilities but at the same time convey to their counterparts the expertise they possess. Managers at Skyfly provided numerous examples of how their expertise was recognised by their counterparts once they were able to truly understand what their counterparts' needs were, and they then tailored their responses according to those needs.

Where we were at and we could negotiate and discuss things further on a better level I think. On programme A we had a guy who wasn't so typically aware of the product and was making a lot of mistakes and problems at ThrustCab, denying things without really researching stuff and in the end I think we all went out to dinner here on the island and again had another good chat with him then and there was a lot of deeper understanding of his errors – we sort of showed him the errors of his ways and he saw of understood and became a lot more amicable with regards to how we negotiate modifications and things from there

onwards, made sure that he checked his facts before denying them and it made the process actually speed up so (Doug, Commercial Manager, Skyfly)

Similarly in Aqua, managers talked at length about how, in situations where they were able to really understand FishTin's needs and deliver more effective solutions, FishTin recognised their expertise. Managers perceived this recognition as positive as it contributed to buyers' managers' confidence in their knowledge.

I would say, we're in a better situation now than we were maybe two and a half maybe three years ago but in the past they probably didn't used to come to us to work together, they'd go to other companies, so now they trust us and we're obviously transparent with them, they're more likely to come to us so we're probably working more together on joint projects I would say, that's one of the major outcomes that have improved, the transparencies that we have and they're less suspicious of the things that we go to them with. (David, Sales Manager, Aqua)

And for me, it's the technical people that I'm dealing with, so more access to them in terms of them being aware that we as a company are trying to give them the solutions to their problems, and the fact that they've known more for that extra two years and having trust in, or believing the things that you're telling them – integrity, I guess, of the contact. (Richard, Global Technical Manager, Aqua)

6.3.4.2 Future dependence

In addition to supplier managers' discussions on expertise power, they also mentioned that perception of being informed ultimately give them an opportunity through the provision of specialised services and solutions to increase their counterparts' dependency on them. Such accounts are captured in the quote by Todd.

If we can speak to the customer or if we have more transparency with the customer understanding their problems and everything else we can truly understand what their needs are and define the project proposals much better for R&D which shortens time lines in development and everything it means to the product, it eventually comes to market will be that much more fit for purpose. (Todd, R&D Project Leader, Aqua)

Also, in FishTin, managers were often very explicit that increasing dependency on the supplier was the name of the game and that knowing and truly understanding what they need, was of the utmost importance.

If you know more about them and if you see more of that but I think generally it just allows the more information you get, the more you understand, the more it allows you to tailor what you're doing to suit them better. And it's clear; everyone is doing it to tight the customer on themselves. (Doug, Commercial Manager, Skyfly)

So if you can really understand them through that knowledge it really does allow you to target the products, target the development, target the positioning and make sure you can really fit things to their needs. For us this should be the way we play it. At the end we know that we have completion around the corner. (Errol, Customer Account Executive, Skyfly)

However, dependency does not come without risks. Suppliers' managers were aware that while they do strive towards increased dependence of their customers on them, awareness existed that dependence is mutual, therefore should be carefully managed.

I think also FishTin does believe that we are trying to help them. I don't think they think they are having these meeting with us just to make us feel good. I think they do believe that we are genuinely interested in helping them, then they come right back and challenge. What they don't realise is

a couple of things. One, my long term viability is dependent on their long term viability. If they don't do well and go belly up, who am I going to sell to? Who am I going to provide technical support to? So I have a vested interest, not to milk my business with FishTin, but to grow it and develop it so that they can grow. (Tom, Head of Global Aquaculture, Aqua)

Power shift was the last theme that emerged from the analysis of the consequences of relationship transparency. Expert power and future dependence both provide evidence that being informed about a counterpart's properties and actions gives an individual manager leverage to exert power in a buyer-supplier relationship. Overall, the analysis of consequences of relationship transparency detailed and discussed four first-level themes: *decision making, perceived job role performance, satisfaction and power shift.*

This section also concludes the presentation of the findings of the entire Template Analysis related to the contingencies of managerial openness and relationship transparency and the consequences of relationship transparency. This chapter has prepared the findings for chapter 7 – a discussion of their theoretical value and significance.

Part III:
What the study tells

7 Discussion

While the first two parts of the study described the problem addressed in the study and depict the design of the study, operationalization, and results of the empirical part of the study, Part III endeavors to answer the question of what the data mean. Firstly, what the data means in itself, and secondly in relation to the problem explicated in Part I of the thesis. This chapter discusses the findings of the results in the light of both their theoretical importance and their connections with relevant bodies of literature. It aims to demonstrate the value of the findings and to build the foundations for the discussion of the key contributions of this study, which is the aim of Chapter 8. In order to accomplish this, the discussion will move beyond mere discussion of the individual constructs and their relationships, towards a deeper, sophisticated and more coherent understanding of the factors that influence openness and relationship transparency as well as the consequences of relationship transparency.

7.1 Conceptual models

A detailed description of both the factors that influence openness and relationship transparency and the consequences of relationship transparency was presented in Chapter 6. It includes a structured description of the key themes and the relationships between them. However, in order to arrive at a deeper understanding of the aforementioned influences and consequences, it is necessary to move from simple descriptions to a model. This section attempts to fulfill this task.

Given that design, operationalization, analysis and description of the study's results is driven by two research questions, it is logical to develop two separate conceptual models. The first captures the contingent factors that influence openness and relationship transparency and the second captures the consequences of relationship transparency. For the sake of clarity during the discussion, I will refer to the first model as 'The contingencies model' and to the second as 'The consequences model'. Both models are developed on the basis of the constructs and their relationships

developed through this research. Thus, both models are a direct development from the structure presented in Figure 1 and they maintain tight links with it.

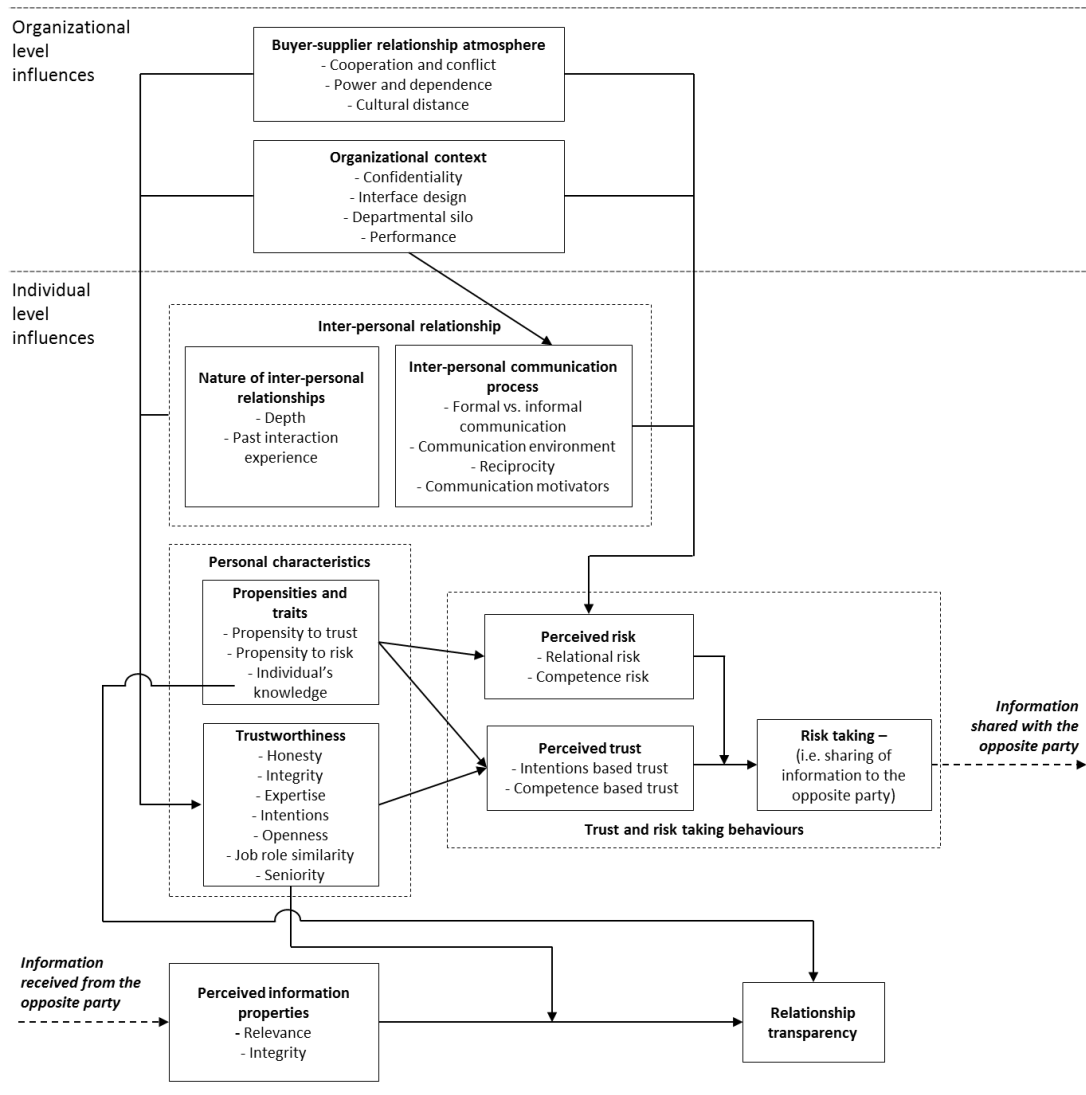
The discussion of both models starts with a high level overview of each model, which is then followed by a detailed discussion of key constructs and relationships between them. The discussion starts with the contingencies model and then continues with the consequences model.

7.1.1 The contingencies model

The contingencies model represents factors that influence openness and relationship transparency in the buyer-supplier relationship. It is presented in Figure 3. Given that the study was conducted from the supplier perspective of a buyer-supplier dyad, it is the supplier's perspective that is captured in the model. The contingency model suggests that a manager's openness and relationship transparency are contingent upon factors that occupy two levels of influences: individual and organizational.

A manager's openness – i.e. a manager's action of sharing information, is in essence a risk taking action performed by a manager, either upon request or in some instances voluntarily. The act of information sharing is influenced by a manager's perceived trust, which consists of intentions and competence based perceived trust. It is influenced by a manager's (i.e. trustors) perception of his/her counterpart's (i.e. trustee's) characteristics (i.e. trustworthiness). In the model, this relationship is depicted with the arrow between trustworthiness and perceived trust. However, as the consequences model suggest, a manager's openness is not a sole result of a sufficient degree of perceived trust. On the individual level the relationship between perceived trust and a manager's risk taking is moderated by the manager's perception of risk. Perception of risk is the probability of the occurrence of potentially negative outcomes for the manager once the information is disclosed.

Figure 3: Contingent factors influencing openness and relationship transparency in buyer-supplier relationship



Rooted in the inter-personal relationship related influences are two key constructs: the nature of inter-personal relationships and the inter-personal communication process. While constructs have an important influencing role on a manager's perception of his counterpart's characteristics – i.e. trustworthiness, the inter-personal communication process attributes, also influence a manager's perception of risk. Specifically communication motivators, which include asking for help; bargaining and power play; and, expectation of benefits, were found to drive the manager's voluntary sharing of information, without necessarily an *a priori* request from the opposite party for it.

The contingencies model also captures a significant complexity that the interaction parties' traits have on the trustor's perceived trust and perceived risk. Namely, perceived trust is a direct manifestation of a multitude of behaviours that the trustee displays during the interaction with a trustor. As a consequence of this interaction, perceived trust is granted to the trustee in relation to the specific trustee's behaviour. For example, information that requires high levels of expertise in order to be correctly interpreted may not be disclosed to a trustee whom the trustor perceives as technically incompetent even when the trustee is perceived as honest and open. Moreover, the contingencies model also captures an important role of individual manager's (i.e. trustor's) characteristics, which are captured in the construct 'propensities and traits'. The 'propensities and traits' construct includes a trustor's propensities to trust and risk and individual's knowledge. Where the former two are relevant for a manager's trust and risk taking behaviours, the latter is relevant for relationship transparency. Propensity to trust and risk is an individual trait that describes the general willingness of an individual (e.g. a manager) to trust or to take risk. From the perspective of a trustor, the key difference between a trustor's propensities to trust and risk and a trustee's characteristics for the formation of perceived trust is that the former tend to be stable and the latter tend to be dynamic. Thus, propensity to trust and risk is a personal characteristic that will predetermine a trustor's degree of perceived trust prior to the receipt of information about, or experience of, a trustee's behaviour. The same stability is also a characteristic of propensity to risk, which influences a trustor's perception of both relational and competence risk.

A trustor's perception of a trustee's characteristics is not perceived in isolation from the environment in which the trustor and trustee interact. Conversely, the way the trustor perceives the trustee's characteristics is influenced by factors such as the nature of their interpersonal relationship, reciprocity within the inter-personal communication process, in addition to the wider organizational and inter-organizational context. These influences are captured in the model as a link leading into the construct 'trustworthiness'. Moreover, organizational context and buyer-

supplier relationship atmosphere were also found to influence an individual manager's trust and risk taking behaviours, specifically manager's perception of risk. Rules and principles related to confidentiality for example, which is captured as a part of 'organizational context' construct set the boundaries of, among others, what information is legally allowed to be disclosed in the relationship between a buyer and a supplier.

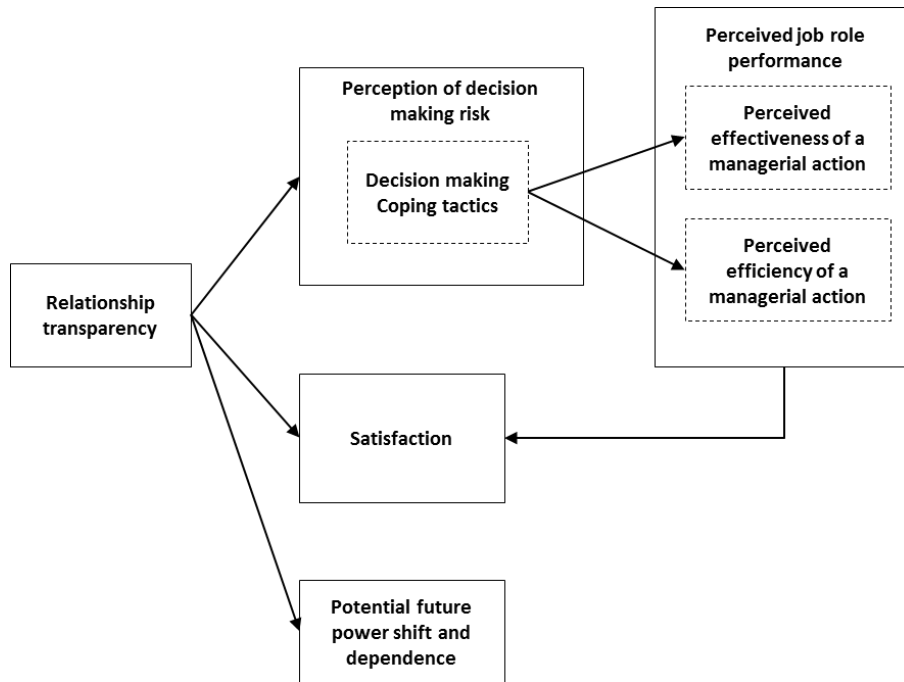
The model shows the pivotal influence of the three key constructs that influence relationship transparency. These are: trustworthiness; individual's knowledge; and, the perceived information properties. The possession of knowledge about a counterpart's properties and actions, gives the trustor the basis for interpretation, contextualization of the information received from a trustee. Although the quantity of information exchanged between the trustor and trustee is important, it is the quality of the information received that really matters for fostering relationship transparency. While the quality of information is necessary for fostering relationship transparency, it is not sufficient. The link between a trustor's perceptions of a trustee's characteristics provides the answer to why it is insufficient. Namely, the trustor interprets the information received in the light of his or her perceptions of the trustworthiness of the trustee from whom the information was received.

The contingencies model attempts to provide detailed insights into the factors that influence openness and relationship transparency. However, this study was also conducted with the purpose of empirically examining the consequences of relationship transparency in a buyer-supplier relationship. The findings for this part of the study are translated into the consequences model which is introduced in the next section.

7.1.2 The consequences model

The second model, shown in Figure 4, represents the consequences of relationship transparency in the buyer-supplier relationship under investigation.

Figure 4: Consequences of relationship transparency in buyer-supplier relationships



The model suggests three direct consequences of relationship transparency – a manager’s perception of being informed about the opposite party’s actions and properties: Firstly, it influences a manager’s perception of decision making risk. Managers engage in decision making on a daily basis in conditions that vary in terms of the certainty of the future outcomes of these decisions. Perceived decision making risk refers to a manager’s inability not only to predict a likelihood of negative outcomes but also a degree of negativity. In other words, decision making is not a consequence of differing levels of relationship transparency, but is influenced by a manager’s perception of decision making risk. This is, in turn, influenced by relationship transparency. In this way relationship transparency creates conditions favorable for facilitating a manager’s decision making. When such conditions are not in place, managers use coping tactics such as avoiding decision making or accepting the risk of making uninformed decisions while simultaneously trying to minimize. Either or, relationship transparency is ultimately reflected in a manager’s effectiveness and efficiency of execution of their actions. Managerial action is seen as the response of a manager to the information received from the opposite party.

Secondly, the model suggests that relationship transparency, as a cognitive state, is the preferred state in which managers like to operate. It tends to lead to a general feeling of satisfaction. This, however, does not necessarily mean that they are satisfied with the *state* of the relationship itself, although a degree of transparency tends to be higher in close, collaborative relationships. What it means is that the higher levels of relationship transparency are generally preferred even if the relationship between the two parties is adversarial and strained. In addition to this, a manager's satisfaction also originates in their ability to effectively and efficiently execute their daily tasks, which, as explained earlier, is a result of a manager's decision making.

The third consequence of relationship transparency that the model suggests is a future shift in power and control. From the perspective of a manager, the perception of being informed about the opposite party's actions and properties may result in the redistribution of expert power and changes in interdependence between a buyer and supplier. The redistribution of expert power occurs when a manager is able to showcase his expertise to the counterpart through effective and efficient execution of daily job responsibilities. At the same time this can also result in increased interdependence between the interacting parties.

7.1.3 Summary

The models presented in Figures 3 and 4 extend the initial findings of the pilot case study, by refining the initial findings and deriving new constructs and relationships between the constructs. In this way the two models represent the first step towards theorising the findings of this study. Despite the fact that both the constructs and relationships between them were derived from the empirical data and special attention was paid in Chapter 6 to the provision of a clear 'trail of evidence', the models presented here are an output of the synthesis of the research findings. For this reason, further discussion of this synthesis is helpful to demonstrate the value of the models for answering the research questions that led to this study and to establish their theoretical robustness.

Prior to the discussion of the contribution of the two models to the literature that underpinned the research questions, it is useful to mention the relationship between the models presented in Figures 3 and 4 and the research problem driving this study. The value of the two models is in their micro-level focus and the consideration of an individual manager's interaction within an external context. The models not only capture the factors influencing a manager's openness and the relationship transparency but also the consequences that relationship transparency within a buyer-supplier relationship. In so doing they provide deep insights into the dynamic nature and interplay between the individual levels of influences and consequences and the wider environment.

The remainder of this chapter is dedicated to the discussion of the value and meaningfulness of the derived constructs, and the way in which the constructs and relationships between them have led to the model. In order to determine the theoretical robustness of key constructs and the postulated relationships between them, the relationship with the relevant bodies of literature has to be explored. This also establishes the theoretical boundaries of the proposed models. This is the task that the remainder of this chapter addresses.

7.2 Organizational-level influences on a manager's openness and relationship transparency

7.2.1 Buyer – supplier relationship atmosphere

This research identified 'buyer-supplier relationship atmosphere' as an important organizational-level influencing factor both for individual managers' openness and relationship transparency. From the extant literature on inter-organizational relationships, it is the International Marketing and Purchasing (IMP) Group that initially introduced the idea of 'relationship atmosphere' (Håkansson, 1982). Relationship atmosphere is conceptualized as the context in which interaction between two parties occurs and affects mutual adaptation (Wong, et al., 2010). The

literature suggests the construct comprises a number of dimensions: power/dependence; cooperation; closeness; and, the expectations of interaction parties (Håkansson, 1982). Moreover, it is seen as both a product of the relationship between the interacting parties as well as a factor that contributes to the future development of the relationship. Thus, it influences the actions of the interaction parties (Hallén and Sandström, 1991). In this way the concept of relationship atmosphere is related to the findings of this research in two ways. *Firstly*, managers do not interact in isolation or as Hallén and Sandström, (1991) suggests in an ‘emotional vacuum’. *Secondly*, cooperation/conflict, power/dependence and cultural distance have a significant influencing role on an individual manager’s trust and risk taking behaviours.

In order to frame the discussion not only around the presence of the relationship atmosphere construct in the contingencies model, but also how it links with the rest of the constructs, the information sharing and relationship transparency literature was found to be of limited value. The information sharing literature is mainly focused on the *importance* and *consequences* of information sharing (Spekman et al., 1998; Lee et al., 2000; Whipple et al., 2002; Cachon and Fisher, 2000) rather than antecedents. Moberg et al.’s (2002) study is in this respect the only exception. The authors found that relationship commitment and information quality were the only two variables significantly related to information sharing. Commitment, which is defined as “an enduring desire to maintain a valued relationship” (Moorman, et al., 1992, p. 316) is an essential part of collaborative (Barratt, 2004), or, in the language of relationship marketing scholars, relational relationships Morgan and Hunt (1994). This research supports the findings of Moberg et al. (2002), as in both Aqua and Skyfly a collaborative atmosphere was perceived as a basis favorable for manager’s openness. This is as opposed to a conflicting atmosphere. The model, however, goes beyond Moberg et al.’s (2002) work and suggests two more components of relationship atmosphere: power/dependence and cultural distance, which act as influencing factors on openness and relationship transparency.

An imbalance in dependence between the case companies and their counterparts was seen as undesirable for a dependent company. Managers interviewed through this research were seeking to address this. Control over information disclosure was seen in this respect as an effective mechanism for affecting the organizational dependence on the opposite party. Namely, managers in both case companies treated information as a resource and that giving it away would weaken an organization's power position against the opposite party. Håkansson (1982) for example stated that (p. 22) "*the dependence on any one relationship by an organization is a major element in the wish to restrict interaction*". The Resource Dependence Theory (RDT) Pfeffer and Salancik (1978) offers further support for this argument. RDT views firms as embedded in a network of exchange relationships, within an uncertain environment and dependent on other entities for survival. A firm's power within a network resides in the dependence of other firms on it for resources (Emerson, 1962). Resources however, create dependencies as long as they are important and/or when control over them is relatively concentrated (Pfeffer and Salancik, 1978). The fact that managers in both case companies exercised control over information disclosure was because the information represented "*regular*" as well as "*critical*" input for their counterparts. This is similar to the magnitude-criticality argument by Pfeffer and Salancik (1978) who posited that a resource is important depending upon the proportion of inputs/outputs that the resource represents for the opposite party (magnitude) and a firm's ability to function without the resource (criticality). A detailed examination of power/dependence factors linked to organizational atmosphere within this research revealed the perspectives of managers and their responses to dependence. Firstly, managers were generally dissatisfied with being over-dependent on the opposite party. Moreover, managers attempted to address these imbalances (i.e. through information control) which led to conflict between managers in the case firms. This affected the manager's perceptions of the overall relationship atmosphere and is consistent with the findings of Anderson and Narus (1990) who found that power creates conflict from the perspective of the firm against which the power is used.

In addition to conflict/collaboration and power/dependence, the model also suggests perceived cultural distance as a key component of relationship atmosphere. The information sharing literature within the marketing and operations and supply chain (O&SC) management domains largely neglects the influence of culture on openness and/or relationship transparency. The information systems literature does acknowledge culture; however, the most common reference to the influence of culture is where information sharing is perceived as part of an organization's values and beliefs (Davenport et al., 1992; Constant et al., 1994). This is different from the perceived cultural distance proposed by this study. Organizational culture can be broadly defined as a system of shared values, beliefs and implicit assumptions that a group holds (Despaigne and Webster, 1989; Schein, 1996). The proposed perceived cultural distance refers to a manager's perception of the differences between their own and an opposite party's values and beliefs. This perception played an important role in influencing a manager's trust and risk taking behaviours. This was particularly evident in the case of the Skyfly-ThrustCab relationship, where Skyfly's managers constantly referred to how reluctant they felt to share information, because of the existence of a 'blame and good news culture' in ThrustCab. In essence, the organizational culture creates an environment in which certain behaviours are encouraged and receive support. This, as suggested by Whitener et al., (1998), directly influences the trustworthy or untrustworthy behaviours of an actor (e.g. a trustee). However, as it was evident from the case companies, managers learned, through repeated interaction, about the values and behaviours promoted in the opposite party's organization. This, coupled with the relative stability of organizational culture, gave managers (e.g. trustors) a basis for predicting the future behaviours of a trustee, which helps to explain the ongoing reluctance towards information disclosure of Skyfly's managers.

From the perspective of an individual manager, this study suggests that what has been understood to date as the influence of relationship atmosphere on managerial action (Håkansson, 1982; Hallén and Sandström, 1991; Wong et al., 2010), is essentially the influence of the relationship atmosphere upon an individual manager's trust and risk taking behaviours. A manager's trusting and risk taking behaviours are

discussed in depth later in Section 7.3.2 but before doing that, it is useful to briefly clarify the proposed link between relationship atmosphere and trust and risk taking behaviours. The model suggests that relationship atmosphere (with all its contributing factors) influences firstly a manager's perception of a trustee's characteristics (i.e. trustworthy or untrustworthy behaviours) and secondly a manager's perception of risk. Both constructs are key elements of the trusting and risk taking behaviour that influences an individual manager's openness, while the perception of a trustor's characteristics is also a key factor that fosters relationship transparency.

7.2.2 Organizational context

This research extends the current body of literature on information sharing and relationship transparency by bringing into this debate the role of organizational context. The extant information sharing literature is concerned with influencing factors for information sharing and discusses the role of an organization in two ways. The dominant view, which is adopted mainly in the Information Systems and O&SC literature, is that of the role of an organization as an adopter of information and communication technology (ICT). ICT is seen as an enabling factor for information sharing. The majority of this research (e.g. Monczka and Carter, 1988; Walton and Miller, 1995; Lee and Whang, 2000) proposes a positive link between an organization's adoption of ICT and improvements in buyer-supplier relationships, where information sharing is one of the aspects. This view of an organization's adoption of ICT as an enabler of information sharing has also been embedded in the work of Li and Lin (2006) and Moberg et al., (2002). They extended this view through the addition of two organizational characteristics: organizational size (Moberg et al., 2002) and top management support and commitment (Li and Lin, 2006; Moberg et al., 2002). Of these, only top management support and commitment was significantly related to information sharing. Similar to the work of Li and Lin, (2006) and Moberg et al., (2002), this research confirms the relevance of the role of the organization as an influencing factor on information sharing. However, given an individual-level unit of analysis, coupled with its exploratory nature, this research

brings a fresh and more detailed perspective on the influencing role of an organization on the information sharing of managers within it.

This research shows the importance of confidentiality for a manager's trusting and risk taking behaviours. Irrespective of its form, as a formal, bi-laterally signed non-disclosure agreement or as a perception of organizational norms and principles, the presence of confidentiality influences individual managers' decisions about information sharing. It sets a threshold for what is deemed to be appropriate and/or legally permissible to share with external parties, irrespective of the depth of interpersonal relationships between managers. The literature on contracts and organizational culture offers suitable support in its explanation of the moderating influence of confidentiality on a manager's disclosure of information. Firstly, in its formal state, a non-disclosure agreement is a form of explicit contract (Macneil, 1980; Lusch and Brow, 1996). Contracts are legally binding agreements, which specify the obligations and roles of both parties in the relationship. Because a contract offers protection to exchange parties through the legal system (Beale and Dugdale, 1975), the potential consequences of breaching a contract make violation (i.e. disclosure of confidential information) for a manager less attractive. In its informal state, norms and principles regarding confidentiality can be viewed as an integral part of wider organizational assumptions, norms and shared beliefs. This, as posited by Rousseau (1995), influences an individual's behaviours which was evident in both case companies in their acknowledgement of separate commercial and engineering cultures and explicit behaviours in regard to information disclosure. For example, commercial managers had a shared understanding that information about costs and margins will not be shared with the managers from the buying organizations.

Furthermore, the data suggest an important role of interface design and organizational silos. Firstly, both interface design, as well as a siloed organizational structure represents a hindrance for the flow of information between managers. This was manifested in the restricted flow of information, i.e. the decreased volume of information, and in reduced information quality, i.e. relevance and integrity. The

contingencies model posits that relationship transparency is fostered by the inflow of information and the perceived quality of received information. This confirms the work of Eggert and Helm (2003) who hypothesized that information and the quality of information affect relationship transparency. However, it is worth mentioning that Eggert and Helm do not make any explicit reference to the role of organization on information flow and quality. In this study the influence of the organization on information flow and quality went beyond those documented in the operations and supply chain literature (e.g. Cooper et al., 1997).

This study also uncovered a link between communication frequency and organizational performance, namely, communication frequency was contingent upon the performance of the supplying organization. Specifically, managers in the two supplying organizations were asked by their customers to disclose more information in situations where the supplying organizations were underperforming against agreed performance indicators. This was particularly evident in situations where interpersonal relationships between managers and/or the whole buyer-supplier relationship atmosphere in which the managers were interacting was perceived as strained. This observation poses the interesting question ‘How could high levels of interaction be related to a strained/conflicting buyer-supplier relationship atmosphere?’, given that the literature on buyer-supplier relationships has a well-established view that high levels of information sharing are associated with close, collaborative relationships (see for example Dyer and Singh, 1998; Dyer, 2002; Liker and Choi, 2004). An answer is possible if we bring into the discussion the question ‘How is information disclosed?’ The findings of this study suggest that one could view an individual manager’s disclosure of information as *voluntary* or *demande*d. The buyer-supplier relationship literature, when it refers to the link between relational/collaborative relationships and information sharing assumes voluntary sharing of information. In the situation stated above, communication frequency – and hence information disclosure – increases as a result of a demand for it from the opposite party. This was manifested in the customer requesting increased meeting frequency with the supplier’s managers, increased email correspondence and telephone calls. The information sharing and relationship transparency literature is,

unfortunately, short of answers to be able to debate the high frequency of communication/ strained relationships issue further.

However, the body of literature relating to trust and control in the context of inter-organizational relationships provides further insights. The response of the customer – i.e. a demand for an increase in the frequency of interaction – is a form of a formal control over the supplier’s performance. In general, control is viewed in trust-control literature as *“a process of regulation and monitoring for the achievement of organizational goals”* (Das and Teng, 2001, p. 258). In cases when a supplier underperforms, e.g. in the case of Skyfly being late with a delivery of components to ThrustCab, the buyer’s perception of risk increases. Companies in general have two ways of mitigating risk (Poppo and Zenger, 2002): through informal control mechanisms, i.e. trust, or formal control mechanisms, i.e. reporting hierarchies and contracts, or a combination of the two. In cases where trust is largely absent in a buyer-supplier relationship, a buyer’s reaction to mitigate risk is to increase formal control. In the example of Skyfly-ThrustCab, this was manifested in ThrustCab’s managers’ demand for higher levels of information disclosure from Skyfly’s managers in order to mitigate the risk of supplier’s underperformance. This is in line with (Das and Teng, 2001) proposition that *“perceived performance risk in an alliance will be reduced more effectively by output control²⁰ than by behaviour control”* (p. 262).

While Section 7.2 discussed organizational-level influences on managerial openness and relationship transparency, Section 7.3 that follows delve deep into the individual-level influences.

²⁰ Output control (or outcome control) is exercised through close monitoring of performance (Eisenhardt, 1985)

7.3 Individual-level influences on a manager's openness and relationship transparency

7.3.1 Inter-personal relationship

The contingencies model suggests a prominent role of inter-personal relationship factors in influencing an individual manager's openness and relationship transparency. The model suggests that trustworthiness and a manager's trusting and risk taking behaviours are contingent upon the nature inter-personal relationships and the characteristics of the inter-personal communication process. In the operations and supply chain (O&SC) literature as well as in buyer-supplier relationships literature on information sharing (Lee et al. 2000; Moberg et al., 2002; Li and Lin, 2006) and relationship transparency (Lamming et al., 2001; 2004; 2005; 2006; Eggert and Helm, 2003; Hultman and Axelsson, 2007), these inter-personal influences have been largely absent from the debate. This can be attributed to the fact that the extant research has been conducted at the organizational level of analysis and therefore unable to provide insights from the different levels.

Once we acknowledge that a manager's openness and relationship transparency are directly influenced by a manager's trust and risk taking behaviours, some of the buyer-supplier literature becomes relevant for the discussion of inter-personal influences. Doney and Cannon (1997) examined the influence of multiple organizational, individual and relational characteristics on the development of trust in an individual salesperson. They characterised the relationship with a sales person in terms of likeability, similarity, frequency of business contact, frequency of social contact and length of the relationship. This is somewhat similar to the inter-personal relationship related influences proposed in this study. The similarity lies in the constructs of frequency of business and social contact and communication frequency. Although they worded it differently, it inherently refers to the same function of relationship maintenance (Crosby et al., 1990). Another similarity lies between their construct of length of relationships and, as this study proposes, past interaction experience. Past interaction experience can be used as a proxy for relationship

duration (Håkansson, 1982) because, as this study shows, it enables managers to predict their counterparts' future behaviours (Cannon and Perreault, 1999). In their study, Doney and Cannon (1997), found a significant relationship between the frequency of business contact and trust in a salesperson. However, the relationship between the trust and the frequency of a social contact and length of a relationship was, in their study, not significant. This research offers additional insights into Doney and Cannon's findings on the role of communication frequency for trusting behaviours. Namely, managers from the case companies voiced that frequent communication enables them not only to maintain a certain state of their interpersonal relationships, but to develop them further – what they described as 'to get to know people better'. The role of communication frequency here is that it enables a manager to experience the behaviours of the opposite party more frequently and in that way more frequently evaluate counterparts' behaviours. However for the trust to be granted to a trustee, a trustee would have to exhibit trustworthy behaviours on an ongoing and consistent basis. As this study shows, the managers had both positive and negative interaction experiences. They used past interaction experience as a framework for predicting a trustee's future behaviours and evaluating the riskiness of a particular trustee. In this way, past interaction experience also influenced a manager's perception of their counterpart's characteristics (captured in a construct named 'trustworthiness') and consequently, as shown in Section 7.3.2.2, relationship transparency.

The study further found that besides the communication frequency, three more communication process factors were relevant for the understanding of a manager's trust and risk taking behaviours; formality of communication, communication environment and the presence of reciprocity. It is suggested by the data that managers' communication consists of various patterns of formal (e.g. structured and planned meeting discussions) and informal communications (spontaneous and unstructured corridor talk, social gatherings or pub conversations). Although the perceived utility of informal communication varied between managers, it was an integral part of close inter-personal relationships as well as a mechanism for the maintenance and strengthening of social bonds between managers. This finding

corroborates previous findings by relational marketing scholars who showed that social bonds are a property of close inter-personal relationships and that it is a subjective (Han, 1993; Homburg et al., 2002), informal social interaction that maintains these bonds (Wilson, 1995). Informal interaction did not only serve as a mechanism for social bonding between managers, but also facilitated quicker and more effective problem solving, specifically when unpredicted issues arose. Communication literature, for example, argues that formal communication mechanisms, e.g. planned meetings or scheduled reporting, often fail in the face of unplanned or novel events (Kraut et al., 1990). Uncertainty and unexpectedness are frequent occurrences in organizations and under such circumstances informal communication seems to be needed for coordination and problem resolution (Daft and Lengel, 1986; Suchman and Wynn; 1993). In addition to the type of communication, this study found that communication environment had a significant influence on managers' trust and risk taking behaviours. In the informal environments, such as corridors, pubs, hotels, etc., managers felt 'safer', less risk averse to disclosing information that they would otherwise have kept secret. The perception of the informal environment as 'honest' did not only mitigate managers' perception of risk, it also influenced the way managers' perceived their counterparts' trustworthy behaviours. This finding has a similarity to arguments in early communication literature, namely, that informal communication environment, which is free of formal, organized, rule and hierarchies-based arrangements of typical corporate environments, is likely to stimulate the use of informal communication (Kraut et al., 1990; Daft and Lengel, 1986), which, as posited earlier, stimulates social bonding between interacting parties.

The last element of the inter-personal communication process that this research found to influence individual managers' trust and risk taking behaviours was the presence of reciprocated communication. It was evident from managers' accounts that significant differences existed in the way managers behave, whether they were part (or not) of reciprocated communication with their counterparts. As established earlier in this chapter, information is seen by managers as a resource that has value to a disclosing manager as well as for the recipient of the information. Given the

resource/value characteristic of information, the data suggest that whilst managers disclose information, they also expect feedback from the opposite party. In its simplest form, feedback would entail information from the opposite party on how the initially disclosed information was used. In its more complex form, feedback would entail, for example, a report that was produced by the opposite party as a direct result of using previously disclosed information. Nevertheless, reciprocated communication is an indication of commitment to and continuation of a relationship, which creates a favorable situation for fostering inter-personal trust. Conversely, non-reciprocated communication, i.e. manager discloses information upon request, but does not receive feedback, was perceived by managers as a form of their counterpart's untrustworthy behaviour which resulted in the manager's withdrawal from further information disclosure. The support for this finding is extensively captured in social exchange and social contract literature. The behaviour observed in the study, i.e. formation of manager's expectation of reciprocity, is a manifestation of the emergence of a social contract. For instance, Rousseau (1989, p. 124) states that *"when an individual perceives that contributions he or she makes obligate the organization to reciprocity (or vice versa), a psychological contract emerges"*. A psychological contract, however, is an individual's belief in an obligation to reciprocity. Moreover, this belief is unilateral, held by an individual and does not constrain any other party in the relationship (Rousseau, 1989; 1995). The violation of a social contract, i.e. non-reciprocation of the opposite party, goes far beyond just unmet expectations. The fundament of a social contract is trust (Robinson, 1996), which develops from an individual's expectation that the contribution, i.e. sharing of information, will be reciprocated. For this reason violation of social contracts results in shock, frustration and resentment (Robinson, 1996; Robinson and Wolfe Morrison, 2000) and ultimately, in the deterioration of trust between the interacting parties, i.e. a buyer and a supplier, as shown for example in the study by Hill et al. (2009).

This study also identified that in certain circumstances, relatively stable patterns of information disclosure between two managers changed as a result of a specific manager's motivations to share either more or less information than normal. It was

evident that particularly in situations where managers needed and sought help outside their organization (e.g. asking their counterpart to help them in a problematic situation) as well as when they were anticipating certain benefits (e.g. securing more business), they were willing to take more risk and disclose information that they otherwise would not. In both situations, sharing of information could be interpreted as a form of a 'voluntary' information sharing. It is, however, not triggered by a specific request or demand from the opposite party, but rather by the problematic circumstances surrounding the disclosing manager (in the help seeking case) and anticipated future returns (in the benefits seeking case). In the former it could be seen as a form of a calculated risk taking by a manager, where the risk of non-disclosure is likely to exceed the risk of potential misuse of information from the opposite party. General management literature, specifically managerial risk taking literature, showed that managers' assessment of gains and losses – as in this study the consequences of disclosure vs. consequences of nondisclosure – is a powerful motivator for taking calculated risks (March, 1987; Wiseman and Gomez-Mejia, 1998). Besides this rationale, in the case of the anticipation of future benefits, the information disclosure could also be seen as a manager's display of trust in the opposite party by taking the risk and to be vulnerable (Mayer et al., 1995; Colquitt et al., 2007).

7.3.2 Personal characteristics, trust and risk taking behaviours

This research shows that manager's personal characteristics and his/her trust and risk taking behaviours play a central role in a manager's openness and relationship transparency. The contingencies model not only shows the relevant trust and risk factors, but also how they are interrelated and influenced by factors external to them. In order to provide a coherent story about the influencing factors, the consequences model captures the dualistic role of an individual manager as: a source of information, which allows discussion about a manager's openness, and as a receiver of information which allows discussion about relationship transparency. In order to keep the logical flow of argumentation, personal characteristics and trust and risk taking behaviours relevant for a discussion of a manager's openness will be discussed first and for relationship transparency second.

7.3.2.1 The influence of personal characteristics and trust and risk taking behaviours on manager's openness

The extant body of literature on antecedents of information sharing in Industrial Marketing and the O&SC field acknowledges the presence of trust as one of the precursors for information sharing (Moberg et al., 2002; Li and Lin, 2006). Both these studies found a significant, positive relationship between the presence of trust in buyer-supplier relationships and information sharing. The difficulty with their approach is that both studies are conducted at the organizational level and this, coupled with their quantitative, survey-based approach, prevents them from providing deeper insights into why trust is so important, which is exactly what this study does. The contingencies model suggests four interconnected, individual-level constructs that play a key role in a manager's openness and relationship transparency: *propensities and traits (which refer to trustor's characteristics)*, *trustworthiness (which refer to trustee's characteristics)*, *perceived trust (refers to trustor's perceptions)* and *perceived risk (refers to trustor's perceptions)*. A manager's openness is depicted in the model as risk taking and it is influenced at the individual level by the interplay between perceived trust and perceived risk. Given that perceived trust is influenced by two more factors – trustworthiness and propensities and traits – it makes sense to start by discussing the proposed trust-risk interplay.

Perceived trust is described in this study in terms of behavioural expectations, i.e. a trustor expects that a trustee will behave in a specific way (e.g. use the disclosed information within a boundaries of confidentiality). This is in line with the psychological tradition of trust, which is conceptualized in terms of expectations, intentions, affect and dispositions (Mayer et al., 1995; Rousseau et al., 1998). The data in this study suggest that perceived trust consists of two types of trust: intentions based trust and competence based trust. Perceived trust is an individual manager's perception that a trustee will act in favorable way (either in regard to his/her intentions or competences) and it is directly influenced by manager's perception of trustee's characteristics – i.e. trustworthiness. This conceptualization of perceived

trust is what Das and Tang (2004) define as subjective trust. They adopt a definition by Sitkin and Roth, (1993) who defines subjective trust as *“a belief, attitude, or expectation concerning the likelihood that the actions or outcomes of another individual, group or organization will be acceptable or will serve the actor’s interests.”*

Perceived risk on the other hand, as proposed in this study, is a mirror image of perceived trust and it has in this way a similar nature, namely, it refers to a manager’s perception of potentially negative outcomes of information sharing with the opposite party. The study suggests that managers in an inter-personal relationship will broadly consider two types of risk: relational and competence. The former refers to situations in which a trustor perceives that a trustee may not behave according to relational norms, e.g. not being committed to the norms of a relationship. The latter refers to the perception of potentially negative outcomes related to a trustee’s lack of competence. The managers in both case companies perceived the relational type of risk particularly often. It was manifested in, for example, their consideration of probability that the opposite party will misuse disclosed information. This, however, does not imply that the perception of relational risk was more important than the perception of competence risk. It only suggests that a manager has probably experienced negative outcomes in the past more often on behalf of relational rather than competence related reasons. The role that the perception of risk has on a manager’s risk taking behaviour, as proposed in this study, is very similar to that conceptually proposed by Mayer et al. (1995). The perception of risk does not influence a manager’s perception of trust but it rather influences a manager’s engagement in a risk taking action which is manifested as a sharing of information with his/her counterpart. Mayer et al., (1995) argues that *“one does not need to risk anything in order to trust; however, one must take a risk in order to engage in trusting action”* (p. 724). This differentiation between assuming the risk and actually taking the risk is aligned with Sitkin and Pablo’s (1992) distinction between a tendency to take risk and actual risk taking behaviour.

The behavioural manifestation of an interplay between perceived trust and risk can be recognized as what Das and Teng (2004) calls behavioural trust. According to their conceptualization, behavioural trust is about the notion of ‘to trust someone’ and it manifests itself in certain tasks such as (Das and Teng, 2004, p. 103) “*furnishing critical information to the trustee, placing resources at the trustee’s disposal, and so on*”. Moreover, the act of sharing information as reported by the case companies’ participants is, in most cases, an irreversible action. This means that manager’s openness encompasses a notion of vulnerability and reliance on a trustee’s expected behaviours over which a trustor does not have a control. This notion of vulnerability is also embedded in the definition of trust by Mayer et al. (1995, p. 712) who posits that trust is about “*the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party*”.

Perceived trust, as suggested by the contingencies model, is influenced by manager’s perception of trustee’s characteristics – i.e. trustworthiness, manager’s propensities and traits and manager’s perception of risk. Starting with the first construct, this study brings proposes a clear demarcation between the concept of perceived trust and trustworthiness. The way this study conceptualizes trustworthiness – i.e. perceived trustee’s characteristics, is identical to the conceptualizations of trustworthiness in trust and social psychology literature, namely as *attributes of a trustee* (Mayer et al., 1995) or *person’s overall disposition and motivation* (Dasgupta, 2000). This is relevant not only for information sharing and relationship transparency literature, but for buyer-supplier relationship literature in general. Namely, the concept of trustworthiness is almost completely absent from industrial marketing as well as O&SC literature concerned with trust in buyer-supplier relationships. This is with the exception of Doney and Cannon’s (1997) study on the trustworthiness of a supplier and its staff as perceived by a buyer, although the authors mistakenly claimed they studied the trust in a supplier firm and its salesperson, due to the inability to distinguish between the concept of trust and trustworthiness.

This study identified seven different attributes of trustee's characteristics: intentions, honesty, integrity, openness, expertise, job role similarity and seniority. All these characteristics individually and in combination with others predetermine the degree of perceived trust that a trustor grants to a trustee. This is in line with the conceptual work of Mayer et al., (1995); Rousseau et al., (1998) and Blois (1999) and the empirical work of Colquitt et al., (2007), who show that the characteristics of the trustee will result in a person being more or less trusted. Moreover, the identification of multiple sources of trustworthiness helps to explain why some managers in the study were trusted more than others. For example, in both case companies managers had relationships where they perceived their counterparts to be technically competent but dishonest. They were trusted for their technical competence but not their honesty, which ultimately resulted in the trustors' reluctance to disclose information. A similar outcome was also reported in opposite situations, where some counterparts were perceived as honest but less technically competent. Namely, a trustee was trusted for his/her honesty, but not in terms of competence to correctly interpret potentially disclosed technical or commercial information. What this also suggests is that managers adopt different behaviours in terms of information disclosure, depending upon their expectations of how the disclosed information should be treated by a trustee and their perception of whether a trustee possesses the characteristics to treat the information in line with managers' expectations.

The identification of multiple sources of trustworthiness and the proposed link to perceived trust challenges a myriad of extant work on buyer-supplier relationships (Anderson and Narus, 1990; Moorman et al., 1992; Morgan and Hunt, 1994; Doney and Cannon, 1997) and information sharing (Li and Lin, 2006; Moberg et al., 2002), where trust was treated and operationalized as 'blanket trust', meaning that buyers and suppliers are asked if they trust each other and not what they are trusting each other about. This research empirically shows what Blois (1999) conceptually argued, namely that once questions such as 'What do you trust the opposite party about' are asked, the answers become very narrow.

This study further extends buyer-supplier and specifically information sharing literature by showing that a degree of trust is also influenced by the trustor's characteristics, i.e. the propensity of a manager towards trusting. To date, information sharing literature has largely ignored the influencing role of individual manager's characteristics on trust and information sharing (Butler, 1999; Moberg et al., 2002; Li and Lin, 2006). The exception is a study by Constant et al., (1994), who examined the characteristics of an individual manager for information sharing; however Constant's study was about individuals' pro-social attitudes and not about trust and risk taking behaviour as in this study. A propensity to trust, as proposed in this study, is a characteristic of an individual manager that describes his general willingness to trust his counterparts. This conceptualization is consistent with the one by Rotter (1967), who was the first to discuss the role of personality for the formation of inter-personal trust, namely that trust is a generalized expectancy that the words or promises of others can be relied on. Others, such as Mayer et al., (1995) also referred to Rotter's notion of personality traits, and defined a propensity to trust as "*a general willingness to trust others*" (p. 715). As is evident from the managers' accounts, a propensity to trust is an individual's trait that significantly influences the trusting behaviour of a manager. It is an influencing factor of a perceived trust, meaning that it influences the trustor's perceived expectations of a trustee's positive behaviour, e.g. positive intentions and competent behaviours. In this respect Colquitt et al., (2007), empirically examined the link between trustworthiness, trust propensity and trust, and showed that trust propensity plays a significant moderating role between trustworthiness and trust.

In addition to a propensity to trust, managers also possess propensities towards risk. A propensity to risk is, by its nature, very similar to a propensity to trust. Namely it is an individual trait that describes a manager's *general willingness* to take risks. As the consequences model suggests, a propensity to risk influences an individual manager's perception of risk because, as argued by Brockhaus (1980), it affects one's assessment of a situation. Such a situation in this study is, for example, a manager's assessment of the potentially dishonest intentions of how the opposite party may use the disclosed information. The way that a propensity to risk is

conceptualized in this study is similar to the conceptualization by Sitkin and Pablo (1992), who posits that risk propensity is a product of behavioural inertia and history. With this conceptualization Sitkin and Pablo (1992) captures not only the personality dimension of risk propensity but also its dynamic nature, meaning that it changes through continuous interaction. The literature provides inconclusive arguments about propensities being stable or dynamic. Das and Teng, (1997) and Sitkin and Pablo (1992) argue for the dynamic nature of individual propensities, where authors such as Schneider and Lopes (1986) regard them as stable across situations. Given the snapshot design of this study, it was not possible to draw conclusions about the notion of the stability of a propensity to risk, nor a propensity to trust. However, the way manager's talked about the two propensities, e.g. 'this is how I am', indicates there is possibly a greater stability of propensities in comparison to perceived risk or trust, which can be changed from one to another interaction episode.

The contingencies model suggests another important characteristic of trust/risk taking behaviour; namely that information disclosure is not only an outcome of trust/risk considerations confined to the boundaries of an inter-personal relationship, but also considerations of an external environment. This is the point where organizational-level influences and influences of inter-personal relationships discussed earlier in this chapter, become relevant for a manager's openness. The role of the context for the development of perceived trust is, for example, captured in the model by Whitener et al., (1998) in the form of organizational factors such as structure, culture and HR policies, where Mayer et al., (1995), for example, posits that the relationship between a trustee and factors outside the relationship influences an individual manager's assessment of the probability of negative outcomes, i.e. the perception of risk. The notion of considering the external environment helps to additionally explain variations in information sharing between managers and changes in the inter-organizational atmosphere.

7.3.2.2 The influence of personal characteristics and trust and risk taking behaviours on relationship transparency

As pointed out in the first part of this thesis, buyer-supplier literature in O&SC and industrial marketing field have been examining information sharing, almost exclusively from the position of information outflow (i.e. information sharing as an action) and related consequences. The conceptualization and empirical exploration of relationship transparency in this research provides an important extension to the current literature by also discussing information sharing as an outcome - i.e. when a manager is in the position of information receiver. The contingencies model suggests that relationship transparency is influenced by perceived information properties, individual characteristics and traits – specifically individual’s knowledge and trustworthiness. This partly validates and partly challenges the theoretical conceptualization of relationship transparency by Eggert and Helm (2003), who argues that it is a perceptual construct influenced by the quality of received information, possession of knowledge related to a counterpart’s actions and properties, and relationship atmosphere.

This study shows that relationship transparency is influenced by the perceived information properties which have two dimensions: relevance and integrity. Relevance of information was judged by the case companies’ managers on the basis of an overall perceived quality of the response that they received from their counterparts in relation to their work domain and purpose of interest. Given that they were working across different organizational functions and dealing with different business issues, this suggests that managers’ perception of information relevance is individual as well as working domain specific. Aligned with this finding is what Bovee et al. (2003) pointed out, namely that “criteria regarding the domain and purpose of interest are specific to the user” (p. 58) and in that way determine the desired information. The integrity of information is the second information property dimension consisting of completeness, accuracy and timeliness. These are key attributes of information integrity often considered in information quality literature (DeLone and McLean, 1992; Wang and Strong, 1996; Strong et al., 1997), and they

refer to information being free of errors, i.e. information has all expected details, is perceived by a manager to be truthful and it is received on time. Both information property dimensions influence managers' perceptions of being informed about the opposite party's actions and properties. This finding was to a large degree expected.

Furthermore, this study suggests that a manager's perception of information properties is mediated by his/her perception of a trustee's characteristics. This suggests that an individual manager interprets received information through the lens of trustworthiness of his counterparts, i.e. - information source. This is an important finding because it shows the importance of trust and trusting behaviours in buyer-supplier relationships not only for information sharing as an action, but also for the information sharing as an outcome and consequent actions taken by a manager.²¹ The role of trustworthiness in information interpretation is literally non-existent in buyer-supplier literature; however, a small body of literature on 'source credibility' within communication and consumer behaviour literature provides an opportunity to shed the light on this finding. In the communication literature for example Hovland and Weiss (1951) explored the influence of source credibility on communication effectiveness. They operationalized credibility of the source as trustworthy or untrustworthy and showed that trustworthiness of the source has no influence on acquisition or retention of the received information but does have a significant influence on the acceptance of the received information. A direct quote from Hovland and Weiss (1951, p. 647) is: "*an untrustworthy communicator is to interfere with the acceptance of the material ("I know what he is saying, but I don't believe it").*" This is exactly the type of response observed by the managers in both case companies, when they were referring to the fact that they do not believe information they receive from trustees whom they perceive as being untrustworthy. A similarity to this finding also exists in consumer behaviour literature. Shimp and Bearden (1982) for example, found that source credibility (operationalized as a

²¹ Manager's actions as a result of relationship transparency are captured in the consequences model which is discussed in Section 7.4.

‘warrantor reputation’) was related to the way consumers perceived risk communicated to them at the purchasing of new products. Attribution theory (Kelley (1967; Kelley and Michela’ 1980), which is used in consumer behaviour literature, for example, suggests that consumers who are exposed to advertising information, attempt to assess whether information provides accurate representation and/or whether the source of the information lacks credibility. Eagly et al. (1978), for example, showed that when the credibility of the source is low, consumers will discount the arguments in the message. A similar reaction was observed amongst the case companies’ managers. The ‘discount’ of received information in the case of the perceived untrustworthiness of a source was manifested, for example, in the search for additional information or managers simply did not act upon the received information.

This study also identified the manager’s possession of knowledge related to their counterpart’s actions and properties as a factor that may influence relationship transparency. The role of an individual manager’s knowledge was particularly evident with managers who were former customers’ employees. They possessed deep knowledge about the customer’s business and felt that this helped them with processing information received from the customer’s managers. However, the possession of knowledge did not act only in the direction of enhancing their perception of being informed, but also against it. Managers with a deep understanding of a customer’s properties and actions were able to identify the untrustworthy behaviours of trustees more easily than their peers with a shallower knowledge would be able to. This indicates that a manager’s possession of knowledge can influence the perception of being informed in both ways. In this respect this finding challenges the theorising by Eggert and Helm (2003), who posits that a manager’s knowledge influences relationship transparency only in a positive way.

With the examination of influences of personal characteristics and trust and risk taking behaviours on relationship transparency this section formally concludes the discussion of influencing factors on manager’s openness and relationship

transparency, captured in the contingencies model (see Figure 3) introduced in section 7.1.1. The remainder of this chapter is dedicated to the discussion of theoretical relevance and validity of constructs and their relationships which captured in the consequences model (see Figure 4) introduced in section 7.1.2.

7.4 Consequences of relationship transparency

While the discussion of influencing factors of relationship transparency captured in the contingencies model, provided an important step forward in understanding of information sharing from an outcome point of view, the discussion of its consequences is still due. It is the task of this section to discuss the consequences of relationship transparency as captured in the consequences model.

The way the construct of relationship transparency was operationalized in this study enabled an exploration of the consequences of a manager's perception of being informed. This is the situation when a manager is in the position of the recipient of information. The consequences model, presented in Figure 4, firstly suggests that relationship transparency enables managerial decision making in the way that it fosters conditions which reduce the perception of decision making risk. In the decision theory literature, decision making risk is defined as "the extent to which there is uncertainty about whether potentially significant and/or disappointing outcomes of decisions will be realized" (Sitkin and Pablo, 1992, p. 10). Analysis of the case studies data shows that in situations of low relationship transparency managers behaved in two distinct ways: a) avoiding decisions, i.e. avoiding any decision making risk; and b) making decisions, i.e. accepting the decision making risk but trying to minimize it.

Risk avoiding strategy was adopted in situations where managers perceived that making a decision on an incomplete understanding of the problem situation would probably result in negative outcomes, i.e. the costs of making a decision were high. This behaviour suggests that, paradoxically, a low level of transparency can create situations of perceived certainty of negative outcomes. This situation is possible to

explain if we acknowledge that: *firstly*, decision making risk does not only entail the idea of outcome uncertainty, i.e. whether negative outcomes will be realised, but also outcome expectations, i.e. the degree to which an outcome will be negative (March, 1987, March and Shapira, 1987); and *secondly*, that managers learn from past interactions. It is this past interaction and experience from similar situations that gives them the confidence in expectations of negative outcomes. The evidence from organizational learning and decision theory studies corroborates this argument as it shows that decision makers learn through experience (Levitt and March, 1988), which is manifested in the way they think and response to both standard and new problems (Mintzberg et al., 1976). The way the case companies' managers dealt with decision making risk in situations of low relationship transparency is very similar to the findings of MacCrimmon et al., (1988), who found that managers, rather than dealing with risk, tend to avoid it by postponing decisions or delegating them to others.

The possibility of decision making risk avoidance was not always feasible. In many cases managers had to make some sort of decision in order to ensure the continuation of the business operation. This was particularly true in situations where the supplier's product/service or information represented a regular and critical input resource for the buyer. This, in a way, forced managers to make decisions in order to avoid negative consequences of, for example, late or incorrect deliveries. In such situations, where risk avoidance was not a possibility or a choice, managers accepted the decision making risk, while simultaneously trying to minimize it by searching for the routes of increasing relationship transparency. As the analysis of the data suggests, this was done in two ways: by replacing missing information with guesswork or by searching for alternative sources of information within or outside their organizations. This sort of 'information seeking' behaviour was observed for example in the study of Claycomb and Frankwick (2004) on buyer's supplier seeking behaviours as well as in the inter-personal communication literature, where Knobloch and Solomon (2002) posited that individuals search for information because they are uncertain about elements of a relationship, and the acquisition of new information through communication with their counterparts can be used to reduce such relational

uncertainty. In this study, whichever route for addressing low levels of relationship transparency was adopted, in both cases a significant inefficiency and ineffectiveness was infused in managers' daily operations and execution of tasks. This was manifested for example in the manager's inability to complete tasks, engagement in non-value adding tasks, providing ineffective solutions to the customer, and so on. However, in contrast to this, in situations when managers perceived they were sufficiently informed, i.e. high levels of relationship transparency existed, they felt they were empowered to make decisions which were reflected in the higher effectiveness and efficiency of their actions. Managers from the case companies were perceived to be more effective for example, because they could provide their counterparts with more customized and problem focused solutions to their problems, where the perception of efficiency was mainly related to the speed with which certain task could be executed, i.e. speed of response to customer needs. These specific behaviours of individual managers under different levels of relationship transparency help to explain why Eggert and Helm (2003) found a positive relationship between higher levels of vendor relationship transparency and customer-perceived value. As the analysis of the case data showed, managers were able to perform their tasks in a much more effective and efficient manner when they were operating in conditions of higher levels of relationship transparency. This was irrespective of which influencing factor, i.e. information quality, perceived trustworthiness of the source, or possession of contextual knowledge, contributed to their state of perception.

Moreover, and probably even more important, is the fact that the aforementioned managers' behaviours helped to shed light on the link between information sharing and relationship and/or operational improvements in buyer-supplier relationships. Industrial Marketing and O&SC management literature to date has significantly contributed to our understanding of the importance of information sharing. Information sharing has been recognized as an enabler of close and collaborative linkages between buyers and suppliers (Anderson and Narus, 1991; Cannon and Perreault, 1999; Spekman et al., 1998; Whipple et al., 2002) as a means for reducing the bullwhip effect (Lee et al., 1997), in supply chains and enablers of various performance improvements of supply chain members such as coordination of

material flows (Chen et al., 2001; Closs et al., 1997; Parlar and Weng, 1997) and coordination of decision making (Whang, 1995).

However, a common denominator in all this literature is an implicit assumption that there is a straightforward link between information sharing and relationship improvement and/or operational performance in buyer-supplier relationship. This assumption was initially challenged by Barratt and Oke (2007), who empirically examined the antecedents of distinct visibility in retail supply chains. They introduced the concept of 'distinct visibility' defined as "the extent to which actors within a supply chain have access to or share information which they consider as key or useful to their operations and which they consider will be of mutual benefit" (p. 1218). The authors found that resources such as informal procedures, appropriate behavioural patterns, trust and commitment are needed to deploy relevant resources in order to provide distinct visibility in a supply chain relationship. Their work provides valuable insights to challenge the aforementioned assumption; however, it remains at the level of organization and does not provide insights into how information sharing once received from the external party influences relationship and/or operational performance. The relationship transparency literature (Eggert and Helm, 2003; Lamming et al., 2001; 2004; Hultman and Axelsson, 2007) is in this respect similarly inconclusive. The findings of this study clearly challenge a direct link between information sharing and operational performance. This is because of the influencing factors of relationship transparency, discussed in a previous section, as well as because of the consequences of relationship transparency in terms of managerial decision making behaviour. All these together, indicate anything but a straightforward link between information sharing and operational performance. It is right to stress at this point that claims about improvements of operational performance of either buyer or supplier in this study, would be a stretch too far. This is mainly down to the nature, scope and level of analysis used in this study, which prevented the exploration of operational performance in the form in which it is treated in the aforementioned literature. This being said, this study still provides a very valuable insight in addressing the information sharing-operational performance assumption at the level of inter-personal relationships. It was clear from the analysis

of the case study data that managers, for example, felt increasingly more confident in the effectiveness of their actions and exercised a firm belief that this confidence is translated into a value delivered to the end customer, from which they could benefit in the short or long term.

Furthermore, the consequences model also suggests that relationship transparency influences a manager's perception of satisfaction. This satisfaction has two sources. The direct one is anchored directly in a manager's perception of being informed about their counterpart's actions and properties. The direct link, however, does not necessarily mean that manager is satisfied with the state of the relationship with his counterpart or counterpart's organization. It means that s/he is satisfied with the degree to which s/he perceives being informed about the state of the relationship. In general, managers preferred situations of high relationship transparency, which adds to the understanding of why they engaged in a search for alternative information outside their relationships, when relationship transparency was low. The indirect source of a manager's satisfaction was a result of being able to efficiently and effectively act in accordance with his/her duties and responsibilities. Analysis of the case studies data showed that managers felt incredibly frustrated with situations, in which they were unable to execute tasks they were supposed to do. Managers' frustration with opaque situations or satisfaction with transparent situations was influenced by a combination of factors such as manager's (in)ability to progress towards the goals s/he was planning to pursue, and performance and reward system pressures. Judge et al. (2001) for example showed in their extensive meta-analysis that there is a strong link between job performance and job satisfaction and that factors such as goal perusing and performance reward/pressures play important mediating and moderating roles. The authors showed, however, that the link is also reversed, i.e. job satisfaction leads to better job performance.

The two consequences of relationship transparency: effectiveness and efficiency of managerial actions and managers' satisfaction, have an important role in the wider buyer-supplier interaction. As was evident from the two cases, managers were confident that their ability to perform their daily responsibilities more effectively and

efficiently ultimately translates into benefits for their customers. They felt they were able to deliver higher levels of customer value if they felt informed about what a customer's needs are. Higher levels of transparency enabled supplier's managers to showcase their expertise and competence, leading to customers' realization of the potential benefits they can experience if they were to share information with their suppliers. Aqua's and ThrustCab's managers reported that, once they were able to understand what the customer wants and when they translated this into customer value, customers gained trust in their expertise. This is exactly a mirror situation of what was discussed in the contingencies model, namely that the supplier grants trust to a buyer, based on the various types of that buyer's trustworthy behaviours. The literature on buyer-supplier relationships showed that there is indeed a positive link between the perceived competence of a supplier and customer's trust (Doney and Cannon, 1997; Moorman, et al., 1993; Anderson and Weitz 1989). Moreover, higher levels of relationship transparency are not only a route for the emergence of trust from the customer's side. As discussed earlier, a supplier's satisfaction with relationship transparency may equally lead to granting more trust to the customer. Given the contingency of relationship transparency on a supplier's openness, managers felt that the act of giving information away in an honest fashion was an act of the customer's commitment to the relationship continuation. In this respect, this study shows similarities with conclusions of the work on commitment and trust in buyer-supplier relationships (Cannon and Perreault, 1999; Morgan and Hunt, 1994; Dwyer et al., 1987).

In addition to the aforementioned consequences, relationship transparency also led to managers' perceptions of potential future shift in power and control. Suppliers' ability to deliver higher levels of customer value was not only about the content and nature of exchange, it was also an opportunity to display an expert power towards the customer and influence the customer's future decisions about purchases of products and/or services from the supplier. The ability of one actor to influence the intentions and actions of another actor, as just mentioned, is the essence of the conceptualization of power in social psychology (Emerson, 1962) and used in the industrial marketing and O&SC literature (Caniëls and Gelderman, 2007; Benton and

Maloni, 2005, Cox, 2001; Maloni and Benton, 2000). Expert power in particular is considered as a non-mediated source of power which according to Maloni and Benton (2000) is not used by source in order to manipulate or threaten the target. In the case of Aqua's and Skyfly's managers it manifested itself in manager's ability to deliver to their counterparts more effective solutions and gave them in this way an access to their expertise. Description of expert power by French and Raven (1959) (cited in Maloni and Benton (2000) is similar, namely "*source has access to knowledge and skills desired by target*" (p.54).

The use of expert power in a relationship with their counterparts was common by the case companies' managers. According to the work of Brown et al., (1995), the use of non-mediated power, e.g. expert power, increases the genuine commitment between the interacting parties, where the use of mediated sources of power, e.g. coercion and reward, will lead to a decrease of genuine commitment between relationship partners. From suppliers' managers' perspective, commitment of their customers to do business with them was unsurprisingly seen as positive. Moreover, managers' ability to showcase an expert power towards their counterparts, while enabled by adequate levels of relationship transparency, gave them also an opportunity to increase their counterpart's dependency on them. This is possible in situations when managers' effectiveness (enabled by relationship transparency) gets ultimately translated in securing more business with their customers. While this study did not permit for exploration of a long chain of influences from effective execution of individual manager's task to winning more business, the latter were nevertheless reported by managers in a manner of a link between relationship transparency and better serving of a customer that can win them more business in the future. While such potential increase of dependency of a customer on supplier was desired from a supplier's managers point of view it was not always desired from a customers' point of view. Works of (Pfeffer and Salancik, 1978; Harrigan and Newman, 1990; Auster, 1994) show that companies tend to create and strengthen relationships (e.g. continuous engagement of a supplier with a customer to win more business) with the purpose to access and control important resources, which ultimately results in re-distribution of

power between a buyer and supplier. However, companies tend to increase power over others' and decrease power of others' over them.

7.5 Findings from a critical realist perspective

The findings of this study should not be understood only in relation to the relevant literature in the field, but also in the light of the adopted philosophical position and related methodological choices described in Chapter 4. For this reason this section provides commentary on the findings of this study from a critical realist perspective.

7.5.1 Individual meanings and analytical abstraction

In his works on the principles of topological psychology, Lewin (1963) argues that individuals respond to reality on the basis of their beliefs about it, and not to reality per se. Critical realism argues for the importance of subjectivity and individual meanings, while at the same time calls for analytical abstraction in order to propose theoretical explanations that convey individual meanings (Danermark et al., 2002).

As demonstrated in the literature review, the current epistemological focus and methodological choices embedded in works on information sharing and relationship transparency rely on the isolation and measurement of variables with the purpose of conveying objectivity and seeking external validity. As argued before, this may be problematic, given the low theoretical maturity of extant work, which would normally call for more subjective approaches to enquiry (Edmondson and McManus, 2007). Challenging the claim of 'objectivity' in quantitative social science, Patton (2002, p. 574) observed that:

"All statistical data are based on someone's definition of what to measure and how to measure it." (original emphasis)

In accord with this view, the philosophical perspective adopted, and methodological choices employed in this study, allowed the grasping of the subjective meanings of individual managers. Although the key constructs of 'openness' and 'information

sharing' were predefined in order to maintain the focus of the enquiry, this study draws on the subjective reports of individual managers. Although in this way managers were confined when it comes to the interpretation of two key constructs, this study still relies on the epistemological principle that managers are self-reflective and make sense of their experiences related to openness and relationship transparency.

While the study draws on subjective meanings, it transcends them by detecting patterns in individual meanings and experiences, and by proposing theoretically-informed interpretations and explanations about generative mechanisms. This analytical abstraction relied on a transition from categorization to interpretation of qualitative data, as described by Ritchie and Lewis (2003).

7.5.2 Generative mechanisms and explanatory claims

As discussed in section 4.2.2 of this thesis, critical realism builds on ontological realism and epistemological relativism. It argues for independently existing social reality. Knowledge mediates, although in approximate ways, access to this reality. Social reality in critical realism is stratified and consists of three overlapping domains (Bhaskar, 1979): empirical, actual and real. Considering these three domains, the purpose of research and theoretical models, from the position of critical realism, is to embark on an epistemic journey towards understanding the real, unobservable mechanisms that are responsible for generating observable phenomena in actual and empirical domains.

In this way, critical realism first requires the identification of empirical regularities pertaining to the phenomena investigated. In this study this has been done by uncovering changes in managers' openness (i.e. changes in managers' information sharing actions) and relationship transparency (i.e. changes in managers' perceptions of being informed) on the basis of managers' accounts.

In spite of its usefulness, detecting empirical regularities is not sufficient. Critical realism requires the researcher to identify the underlying generative mechanisms that produce the observed empirical patterns. In the contingencies model, this study has endeavoured to do so by linking managers' openness and relationship transparency with contingent factors that were identified at the individual level as well as at the organizational level. The individual-level factors include: nature of inter-personal relationships, inter-personal communication process, propensities and traits, trustworthiness, perceived risk, perceived trust and perceived information properties; where organizational-level factors include buyer-supplier relationship atmosphere and organizational context. In the consequences model, this study observed empirical irregularities in relationship transparency and linked it to a set of consequences factors – i.e. perception of decision making risk, perceived job role performance, satisfaction and potential future power shift and dependence. Throughout the discussion, this study not only identifies the contingencies and consequences, but also discusses how and why these factors have shaped managers' openness and relationship transparency or, in the case of consequences, how and why individual factors act as consequences. In this way this study remains consistent with the tenets of critical realism (Bhaskar, 1979; Easton, 2007).

The models presented and discussed in this study are derived from the pool of data contributed by participating managers in the two case companies. As discussed in section 4.3.3, this choice was made to collect as rich a data set as possible in order to maximize the learning about the studied phenomenon. As a consequence, the findings from one case study may emphasize different generative mechanisms from the findings from the other case. For example, for managers from Skyfly, the role of inter-personal communication, specifically the influence of the communication environment was perceived as being particularly critical for their risk taking behaviours as they perceived formal communication settings as often too risky to engage in information sharing. Similarly, managers' accounts from Skyfly's case provided significant input into identifying and explaining how and why cultural distance plays a contingent role in influencing managers' openness. Consequently, while the models benefit from a breath of identified constructs, their importance for

explaining empirical irregularities in managers' openness and relationship transparency may vary.

In the search for generative mechanisms, critical realists propose explanations for observed patterns of events, behaviours and attitudes. Explanation is understood as having added conceptual power compared to mere descriptions, yet is different from prediction (Danermark et al., 2002). Given the open nature of social systems, it is impossible to isolate invariable causal laws that would allow for precise prediction. Instead, description and explanation through the lens of generative mechanisms is always context-specific (Tsang and Kwan, 1999; Reed, 2009). What this means is that this study does not claim to make predictions about what factors influence managers' openness and relationship transparency, and what the consequences of relationship transparency are. What this study does claim, however, is to have identified these factors and discussed their relevance for the managers interviewed, who interacted in their specific organizational and inter-organizational contexts.

7.5.3 Context

As highlighted by the literature review, most of the studies on information sharing and relationship transparency separate the interaction context from an interacting individual (e.g. Li and Lin, 2006; Constant et al. 1994; Kolekofski and Heminger, 2003). This study has attempted to overcome this limitation by employing a qualitative, case-based exploratory research, where an individual interacting manager was treated as embedded in the external interaction context – i.e. organizational context and buyer-supplier relationship atmosphere. In reporting and interpreting the findings, the two external contexts were discussed in their own right first. However, to make a connection with individual level findings, these were interpreted in the light of the two contextual elements, which enabled this study to integrate the individual- and organizational-level influences in one integrated unity. For example, the elements of the buyer-supplier relationship atmosphere (i.e. cooperation and conflict, power and dependence, and cultural distance) were perceived by managers as influencing factors, such as perceived trustworthiness of their counterparts, and

trust and risk taking behaviours. Similarly, the organizational context was also perceived as influencing managers' risk taking behaviours and the inter-personal communication process. This indicates that an external environment in which individual managers interact shapes their perceptions, behaviours and actions.

The influence of the external context on individual-level factors, which is captured in the contingencies model, is also relevant for the consequences model. This is because an outcome of information sharing – i.e. relationship transparency, is shaped by the same external context that shapes managers' openness. Following this logic, the identified consequences of relationship transparency (i.e. managers' perception of decision making risk, perceived job role performance, satisfaction and potential power shift and dependence) are also sensitive to external context.

As discussed in the previous section, the methodological choice to build the two models from the pool of data from both cases, had an impact on the relevance of specific elements of the external context for shaping managers' perceptions behaviours and actions. While for example, cultural distance was a significant and relevant contextual element that shaped Skyfly managers' perception of their counterparts' trustworthiness, it was not pointed out by Aqua's managers as significantly important, mainly because Aqua's and FishTin's organizational cultures were more compatible.

Furthermore, in identifying and discussing how the buyer-supplier relationship atmosphere and organizational context shape individual managers' perceptions, behaviours and actions, this thesis also shows that external context acts as a generative mechanism and is responsible for observed empirical patterns in managers' openness and relationship transparency. The findings of this study and the proposed interpretation are aligned with critical realists' claim that generative mechanisms are dynamic and interdependent (Danermark et al., 2002; Reed, 2009).

7.6 Conclusions

The purpose of this chapter was to discuss the theoretical importance and value of the findings presented in Chapter 6. This way this study is able to arrive to the contingencies and consequences model which allow for understanding of contingencies of manager's openness and relationship transparency and consequences of relationship transparency. Section 7.1 introduces the two conceptual models, their key constructs and relationships between them. Sections 7.2 and 7.3 and 7.4 are dedicated to a detailed discussion of the two conceptual models in the light of their theoretical significance and connections with the relevant bodies of the literature. Section 7.5 discusses findings of the thesis from the critical realist perspective. In so doing this chapter prepared foundations for the discussion of key contributions of this work to the literature that was initially used to construct the two research questions. This task is intended to be accomplished in the next chapter.

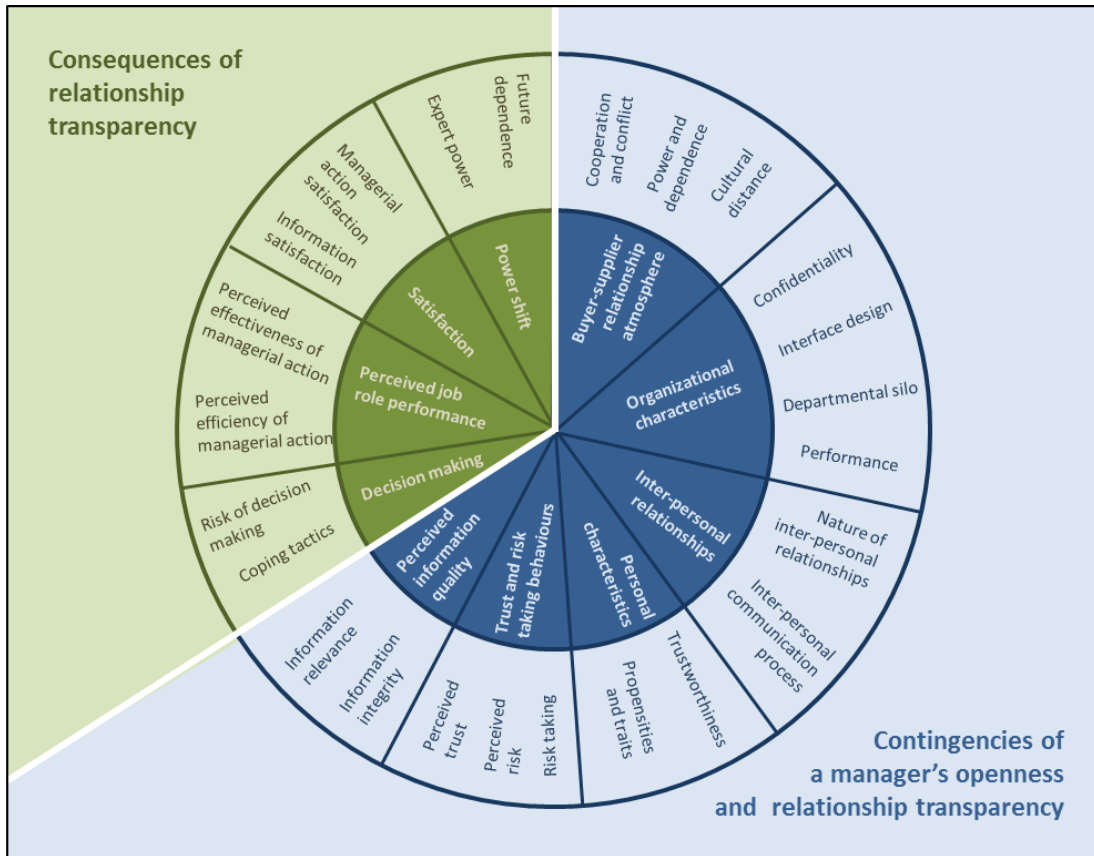
8 Contributions

The purpose of this chapter is to demonstrate the contribution of this study to the existing body of literature. Where Chapter 7 discussed the two models in fine detail, the purpose of this chapter is to approach them more holistically and parallel them with the literature that was used to initially develop the two research questions. In order to keep the focus and maintain the link with the earlier discussion, the chapter firstly opens with a summary of key findings, which is then followed by the discussion of primary and secondary contributions.

8.1 Summary of the findings

This study empirically explored two phenomena: influencing factors of managerial openness and relationship transparency, and the consequences of relationship transparency within a buyer-supplier relationship. By examining the phenomena from a supplier's perspective, the study adopted a qualitative, case based research strategy. The data from the two case studies were analyzed, following the process of Template Analysis (King, 2004), which resulted in a hierarchical structured set of themes. The themes reflected key features of participants' perceptions of influencing factors and consequences. The pictorial rendition of the hierarchical structure of themes from template analysis is presented in Figure 5.

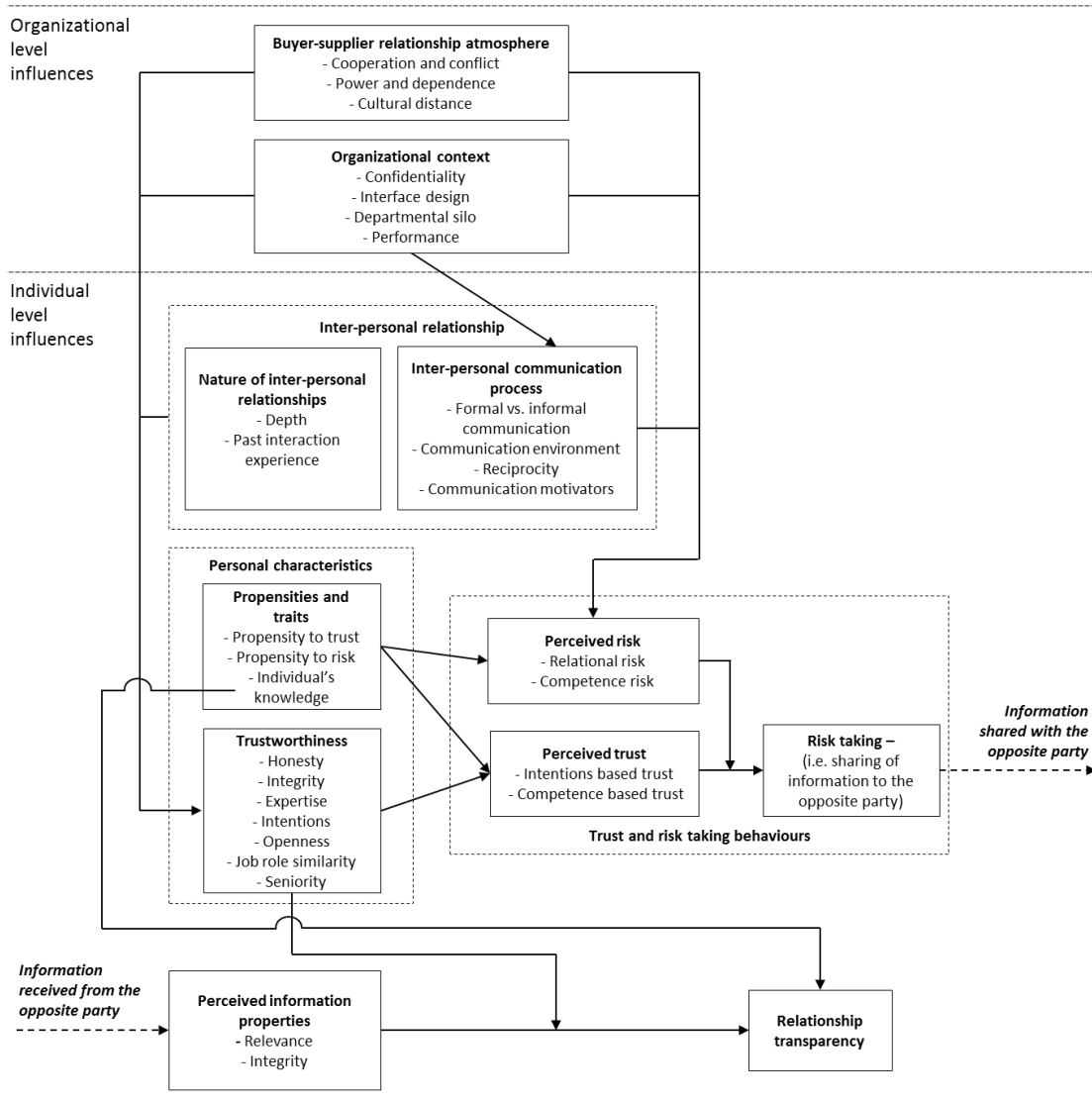
Figure 5: Copy of Figure 1: The contingencies of a manager’s openness and relationship transparency and consequences of relationship transparency: Template Analysis



Thick, structured and empirically grounded results from the template analysis made it possible to describe what the contingent factors of managerial openness and relationship transparency are, and the consequences of relationship transparency as well as analyze relationships between them. As a result of this, and in order to arrive at a more sophisticated understanding of the phenomena under study, two models were constructed: the contingencies model and the consequences model.

The contingencies model which is depicted in Figure 6 explicates the contingent factors of managerial openness and relationship transparency.

Figure 6: Copy of Figure 3: Contingent factors influencing openness and relationship transparency in buyer-supplier relationship

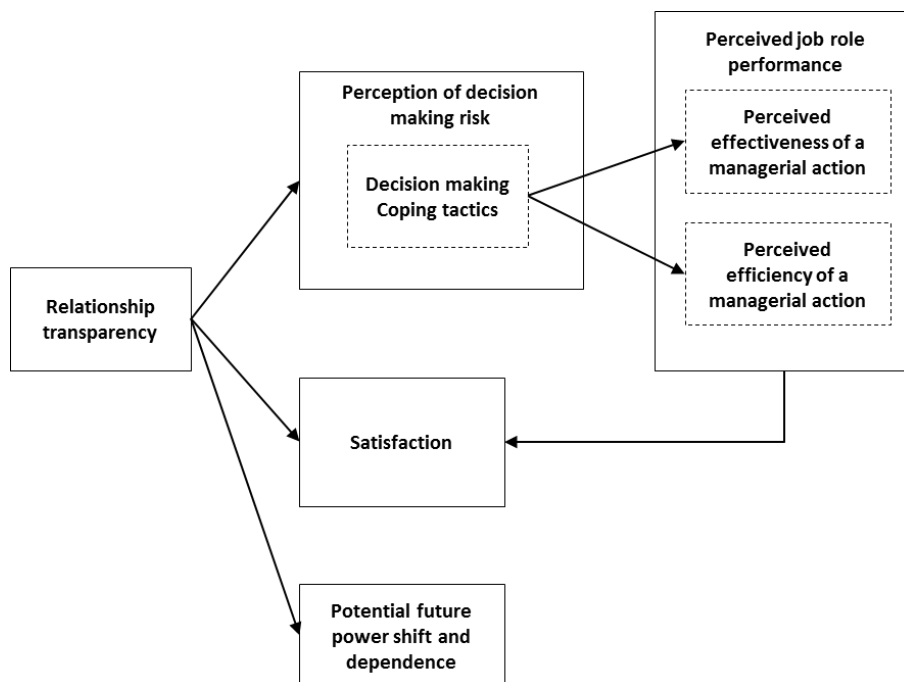


The contingencies model suggests that managerial openness is, in essence, a risk taking action manifested in a manager's sharing of critical and often proprietary information with her/his counterparts. This risk taking action is influenced by a variety of factors of which the central role is dedicated to the interplay between perceived trust, perceived risk and personal characteristics of interacting managers. The model also suggests that managers' interaction and the behaviours they emit within this interaction are suspended in an organizational and inter-organizational context, which contributes an additional substantive set of influencing factors.

Personal characteristics, specifically managers' trustworthiness and knowledge in combination with information quality properties constituted key influencing factors of managers' perception of being informed about the relevant actions and properties of their counterparts. The model posits that relationships transparency is a joint product of manager's evaluation of received information in the light of his/her perception of the information source's trustworthiness and possession of factual knowledge.

The second model that was constructed on the basis of the analysis of empirical evidence from the two case studies was the consequences model, which is depicted in Figure 7.

Figure 7: Copy of Figure 4: Consequences of relationship transparency in buyer-supplier relationships



The analysis of the consequences of relationship transparency resulted in the model that suggests that managers' perception of being informed influences their decision making through the mitigation of decision making risk, which can result in a more

effective and efficient execution of managers' job requirements. These factors formed a substantial part of the findings related to the consequences of relationship transparency. Moreover, the analysis also showed that relationship transparency influences managers' satisfaction and enables exertion of expert power in a relationship and creates potential for increased inter-dependence between the interacting parties. Both models were discussed in the light of the relevant literature where the examination of the key constructs in the model and relationships between them took place. In this way the support was provided for the relationships between the constructs as well as for the overall structure of both models.

The purpose of this chapter is to demonstrate the key contributions of this study to the literature that served as a basis for forming the two research questions. This is accomplished in Section 8.2 which discusses primary contributions and in Section 8.3, which discusses secondary contributions of this thesis.

8.2 Primary contributions

The first research question, i.e. the part related to the contingencies of managerial openness, started with the observation of an almost complete lack of empirical investigation in information sharing in buyer-supplier relationships. The literature to date is largely focused on the examination of the link between information sharing and supply chain performance improvements (see for example Chen et al., 2000, Lee et al., 2000). In addition to the narrowness of its focus it is also methodologically confined in the sense that it is dominated by modeling and simulation approaches. It was also noted that this body of literature treats information as already *shared* by one actor with another or *available* to one actor from the other. The question, under what conditions information gets shared from one to another actor has been largely neglected.

Further searches for literature that would inform the interest of this research led to a small body of literature in operations and supply chain management and information systems, concerned with antecedent conditions of information sharing in buyer-

supplier relationships. The studies of Moberg et al., (2002), Li and Lin (2006), Patnayakuni et al. (2006), Paulraj et al., (2008) and Cheng (2010) are aligned in their claims that buyer-supplier relationship characteristics play an important role in information sharing, and that factors such as organizational characteristics and information characteristics are largely irrelevant. However, in spite of the agreement about the importance of buyer-supplier relationship characteristics, this body of literature diverges in the views about which of these characteristic(s) are actually relevant for information sharing. For example, Moberg et al.'s (2002) study claims that commitment is relevant, but not trust. Li and Lin (2006) on the other hand claim that trust is relevant as well as shared vision between a buyer and supplier. Patnayakuni et al. (2006) claim further that development of long-term orientation between a buyer and a supplier is important for information sharing as it facilitates the development of joint information sharing routines.

At the same time, another stream of literature was relevant for an understanding of information sharing – this is the literature on inter-organizational relationships. The contribution of this literature is indirect, though relevant, as it treats information sharing in buyer-supplier relationships as part of the examination of other relational characteristics, such as trust, long-term orientation, collaboration, etc. (see for example, Mohr and Spekman, 1994; Wilson, 1995; Cannon and Perreault, 1999; Barratt, 2004), and not as an isolated, targeted research phenomena. The contribution of this body of literature is, in its demonstration that higher levels of information sharing are part of relational relationships, normally characterised by long-term orientation, operational linkages, commitment, trust, etc.²². While this body of literature sheds some light of relevance on the findings from the information sharing literature mentioned earlier, it does not solve its fundamental difficulty, namely that all conclusions about the influencing factors are drawn at the level of an organization. While the role of an interacting manager is somehow implicitly embedded in these studies, by testing influencing factors such as trust and

²² See Section 2.4.2 for full list of relational characteristics.

commitment, which are inherently a product of human behaviours, managers' behaviours are not really separated from the context in which an individual interaction takes place. On the other hand, studies by Constant et al., (1994) and Kolekofski and Heminger (2003), who examined the influences of individuals' attitudes and pro-social behaviours on information sharing at the level of an individual, suspended an individual in an interaction vacuum, isolated from any external influences. They treated individual behaviours as independent from the context in which information sharing takes place.

This study proposes that managers' openness should be examined by positioning an individual manager in an organizational and inter-organizational environment. By so doing, this study shows that managers' openness is, in essence, a risk taking action influenced by an interplay of individual-level and organizational-level factors. It is here where this study makes its *first primary contribution* to the body of literature on information sharing in buyer-supplier relationships. The contingencies model developed in this thesis *extends* the current work of Moberg et al., (2002), Li and Lin (2006), Patnayakuni et al. (2006), Paulraj et al., (2008) and Cheng (2010) as well as Constant et al. (1994) and Kolekofski and Heminger (2003), by explicating the influencing factors and their structure in an integrated manner.

The work of Moberg et al., (2002), Li and Lin (2006), Patnayakuni et al. (2006), Paulraj et al., (2008) and Cheng (2010) proposes a direct link between inter-organizational factors, such as trust, commitment and long-term orientation and information sharing. This study challenges the directness of this and proposes that the link is indirect. It is indirect because, firstly, factors such as trust and commitment for example exist inherently at an individual level and secondly, because inter-organizational factors influence individual managers' behaviours and actions. The contingencies model shows that inter-organizational factors, such as cooperation and conflict, power and dependence, and cultural distance are influencing managers' trust and risk taking behaviours, which are central to their decision whether or not to share information with their counterparts.

Moreover, the results of this study also suggest that organizational characteristics, which have not received support from the extant literature (e.g. Moberg et al., 2002; Li and Lin, 2006) as relevant contingencies of information sharing, are actually relevant. The study clarifies the dual role of organizational characteristics; namely, factors such as interface design and department silo act as physical barriers to information flow between interacting managers, where confidentiality and company's performance can influence managers' perceptions of risk when they are interacting with their counterparts.

This study also **extends** the current body of literature on information sharing, related to the individual-level influences. Where the focus of Constant et al. (1994) and Kolekofski and Heminger (2003) was towards individual managers' information sharing attitudes and pro-social behaviours, this study brings into the information sharing conversations a fresh perspective on individual-level influences. The contingencies model shows namely, that a manager's disclosure of information to his/her counterpart is in essence a risk taking action. Information sharing as a risk taking action is a result of an interplay of a manager's perception of trust and risk, his/her personal characteristics and the characteristics of his/her counterpart, labeled as trustworthiness. At the same time, this study shows that managers' trust and risk-taking behaviours are not independent from their interaction context, but rather closely linked with it. In other words, managers tend to respond to external influences by altering their trust and risk taking behaviours.

Furthermore, the first research question, the part related to the contingencies of relationship transparency and the second research question, related to the consequences of relationship transparency, were developed in response to the current state of literature that positions the manager in the role of information receiver. The questions primarily draw upon the literature on information visibility (e.g. Barratt and Oke, 2007; Wang and Wei, 2007) and relationship transparency (e.g. Lamming et al., 2001; Eggert and Helm, 2003). This literature was identified as relevant as it conceptually separates information sharing from information visibility and relationship transparency.

The literature on information visibility and relationship transparency is, similarly to the literature on information sharing, under-researched and methodologically dominated with positivistic designs. It was also observed that although information visibility literature talks about an outcome of information sharing, it was the relationship transparency literature (Eggert and Helm, 2003) that conceptually provided the cleanest separation between information sharing as an action and an outcome. This is captured in the definition of relationship transparency as an “*individual’s perception of being informed about the relevant actions and properties of the other party in the interaction*” (Eggert and Helm, 2003; p. 103)

To date, the literature on relationship transparency has largely neglected the subject of contingencies. The works of Barratt and Oke (2007) and Wang and Wei (2007) who examined the related concept – information visibility – empirically showed the importance of relational elements, such as close inter-personal relationships, presence of relational norms and relational governance for achieving information visibility. Other authors, such as Eggert and Helm (2003) and van Dijk et al., (2003) who worked with the concept of relationship transparency, touched on the subject of contingencies purely conceptually, by suggesting that factors such as relationship atmosphere and information quality may play a relevant role.

The contingencies model developed in this study suggests that a manager’s perception of being informed is contingent upon information quality, trustworthiness of information source and manager’s factual knowledge. It is here, where this study makes its *second primary contribution* to the literature on information sharing, specifically the literature on relationship transparency and information visibility. This study firstly empirically *confirms* the conceptual suggestion by Eggert and Helm (2003) that information quality and an individual’s knowledge fosters relationship transparency. It also *confirms* the conceptual suggestion by van Dijk et al. (2003) and Eggert and Helm (2003) that relationship atmosphere is important for fostering relationship transparency. At the same time, however, it *extends* the aforementioned works by providing a much more detailed and precise picture of the

interplay between relationship atmosphere, information quality and individual's knowledge. It brings to the conversation about relationship transparency a new construct – trustworthiness – which as depicted in the contingencies model, plays a pivotal role in influencing an individual manager's perception of being informed. This study shows that information quality is indeed a key influencing factor for fostering relationship transparency. However, it suggests that when a manager is in the role of information receiver, he/she interprets received information through the lens of the trustworthiness of information source, i.e. the trustworthiness of a counterpart who has shared information with him. As much as this seems to be a small step forward in deepening our understanding of information sharing and specifically relationship transparency, it introduces an important idea, namely, that trustworthiness of information source plays a central role in a manager's interpretation of information quality properties.

Moreover, this study also connects the role of buyer-supplier relationship atmosphere and relationship transparency which, as suggested in the work of Eggert and Helm, (2003) and van Dijk et al. (2003), have a direct influence on relationship transparency. This study shows that this is not necessarily the case. The contingencies model shows that the role of buyer-supplier relationship atmosphere materializes through inter-personal relationships, specifically a manager's perception of his/her counterpart's trustworthiness. This is because managers tend to perceive their counterparts not only on the basis of their personal characteristics, such as honesty, expertise for example, but also on the basis of the environment to which those counterparts belong or in which they interact, and one of these is a buyer-supplier relationship atmosphere.

The next observation that this study made is related to the inconclusiveness of information sharing/relationship transparency literature about the consequences of relationship transparency. To date authors such as Eggert and Helm (2003) suggest that relationship transparency results in customer satisfaction and perceived customer value. Lamming et al. (2004) suggest that benefits from higher levels of relationship transparency may materialize in the exchange of know-how, cost information,

operational data and ultimately, according to Bartlett et al. (2004), in supply chain performance. This study does not attempt to make claims about the relationships between relationship transparency and organizational/supply chain performance *per se*. This is because the way this study was set up did not aim to investigate organizational-level consequences, but rather individual-level ones. However, this is exactly where this study brings new insights into the conversation about the consequences of relationship transparency and where it claims its ***third primary contribution***. Namely, this study *extends* the current body of knowledge about the consequences of relationship transparency which have been empirically derived and captured in the consequences model.

The consequences model suggests that relationship transparency influences managerial decision making through altering the manager's perception of decision making risk. The manager's choice of how to deal with this risk, i.e. avoidance or coping with it, may introduce significant inefficiencies and ineffectiveness in managers' execution of their responsibilities. For example, in situations of low relationship transparency, managers could either postpone their decisions, or what tends to happen more often, engage in non-value adding activities, such as additional information searches or not being able to perform certain activities at all. By suggesting the existence of this relationship, this study provides a possible explanation why authors such as Eggert and Helm (2003), Lamming et al. (2004) and Bartlett et al. (2004) have suggested a relationship between relationship transparency and benefits such as increased perception of customer value, exchange of know-how and improved supply-chain performance.

The consequences model also sheds light on Eggert and Helm's (2003) claim that relationship transparency results in information satisfaction. This study confirms Eggert and Helm's (2003) claim as it shows that managers prefer to have transparent relationships with their counterparts, even if that means knowing the bad news. However, the study suggests that the perception of being informed, although a direct source of managers' satisfaction, is not the only source. The study proposes the

second, indirect source of manager's satisfaction, which stems from managers' ability to efficiently and effectively execute their daily job responsibilities.

8.3 Secondary contributions

In addition to the primary contributions which were discussed in Section 8.2, this study also claims several secondary contributions. While the primary contributions were discussed in the light of the literature that directly drove the design of the two research questions, new insights were gained in the related bodies of knowledge. These constitute secondary contributions and are discussed in the continuation of this section.

The first secondary contribution of this study is related to the implicit assumption in operations and supply chain management literature of a direct link between information sharing and operational performance improvements. As mentioned in the literature review section of this study (see Section 2.2 specifically), information sharing literature is primarily concerned with testing the link between information sharing and operational improvements in supply chains. For example, Chen et al. (2000) and Croson and Donohue (2003) showed that sharing demand information reduces, but not completely eliminates, the bullwhip effect in the supply chain. Aviv (2002) also proposed several mathematical models to showcase how the sharing of demand data is beneficial for the reduction of pipeline inventory. These are a few representative studies, but they capture the essence of the current research, namely that researchers treat the information sharing/performance improvement relationship as a direct one. Barratt and Oke (2007) questioned this assumption and came to the conclusion that this link may not be direct. They show that in order for companies to achieve sustainable advantage, a distinct visibility in the supply chain has to be achieved first. Moreover, distinct visibility can be achieved when distinct resources such as collaborative planning systems and Internet electronic data interchange (EDI) are deployed between supply chain members. However, appropriate behavioral patterns, trust and commitment are needed to deploy such distinct resources.

This study joins the conversations on questioning the directness of the link between information sharing and operational performance improvements. It is one of few empirical studies that is able to shed light on the assumption of the directness of the above-mentioned link. Its particular value is in its descent from an organizational level to the individual level of analysis and in this way uncovers a fine detail about factors that influence how information, once shared, translates into an outcome – i.e. relationship transparency and how it influences managers’ effectiveness and efficiency in executing their daily tasks. The contingencies and consequences models suggest that adequate levels of relationship transparency (which is influenced by more than just mere information sharing) are necessary for a manager to act upon the received information without engaging in ineffective and inefficient activities. Whether managers’ ability to effectively and efficiently execute their job responsibilities actually translates into organizational level performance improvements, was a question that it was not possible to answer in this study given its scope and the unit of analysis.

Furthermore, this study contributes to industrial marketing and operations and supply chain literature by empirically showing that trust in a buyer-supplier relationship is contingent upon multiple trustworthiness factors and therefore a multidimensional construct. In this way this study demonstrates that the way trust has been operationalized in these fields is imprecise and potentially misleading. Blois (1999) pointed to this issue over a decade ago and stated that even the most widely cited works that operationalized trust in a buyer-supplier relationship (e.g. Moorman et al., 1992; Morgan and Hunt, 1994; Doney and Cannon, 1997) treated trust as a ‘blanket’ trust. Moorman et al. (1992) asked their respondents a question “I generally do not trust my researcher” (p. 325); Morgan and Hunt (1994) asked their respondents “In our relationship my major supplier cannot be trusted at times” (p.35). Blois (1999) raised a question, “How should a respondent answer, say, Moorman’s question if they trusted their researcher’s technical abilities but did not trust their general sensitivity to interpersonal issues and office ‘politics’?” (p. 201). This study offers empirical support to Blois’s (1999) criticism by showing that trust is a multidimensional construct. The study identified two dimensions: intentions-

based perceived trust, and competence-based perceived trust. This means that a manager can trust his counterpart (i.e. a trustee) about his/her intentions and/or competences or none. A detailed illustration of these two dimensions is provided in Section 6.2.5.1.

The two dimensions of perceived trust are, as suggested by the contingencies model, a direct consequence of multiple trustworthiness factors. The extant literature in industrial marketing and operations and supply chain management relevant to this study hardly talks about trustworthiness. However, as this work shows, trustworthiness is one of the key constructs for understanding a manager's openness and relationship transparency. By empirically identifying the dimensions of trustworthiness and suggesting the link to perceived trust, this study does not only bring attention to this important construct but also provides empirical validity of some parts of the trust models proposed by Mayer et al. (1995) and Whitener et al. (1998). Firstly, both Mayer et al.'s (1995) and Whitener et al.'s (1998) models conceptually propose the existence of a link between trustworthiness and trust, which this study empirically validates and confirms. Secondly this study identifies several *new* dimensions of trustworthiness in comparison to the two conceptual models, namely honesty, intentions, job role similarity and seniority, and confirms the existence of integrity, expertise and openness as initially proposed in the models by Mayer et al. (1995) and Whitener et al. (1994).

8.4 Conclusions

The purpose of Chapter 8 was to demonstrate the contributions of this study to the extant body of knowledge. By empirically exploring the influencing factors of managers' openness and relationship transparency and the consequences of that transparency, this study claims three primary contributions, which are presented in Section 8.2: *Firstly*, it extends the current work on the influencing factors of information sharing by explicating influencing factors at individual and organizational levels and proposes relationships between them. *Secondly*, it extends the current body of literature on relationship transparency and information visibility,

by identifying several influencing factors of relationship transparency and the relationships between them. *Thirdly*, it extends the same body of literature by explicating several consequences of relationships transparency and the relationships between them which has previously been largely unidentified in the literature.

Section 8.3 discusses the secondary contributions of this thesis, which link the results of this study with literature related to the main body of literature that drove this study. Three secondary contributions are discussed: *Firstly*, this study challenges the directness of the link between information sharing and improvements in operational performance in operations & supply chain literature. *Secondly*, it empirically shows that trust in buyer-supplier relationships is a multidimensional construct and supports the criticism that current literature treats it as 'blanket trust'. *Thirdly*, the study provides empirical validation of the link between trustworthiness and trust and identifies several new dimensions of trustworthiness.

With the discussion of primary and secondary contributions, Chapter 8 formally concludes the last element of the study. Chapter 9 that follows provides the summary of the study, discusses its implications for practice, outlines its limitations and provides directions for further research.

9 Conclusions

Chapter 9 summarises the key points of this study and in this way concludes the thesis. First, it briefly restates the research problem; second, it provides an overview of the study and its key findings; third, it summarises its key contributions; fourth, it discusses the contribution to practice; fifth it discusses the limitations of the study; and sixth, it provides directions for future research.

9.1 Research problem

An overarching aim of this study was to empirically explore information sharing from an individual level perspective within a buyer-supplier relationship. While managers continuously struggle with information sharing in buyer-supplier relationships, the academic community to date still offers relatively limited and narrow insights into information sharing issues in buyer-supplier relationships. For example, authors such as Stank et al. (1999), Lee and Whang (2000), Barratt (2004) and Cheng (2010), have pointed to an almost complete absence of empirical research in information sharing in buyer-supplier relationships. This can be partly attributed to the fact that the vast majority of information sharing research is based on mathematical modelling and simulations, and partly to the fact that the main focus of extant research is into testing and determining the value of the link between information sharing and operational improvements in supply chains.

Moreover, it was noticed that the extant literature on information sharing is largely conducted at the organizational level, excluding the role of an individual manager from the activity of information sharing or acknowledging this role only implicitly. While current literature treats information sharing as an activity, it also assumes information as being readily shared. In addition to this, while the literature treats information sharing as an activity, it largely neglects the outcome side of information sharing, – i.e. how information visibility or relationship transparency is achieved in a buyer-supplier relationship. Given these shortcomings of the extant literature and coupled with the personal interests of the author, this study proposes to explore

factors that influence managers to engage in information sharing as an activity and to explore factors that influence information sharing as an outcome (i.e. relationship transparency) and its consequences. It proposes to do this from the perspective of an individual manager, who interacts in a wider interaction environment – i.e. within a buyer-supplier relationship.

Driven by the shortcomings of a broader information sharing literature and personal interests, several bodies of literature were analysed, namely: information sharing, information visibility, relationship transparency and relational influences literature. While the contributions of information sharing (e.g. Mohr and Spekman, 1994) and relationship transparency (e.g. Egger and Helm, 2003) literature were of particular value for conceptually separating information sharing into activity and outcome, they all, including the literature on information visibility and relational influences exhibited several common shortcomings. The knowledge behind the phenomena of interest is nascent and severely underexplored; the literature is inconclusive about the factors that influence a manager's engagement in information sharing, as well as about factors that influence relationship transparency and its consequences. Moreover, the research treats an individual manager and his/her wider interaction environment as two separate entities and it is methodologically dominated by conceptual and quantitative works. As a result of these observations, the following two research questions were proposed:

Research Question 1: *What are the contingent factors that influence a manager's openness and relationship transparency in a buyer-supplier relationship?*

Research Question 2: *What are the consequences of relationship transparency in a buyer-supplier relationship?*

9.2 Overview of the study and its contributions

This is qualitative, exploratory study. The study adopted critical realism as a philosophical lens, and utilised a case-based research strategy. The exploratory work was carried out in two stages: in the first stage as a pilot study with the purpose of providing greater clarity with regard to the phenomena of interest and to test the research protocol, and in the second stage as a main study. The main interviews were conducted in two case companies – Aqua and Skyfly – which from the sampling logic represented two polar cases. The purpose of the interviews was to explore with managers what factors influence their openness²³ and relationship transparency²⁴, and what are the consequences of relationship transparency within a buyer-supplier relationship. In total 39 interviews with 26 managers were carried out in the main study. The data from all interviewees were analysed using NVivo software and the Template Analysis technique, with the aim of deriving a hierarchical set of themes that served as building blocks for the contingencies and consequences models²⁵.

This study claims three primary and three secondary contributions. Primary contributions are reported with regard to the literature that anchored the two research questions stated in this research. Analysis of the literature showed that there is a lack of understanding about what factors influence a manager's openness in a buyer supplier relationship. The contingencies model developed in this study explicates the influencing factors and their relationships, by integrating individual level and organizational level factors in the same model. It shows that characteristics of interpersonal relationships, a manager's personal characteristics (i.e. trustworthiness and propensities) and trust and risk taking behaviours are central individual level factors that influence a manager's openness. These, however, are influenced by a manager's

²³ Openness was defined as “the extent to which critical and proprietary information is communicated to one's supply chain partner” (Mohr and Spekman, 1994, p.139).

²⁴ Relationship transparency was defined as “an individual perception of being informed about relevant actions and properties of other party in the interaction” (Eggert and Helm, 2003, p.103).

²⁵ Both models are introduced in Section 7.1.

external interaction environment, specifically the buyer-supplier relationship atmosphere and organizational context. In this way the study addressed another shortcoming of the extant literature, which treats the interacting manager (e.g. Constant et al., 1994) and his external interacting environment (e.g. Moberg et al., 2002; Li and Lin, 2006) as two separate entities.

Furthermore, this study also explored information sharing from an outcome perspective – captured in the concept of relationship transparency, which has been, to date, a largely neglected aspect of information sharing (Eggert and Helm, 2003; van Dijk et al., 2003; Barratt and Oke, 2007) . The contingencies model explicated in a similarly integrated manner the relevant influencing factors of relationship transparency. It identified information quality, trustworthiness and an individual's knowledge as key factors influencing an outcome of information sharing – i.e. relationship transparency. The model brings directs the spotlight to the important role of trustworthiness of information source as a central influencing factor of relationship transparency. As with a manager's openness, the contingencies model captures the embeddedness of managerial interaction in the external environment and in this way shows how individual level influencing factors relevant to relationship transparency relate to the external environment – specifically the buyer-supplier relationship atmosphere.

The third primary contribution claimed in this study, extends the current body of knowledge on information sharing, but is specifically related to relationship transparency literature. As analysis of the literature showed, there was a gap in understanding the consequences of relationship transparency. Captured in the consequences model, this study suggests the central influence that relationship transparency has is the influence on managers' decision making through altering their perception of decision making risk, and managers' perception of satisfaction. In this way it provide microscopic, individual level insights into the consequences of relationship transparency, which have to date been explored exclusively at the organizational level (Eggert and Helm, 2003; Lamming et al., 2004; Bartlett et al., 2004).

While reviewing the literature that gave rise to the research questions, several new insights were gained in the related bodies of literature, which constitute secondary contributions. This study claims three secondary contributions. Firstly, it sheds light on conversations (e.g. Barratt and Oke, 2007) about the directness of the link between the information sharing and operational improvements in buyer-supplier relationships. By showing that not only information sharing as an activity, but also information sharing as an outcome, is contingent upon several individual level and organizational level factors, it could be translated into benefits (in the case of this study, the effectiveness and efficiency of managerial actions) either for the source or receiver of information or both.

Secondly, this research empirically shows that perceived trust, which was one of the key influencing factors of managerial openness, is a multidimensional construct. In this way, the study challenges the way empirical studies that deal with trust, specifically in the industrial marketing field (e.g. Moorman et al., 1992; Morgan and Hunt, 1994; Doney and Cannon, 1997), operationalize trust as a blanket trust. This study shows that a manager will rarely trust his/her counterpart in a complete and absolute way. Rather, trust will be granted to a trustee on the basis of the perception of their characteristics which, as this study has shown, are several and not just one which is universal and overarching – i.e. the impression one could get by reading the extant trust related literature in the above-mentioned field.

Building on the previous contribution, this study has also showcased the importance of the concept of trustworthiness for understanding trust and risk taking behaviours in a buyer-supplier relationship. The extant literature in industrial marketing and operations and the supply chain hardly talks about trustworthiness. The study empirically identified seven dimensions of trustworthiness and proposes the existence of a link between the concept of trustworthiness and the concept of trust. In this way it has empirically validated the conceptually proposed link between trustworthiness and trust, and confirmed three and proposed four new dimensions of

trustworthiness, as initially posited in the conceptual models of trust proposed by Mayer et al. (1994) and Whitener et al. (1998).

9.2.1 Closing remarks on the two conceptual models

It is useful to stress again that the way the two conceptual models were designed is a reflection of the attempt of this study to answer two different research questions, which ultimately drove the empirical part of this study.

However, the models are not entirely separate. They share at least two commonalities. First; at the individual level, this is a construct of relationship transparency. In the contingencies model, relationship transparency acts as a construct that is *influenced* by the interplay between individual-level as well organizational-level factors, where it acts in the consequences model as a construct that *influences* several aspects of managers' perceptions and actions. By looking at the contingencies and the consequences models in this way, it is easy to see a dynamic that surrounds the construct of relationship transparency – i.e. how the construct of relationship transparency interacts with both the contingent factors and consequences.

While the above is true at the individual level, an even more complete picture of this dynamic could be painted once it is acknowledged that both models share a second commonality; external context – i.e. buyer-supplier relationship atmosphere and organizational context. However, once it is taken in account that; a) both models share the construct of relationship transparency, and b) relationship transparency is shaped by the context in which interaction between individual managers takes place, it could be suggested that the consequences of relationship transparency are also influenced by this same context (at least in an indirect way through altered states of relationship transparency). However, the reason that this interplay between external context and relationship transparency is currently captured only in the contingencies and not in the consequences model is that this study wanted to remain loyal to the

conceptual separation between the two research questions which, as discussed above, drove the enquiry and design of the models.

9.3 Implications for practice

The topic addressed in this study is a subject of significant managerial importance. For this reason, some of the insights from this study may be relevant for the practice of information sharing as well as for the wider management of buyer-supplier relationships.

By reflecting on the experience of spending time with respondents from the two case studies, it was easy to draw the conclusion that managers like to have information about their counterparts' business as well as about the counterparts themselves. This is understandable, given the potential advantages that possession of information can give to its owner. It was, however, also easy to draw the conclusion that most managers complained because they do not have enough information and that it is largely their counterparts' fault that they do not share information with them. While there is always a degree of irrationality present in relationships, this study indicates that managers behave relatively rationally when they are disclosing information to their counterparts – they are assessing trust and risk of something that is largely an irreversible activity.

The insights from this study show that displaying trustworthy behaviours in a buyer-supplier relationship may be a first step towards improving information sharing in buyer-supplier relationships. Trustworthiness is the key influencing factor of perceived trust and in this way an important element in influencing a manager's trust and risk taking behaviours. On this note, managers should be aware of, and understand, the difference between trust and trustworthiness. Managers who are inviting, for example, external consultants to help them build trust with their customers or suppliers should be careful how they approach such projects. Trust cannot be built! Trust is granted to a counterpart on the basis of his/her trustworthy behaviours. In this way the initiatives to help build trust with customers (with the

goal for a customer to trust a supplier more), should really focus on improving and displaying trustworthy behaviours in a supplier organization, rather than trying to convince a customer that a particular supplier is worth trusting.

Moreover, the findings of this study are important for key account and supplier development practices. Namely, managers should understand that they do not interact in isolation from the external environment. Their actions are influenced by the environment as well as constantly shaping the environment. For this reason, if companies are striving towards overall improvements in information sharing practices, they should pay special attention to a consistency of behaviours across the whole interface that a company shares with its buying or supplying organizations. This is because information sharing is part of managers' trust and risk taking behaviours, and these behaviours are prone to change in the external environment in which managers interact. This external environment is not only an environment external to an organization, but external to an individual manager; for example, another interacting individual or organizational department.

Furthermore, this study shows that information sharing is also contingent upon individual managers' traits and propensities. This is an important finding for inter-organizational relationship improvement initiatives. It points to additional complexity in implementing such initiatives because of the influence of individual propensities which can be relatively stable and therefore difficult to change. The cases of Aqua and FishTin illustrate this by showing that, irrespective of management fostering closer and more collaborative relationship between firms, the propensities to trust and risk of some managers have still acted as inhibitors to information sharing.

However, it should be also noted that managers have limited control over improvements of behaviours in a relationship. There will always be the influence of individual propensities to risk and trust that may either act in favour of, or against, engaging in information sharing activities.

As also shown in this study, the relationship between information sharing and operational improvements from the information receivers' side may not be direct. This has challenged a myriad of studies to date which have tried to convince practitioners of the existence of a direct link between information sharing and improved performance. This study shows that information sharing is necessary but not a sufficient condition for achieving operational improvements such as shortening response times to customer demands, improving customer service, or reducing pipeline inventory. In addition to managing information availability and the objective properties of information quality (e.g. timeliness, completeness), managers have to be aware of subjective aspects of information quality (accuracy and relevance) – i.e. a subjective interpretation of received information. This is because both objective and subjective properties of information quality will influence managers' decision making. While managing subjective aspects can be tricky (due to the exclusivity of interpretation of information that lies in the hands of each individual manager) it can be addressed though carefully managed inter-organizational improvement programmes, where specific attention is paid to the behavioural consistency (positive behaviours) of individual managers across inter-firms' interfaces.

Finally, this study shows that sharing information – i.e. giving it away to a counterpart, is not enough for a counterpart to be able to translate it into benefits, such as on time delivery, improved offering, offering more precise solutions to a problem, or fast response. The study suggests that adequate levels of relationship transparency have to be achieved first in order to foster conditions for informed decision making, which may result in beneficial outcomes. While relationship transparency is by no means fostered by receiving high quality information, it is nonetheless important to know from whom such information is received. Namely, is the source of information trustworthy? This brings back into the spotlight the conversation about the importance of managers' trustworthy behaviours (over which managers have control) and the embeddedness of such behaviours in a wider interaction environment.

9.4 Limitations

As in any research work, this study has several limitations that need to be acknowledged. Firstly, the case study strategy was chosen in order to maximize learning and to gain deep insights into the phenomena of interest. Although the chosen strategy is aligned with the purpose of the study, several design-related choices were made that impose limitations on this study. First, the sampling logic of selecting two *extreme* cases (Patton, 1980), although it served the purpose of maximizing the learning and gaining deep insights into the phenomena of interest it precluded the study from making claims about a *typical* case. Although some parts of the findings could be found in a typical case as well, they should be regarded rather as deep multi-faceted analyses of the phenomena of interest. Second, to design the two conceptual models, the study had to turn to data to elicit the constructs and their relationship, which offers limited potential for generalization of the findings. Although this is consistent with the purpose of the research, different methods will have to be employed in the future in order to increase the external validity of the findings.

Moreover, the unit of analysis was the inter-personal relationship between a manager in a supplying and a manager in a buying organization. Given that some managers had relationships with many counterparts from the buying organizations, it was not possible due to time constraints to focus on relationships with everyone. Although in such situations managers were asked to pick best, worst and common relationships, possibly some breadth in the data was lost by excluding other relationships.

Furthermore, in spite of the significant effort put into securing access to both sides of the two dyads, the findings of this study reflect the views of suppliers' managers only. Relationships, however, involve at least two actors and their perceptions about the constructs that are a shared property – e.g. buyer-supplier relationship atmosphere and the nature of inter-personal relationships for example may not be the same. One-sided reporting also constrained the inquiry from gaining deeper insights into an understanding of why managers from the two buying organizations displayed

specific trustworthy behaviours. Suppliers' managers for example talked about their counterparts and how they respond to their behaviours, but it would be beneficial to understand to what extent these behaviours were driven by the way the suppliers' managers behaved. Thus, a dyadic approach may gain additional interesting insights into relationship-related constructs.

Lastly, in this type of study, richness of data plays an important role in gaining deep insights into the phenomena of interest. Significant effort was invested into meeting people in person; however, given their geographical dispersion (e.g. USA, Chile, Canada, Norway), several interviews had to be conducted over the phone as opposed to face-to-face, the latter being a preferred mode of data collection for gaining rich data.

The limitations reported in this study, while they were largely an unavoidable part of the study's design and execution choices, they also represent opportunities for further research.

9.5 Directions for future research

The findings of this study, as well as the limitations outlined in Section 9.4, offer several directions for future research.

The models developed in this study should be refined by including perceptions from both sides of a dyad. While constructs such as propensities and traits are specific to an individual, other constructs such as buyer-supplier relationship atmosphere, nature of inter-personal relationships and trustworthy behaviours invite perceptions from both sides. This is an important step in the process of model refinement as it will allow for contrasting perceptions about the same constructs from both sides of a relationship. In this way, a more accurate explanation of the role of these constructs and the relationships between them could be offered.

Moreover, the contingencies model currently suggests that at the individual level, central to the managers' openness is their trust and risk taking behaviours. While this was certainly the story in this study, further research should be open to elicit other potential sources as well. For example, the literature suggests that managers do not always pursue the goals of organizations and they tend to act in a self-interested way. While self-interest was mentioned by respondents few times as a type of behaviour experienced by their counterparts, this study did not explore the role of this issue on managers' openness further. This could perhaps be addressed in greater depth in the future.

Further research should also look at how the explanatory and predictive power of the two models holds when greater attention is given to the issue of the type of information exchanged in a buyer-supplier relationship. While this research focused on information exchanged with the purpose of fulfilling managers' daily job responsibilities, it did not allow for clear separation between structured and unstructured and/or operational and strategic information. Once the models are refined to a degree of robustness that would allow for quantitative testing, the role of information on managerial openness and relationship transparency could be examined as well.

Furthermore, this study employed purposive sampling logic and derived findings from two extreme cases. While this was aligned with the purpose of the study, the next stage of the refinement of the models should use a dyadic, multiple case study strategy, where the selected cases would represent *typical* cases. Patton (1980) argues that when a typical case is selected (p. 102) "it is specifically selected, because it is not in any major way atypical." In this way a greater degree of external validity will be infused in both models. Refinements of both models through the careful selection of case studies would also prepare the models for empirical testing, using quantitative large sample methods.

9.6 Summary

Chapter 9 formally concludes the thesis. It restated the research problem, provided an overview of the study and its key contributions, discussed the implications for practice and limitations of the study and lastly, provided directions for future research.

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Appendix A: Pilot study interview protocol

Part I:

Interviewee related questions:

1. Could you please describe your role and responsibilities in the company?

Relationality of a buyer-supplier relationship:

2. Could you please describe the relationship with your customer/supplier?
(Prompts: atmosphere, communication, trust, benefit/risk sharing, joint working, future expectations)

Part II:

Relationship transparency:

Influences

3. Could you please describe, with whom from a supplier/customer side do you communicate?
4. How well do you believe you are informed about your counterpart's actions or properties relevant to your work?
5. What makes you feel informed about the customer's/supplier's actions or properties relevant to your work? (prompt: individual, organizational level)
6. What are the implications of your personal relationships with your counterparts for relationship transparency?
7. What are the implications of overall buyer-supplier relationship for relationship transparency?

Consequences

8. What information is disclosed to you, quality properties of information?
9. Do you believe that the amount of information you receive from your buyer/supplier is sufficient for your daily work?
10. In what ways do you use received information?
11. Could you describe what are the implications of a current level of relationship transparency for your job responsibilities?

12. Could you describe, what are the implications of a current level relationship transparency for your relationship with your counterparts in customer/supplier?

Part: III

Information sharing:

13. Could you please describe what kind of information do you share with your counterpart in customer/supplier?
14. Do you believe you share enough?
Prompts: if not, why?
15. What are the implications of your personal relationships with your counterparts for your sharing of information?
16. What are the implications of overall buyer-supplier relationship for your sharing of information?

Appendix B: Main study interview protocol

Part I: Responsibilities and the content of exchange:

1. What is your position in the company?
2. What are your department's responsibilities?
3. What are your personal responsibilities?
4. What are your customer's needs?
5. In what ways do you believe your department is satisfying your customer needs?
6. How well do you believe you are satisfying your customer needs?

Part II: Relationship questions:

7. Could you please describe the relationship with your customer/supplier?
(Prompts: atmosphere, communication, trust, benefit/risk sharing, joint working, future expectations)
8. Could you please describe the relationship with your counterparts (individual managers)?

Part III: Openness and relationship transparency:

8. Could you describe what information do you share with your counterparts?
(Prompts: With whom, why?)
9. Could you describe what influences, what information would you share with your counterparts? (Prompts: the role of IOR, the role of inter-personal relationships, other influences)
10. What are the critical aspects of your counterpart's business that you have to know, to do your work? (Prompt: Why? Any other aspects?)
11. How well do you believe you are informed about these critical aspects?
(Prompt: Why?)
12. What in your opinion influences your perception of being informed about the critical aspects of you counterpart's business?

13. How does this enable/disable you in adding value to your customer?
(Prompt: Examples! And link specifically to their responsibilities)
14. What role does transparency play in the execution of your daily responsibilities? (Prompts: Examples)
15. Has your perception of transparency changed over time?
(Prompts: If yes: what changed exactly/ what caused this change / with whom change happened (person or department) / Why?, if not, explain why not)
16. How did this change (or not status-quo) in transparency enables/disables you to fulfil your daily responsibilities? (Prompts: link to examples from the previous question)