



Contents lists available at ScienceDirect

Industrial Marketing Management



Role conflict and ambiguity confronting transnational business networkers: Contrasting social stigma and relational risks for Chinese and Western boundary spanners

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ARTICLE INFO

Article history:

Received 10 January 2014

Received in revised form 25 March 2014

Accepted 25 March 2014

Available online xxxx

Keywords:

Business networks

Guanxi boundary spanner

Institution theory

Role theory

Culture

ABSTRACT

Our research explores the role conflict, ambiguity and resulting social stigma and relational risks that transnational B2B networkers face when facilitating the formation of new exchange dyads between firms from distinct and distant cultures, i.e. Chinese and Western. We integrate literature from institution theory and role theory to establish the comparative framework. This allows us to explore: (1) what stigma and relational risks *guanxi* brokers assume when facilitating transnational business connections; (2) if Western brokers encounter similar stigma and negative consequences that threaten their professional standing and the formation process; and, (3) the lessons from both that transnational firms can learn and incorporate into best practices. We conclude our paper with managerial implications and suggestions for further research.

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1. Introduction

Globalization is driven by the dynamic and conflicting forces of connectivity and uncertainty. Businesses seeking new global markets regularly confront the complexity, volatility and immediacy of these counter flowing currents. In response, they seek skillful navigators for market entry in unfamiliar ports of call (Hutchings & Michailova, 2004). These transnational business-to-business (B2B) networkers attempt to develop apparent opportunities by mitigating and managing the uncertainties that come with differences in history, culture, and institutions. In doing so, these boundary spanners assume the potential for significant role conflict and ambiguity. This brings with it the additional hazards of social stigma and terminal relational risks. The potential for role conflict and ambiguity are greatest for these cross border actors when one or both firms are from countries with strong in-group/out-group cultures, such as *guanxi* brokers in China.

The cross-border, interstitial work of transnational B2B networkers has three main characteristics: (1) the presumed 'knowledge' of cross-cultural and market intermediation; (2) the chosen role of spanning

two worlds while trying to create a new one; and (3) the risks of being seen as betraying one or both sides in the process (Meyer, 2010; Schaffer, Roberts, Raj, & Delbourgo, 2009; Schlieff & Meyer, 2013). Fig. 1 illustrates the triad of key actors and relationships. The solid lines represent existing relationships and interactions, and the dashed line illustrates the potential relationships and exchanges that transnational boundary spanner seeks to facilitate.

Despite the significant role and responsibilities assumed by transnational B2B networkers, little attention has been given to the considerable challenges and hazards they face in working to bridge cross-border business networks. Previous scholarships on the type of challenges they confront have concentrated on the internationalization of the firm (Chetty & Campbell-Hunt, 2003), actors within already established cross-border firms (Hutchings & Michailova, 2004; Mohr & Puck, 2007), actors in large FDI projects (Orr & Scott, 2008), or actors attempting to build and manage such firms, i.e., international entrepreneurs (Ellis, 2011; Goxe, 2010). Accordingly, there is still much to be learned about the roles and risks of the transnational B2B networkers: the individual actors who are deployed to scout, source and help start the formation of new cross-border business partners. Hutt, Stafford, Walker, and Reingen (2000) note that although the closeness of boundary spanner interactions shapes the evolving partnership between two companies, economic theories tend to ignore the role of the people involved in the networks.

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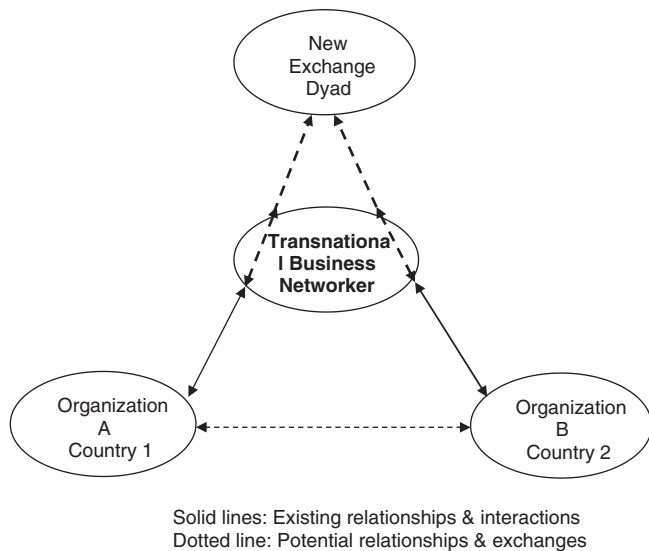


Fig. 1. Key actors and relationships.

The purpose of the current research is to explore and compare role conflict, ambiguity and resulting social stigma and relational risks for Chinese *guanxi* brokers and Western transnational B2B networkers. Our primary focus is on the *guanxi* broker to establish the comparative framework. We draw from institution theory and role theory, and integrate literature in cultural context for knowledge and communication, transnational networkers, and *guanxi*. This allows us to explore: (1) what stigma and relational risks *guanxi* brokers assume when facilitating transnational business connections; (2) if Western brokers encounter similar stigma and negative consequences that may undermine business opportunities and commercial success; and, (3) the lessons from both that transnational firms can learn and incorporate into best practices.

We suggest that the sources and consequences of role conflict and ambiguity derive from distinct and distant differences in cultural constructs for knowledge, communications, institutions and the resulting business networks (Jansson, Johanson, & Ramström, 2007; Orr & Scott, 2008). The challenges begin with the boundary spanner's presumed 'knowledge'. For the *guanxi* broker, this asset is based on 'know who', which leads to 'know how and why'. This knowledge is relational and implicit within the cultural context. For the Western transnational B2B networker, the asset is based on 'know how and why', which leads to opportunities for the chosen or discovered 'who' in the foreign marketplace. This is performance-driven, professionally tested and objective knowledge; seemingly ready for universal application. Along with these culturally embedded differences, the larger network differences in institutional values, norms and regulatory systems are particularly profound for *guanxi* brokers and, we suggest, for other transnational B2B networkers from similar collective cultures.

The comparative framework of this research will be particularly important for analyzing and understanding the increased B2B networking between developing economies. This, in turn, can assist Western businesses seeking to engage with these new firms, which intertwine their foreign cultures, norms and institutions. In a still larger context, this field of study can guide managers in their review and implementation of the lessons learned by all the boundary spanners they commission to bridge the uncertainties of rapidly changing global markets. As Schlieff and Meyer (2013) have noted, this type of knowledge intermediation "unfolds in multiple and evolving 'actor networks'" (p. 435), which are likely ever changing; especially with every major economic, political, and technological disruptions. Therefore, the continuous benchmarking of the dynamics of cultural context, institutions, and

networks, and the resulting challenges and risks for these boundary spanners, is recommended.

This paper begins with a literature review of the key concepts of cultural context for knowledge and communication, the roles and risks of transnational networkers, and the defining characteristics of China's culture and values. This leads to our concentration on studies of *guanxi* networks and institution theories and role theory. From these we apply institution and role theory to *guanxi* brokers and Western transnational B2B networkers and theorize on the social stigma and risks they confront as boundary spanners. As previously noted, the transnational B2B networker's activities encompass a process of knowledge sharing for the boundary spanner and both firms. Accordingly, we start with the cultural context for knowledge and communication.

2. The cultural challenges for transnational B2b networkers

2.1. Cultural context for knowledge and communication

To better understand the challenges transnational B2B networkers encounter, we first need to identify the distinct cultural and institutional contexts they work in (Javidan & House, 2002). Culture represents how groups organize their knowledge, sensemaking, and behavior, distinguishing one group from another. Accordingly, differences in culture reveal differences in knowledge systems and communicating (Hofstede, 2001; Kogut & Singh, 1988; Orr & Scott, 2008).

"Context of the culture" focuses on explicitness vs. implicitness of communication (Hall, 1985). In low context cultures (including the US, Germany, and Switzerland), communication is characterized as detailed and explicit. In short, 'what' is said is more important than 'who' says it. North American legal contracts that spell out every conceivable detail and contingency that may arise are good examples of the communication in low context culture. Meanwhile, high context cultures (including most Asian, Middle Eastern, and Latin American countries) tend to communicate less precisely in words, with the participants gaining a greater understanding through shared beliefs, body language, and tones of voice. As a result, personal relationships tend to play a much larger role in high context cultures than in low context cultures. While a comprehensive review of cultural-based theories of knowledge systems is beyond the scope of this paper, we note that Western cultures traditionally view knowledge as an objectively tested, professionally organized, and highly dependable understanding of facts and situations that can be universally applied. By contrast, in most Asian cultures, knowledge is bestowed by a collective and distributed process that is non-linear, complex, and communitarian. It can also be transcendental (Hall, 1985, 1990; Hofstede & Hofstede, 2005; Livermore, 2009; Orr & Scott, 2008).

These and other cultural differences challenge the applicability of Western assumptions to China's markets, which we further explore in our review and application of the "cultural-cognitive" elements of institutional theory, below. As Mao and colleagues recently noted in highlighting the increasing number of Asian studies on "*guanxi*, paradoxical integration, harmony and conflict management":

"The emergence of these studies is a sign that researchers have been aware that due to the limited validity of adopting some Western theories in Asia (Li, 2003; White, 2002), the mere extensions and modifications of management knowledge developed in mostly in America and Europe are not sufficient in explaining phenomena ... in rapidly changing societies in Asia." (Mao, Peng, & Wong, 2012, p. 1144).

For the transnational B2B networker, working between two worlds requires cultural 'knowledge' of both, but that is not all. They need to be able to construct a new 'space' between the firms that secures and sustains their first collaboration (Schlieff & Meyer, 2013, p. 437). This requires the continuous and deepening trust of both parties; one of these boundary spanners' greatest challenges.

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