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Organizing and strategizing in changing networks: Contributions to theory, methodology and management☆

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ABSTRACT

Research within the IMP approach holds rich implications for theory development, methodology, and management. Actors operate in networks under volatile conditions. In order to make sense out of such conditions, actors engage through their strategizing in different kinds of networks. Different networks imply different interdependencies that both provide possibilities to pursue own aims and limit the space for strategizing. However, relationships with other actors may have to be redefined or exited to provide possibilities for developing new or different solutions. Hence, strategizing is based on an understanding of the present situation colouring the interpretation of the past and prospects of the future.

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To sustain and evolve business in a changing environment requires competences of exploring, learning, adapting, exploiting, and breaking the rules of the game. This idea inspired the theme of the 2015 IMP Conference held at the University of Southern Denmark: Organizing Sustainable BtoB Relationships—Designing in Changing Networks. This issue's 15 selected articles from the conference will contribute to the knowledge about business relationships and networks that have evolved related to the IMP approach (Industrial Marketing and Purchasing). In 2016, we celebrated the 40th anniversary of IMP. The IMP approach has been fertile ground for the development of new ideas, concepts, and constructs to understand industrial firms and markets. A significant number of contributions have been made through books and in academic journals such as *Industrial Marketing Management* and in *The IMP Journal*. IMP has become established within the academic field of business marketing, purchasing, and management, and it provides a well-grounded and convincing approach for understanding and studying business relationships. The selected articles for this special issue provide perspectives on firms operating under volatile conditions. The articles have been through a double blind peer-review process beginning with 40 pre-selected articles from more than 160 articles presented at the conference; through the review process, we have narrowed it down to 15 articles. We offer our sincere thanks to all participants and contributors.

To introduce and highlight some of the main contributions across the articles, we will discuss the following three areas: (a) actors, (b) outcomes, and (c) organizing and strategizing. These three areas

emerged after reading across the selected articles for this special issue and reviewing the fundamental ideas behind the IMP approach (Håkansson & Snehota, 1995; Ford & Håkansson, 2006; Håkansson, Ford, Gadde, Snehota, & Waluszewski, 2009). In this introduction, we will present selected key issues addressed in each article in this volume without fully discussing the contributions made in each article in detail. Rather, it represents our view and interpretation of some of the most interesting links between the articles, which we have found vital to discuss in relation to the constantly changing business environment. This introduction to the IMM special issue from the 2015 IMP Conference will end with a short description of the articles and the links between them.

1. Actors organizing for outcomes in changing networks

In business research, actors are most often associated with firms, government agencies, private organizations, and others who bring in different resources that are recombined and used within unique activity links. IMP research has argued the way actors organize and strategize in business relationships and networks have been guided and delimited by the interdependencies formed vis-à-vis other business actors. This implies that, although every actor will interact with intentions and specific interest (and sometimes unintentional), the outcomes of business will be influenced by the intentions and actions of others. It is of interest to research how some business actors *do* manage in this interactive and networked business landscape and to understand why some are successful and grow rich while others do not. Building this understanding is, however, complicated. La Rocca (2013) summarized three characteristics of the business actor that create this complication. First, the actor entity is not simply given by the properties of an individual or an organization but viewed as a collection of material and immaterial

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resources defined by the set of features that makes a difference to a specific counterpart in a given context. Second, this makes the actor entity specific to a relationship or context, which means that the identity of a business actor will vary from relationship to relationship. Third, the actor entity is repeatedly defined by other actors and their expectations and situational conditions. This understanding of the business actor implies that a large proportion of the interaction in relationships between firms cannot be understood only in terms of corporate formulated business objectives. Interactions, intentionally or unintentionally, are also driven by individual actors and their understanding of organizational and network issues.

Individual as well as organizational level actors aim for certain improvement or innovative outcomes through interacting with other actors. However, even when actors are purpose driven, these actors will perceive what is at stake differently. Holding different perceptions or schemas (Welch & Wilkinson, 2002) is the foundation for sensing, evaluating, learning, and coping with the context in which the actors are embedded. The business contexts are the closer and wider networks in which actors are embedded and in which the combination of resources and linking of activities takes place.

There are many interdependencies in a context, and these can be direct, indirect, open, and hidden. Detecting all interdependencies of importance can be difficult in a volatile context. As stability seems more to be an exception than the norm, coping with change is an ongoing activity. Outcomes can be rather difficult to grasp beforehand for individual actors as outcomes first will emerge gradually through interaction processes on different levels: within the firm, in dyads, triads, and networks (Wilke & Ritter, 2006). Possible outcomes on one level depend on solutions identified and completed on other levels. There are discrepancies or trade-offs associated with the different solutions found. Realizing expedient outcomes may therefore be a matter of coping with highly complex and volatile contingencies. Understanding how contingencies matter is a wicked problem where knowledge on a general basis can be difficult to transfer (Buchanan, 1992; Rittel & Webber, 1973). Hence, learning about own abilities, other actors and their business interests, the combination of resources, and activity links is often an explorative endeavour to achieve aspired outcomes. Under such conditions, actors attempt to influence other actors through organizing and strategizing.

Organizing for business within an IMP approach revolves around the interdependent nature of relationships and networks. Own outcomes build on understanding the interest, possibilities, and limitations of other actors; the embeddedness of relationships; and interdependence on others. Aiming to organize and design interaction processes to achieve particular outcomes is related to the other actors involved. Relationships are not freely developed through deliberate organizing and designing but depend on the counterpart's abilities and willingness to innovate and make changes. Strategizing in networks is an endeavour between Scylla and Charybdis where counterparts bring in resources and competences for coping with changes while also becoming a burden for each other (Håkansson & Snehota, 1998) as they hold various "lock-in" effects.

Foremost, actors become interdependent on each other's ability and willingness to cope with and act on changes in the context in which they are embedded. Strategizing therefore becomes a matter of understanding the nature of individual relationships and their relatedness in the networks, and of what rules of the game are believed to be known and legitimate. Webs of actors based on a mix of professional and social bonds are brought into play in order to influence other actors. Depending on the position in a network held by a single firm relative to other firms' positions, this gives different possibilities for acting and achieving aspired outcomes. Strategies are formed and developed in interaction between firms. Earlier events in time create the foundation for acting now and in the future. Being aware of history provides the opportunity to develop and advocate solutions that fit the understanding of the rules of the game held by the other actors. Firms may still strive to change the

rules of the game or exit the game. In a volatile context, this can involve innovative attempts to disrupt the existing structures and interdependencies of resources, activities, and actors in the context.

Yet another possibility for strategizing is coopetition. Featuring both deliberate and emergent elements, coopetition develops over time and provides a possibility not only to be a "network taker" but also to engage as a "network maker" (Ford & Håkansson, 2013). Cooperative and competitive practices continue simultaneously on different organizational levels in order to take advantage of business opportunities in volatile industrial markets. However, coopetitive practices can create communication difficulties and, in some instances, more fundamental problems for engaging in relationships.

Research and contributions about actors, outcomes, and organizing and strategizing in this volume, and more generally within the IMP approach, appear in three arenas: (a) a theoretical arena, (b) a methodological arena, and (c) as implications for management. The references in the following section will be to the 15 articles in this volume.

2. Theoretical contribution

Inter-organizational relationships are evolving over time. This does not mean that stability only exists in hectic business contexts where innovations and changes create flux systems and structures are continuously challenged. Forecasting, planning, and production systems within firms and in connection to relationships and networks are under constant pressure to be adapted and to develop in order to sustain. Medlin and Andersen closely examined actors' commitment by investigating social activities among actors. Their investigation contributed additional theoretical insights of how actors' actions influence network dynamics. Whereas the organizing of activities are inherent in the IMP understanding of business and network dynamics, the study of Medlin and Andersen has brought additional considerations in terms of challenges related to dealing with past commitments and future possibilities. This has added to our understanding of the deliberateness and interests of actors in networks. The network structure is developed as opportunities are pursued, as existing activities and commitments evolve, and as actors interact and add to opportunities with new commitments. In this perspective, our current understanding of network structure is tested by an ever-changing re-conceptualization of the network structure in which actors must manage and interact. The paper by La Rocca, Moscatelli, Perna, and Snehota as well as the paper by Laursen and Andersen also focus on the need to cope with changes.

Change in context and in individual relationships can take many forms and be driven by different factors (e.g., technological, environmental, social). Through interaction processes, new solutions can be developed in order to cope with the ongoing changes. Finke, Gilchrist, and Mouzas make the point that even if firms are aware of the ongoing need for change, new solutions may not come into play as individual actors play different roles and have individual interests. These authors based their study in a public-private actor network context. This setting is known to bring differences in interests to the table since the public actors are driven by political goals whereas private actors are driven by business goals.

Each actor is also representing other actors in their immediate network. The barriers to fulfill collective interests are even more complicated if we extend the work of these authors and discuss the multiplicity of actor boundaries and how collective interest influences each actors' own interests in the organization, in relationships and in networks. In this issue, Ferreira, Cova, Spencer, and Proença propose that as actors' relative interests change over time, effects on markets and networks will evoke and cause ripples influencing the wider network context and setting. When actors plan for outcomes, this is important to take into consideration as today's actions may have dynamic effects to be dealt with in future business. Depending on how we define the boundaries of actors (single firms, dyads, triads, or networks), outcomes will provoke different implications for business.

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