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The antecedents and consequence of Et-Moone B2B relationships

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ABSTRACT

The literature from Eastern countries has well recognised the importance and influence of culturally specific constructs on business-to-business (B2B) relationships. With much of the literature largely focused on the Chinese Guanxi and its role in developing and maintaining B2B, the expansion of B2B literature to other parts of the world has been limited. One important area of massive economic growth and influence is the Gulf region. Studies on B2B within the Gulf region are scarce. Over the last decade, exploratory studies on the Et-Moone relationships in the Gulf region identified significant impact on B2B relationships. Thus this paper builds up on recent exploratory studies on Et-Moone relationships. The paper examines the antecedents (interpersonal liking, trust and commitment) and consequence (cooperation) of Et-Moone relationships. Survey data were collected from over 180 senior managers in Saudi Arabia. The findings confirm the importance of Et-Moone in B2B relationships and its impact on cooperation. Implications for managers are discussed, and a guide for future research is provided.

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1. Introduction

There has been growing literature on the special forms of Business-to-Business (B2B) relationships (e.g. Gaunxi, Blat, Et-Moone) in Eastern cultures (e.g. Luo, 2007; Michailova & Worm, 2003). The significance of these special forms of B2B is embedded in their ability to generate competitive advantage (Liu, Li, Tao, & Wang, 2008) and maintain strong relationships (Pimpa, 2008). Because these special forms of B2B relationships typically result in better cooperation and greater development of values for parties (e.g. Chen, Huang, & Stemquist, 2011; Lohtia, Bello, & Porter, 2009), it is imperative to further improve understandings in this area.

Drawing heavily on social exchange theory, our understanding on Eastern special forms of B2B that are sensitive to the cultural context, in which these relationships are embedded, has been strongly linked to our understanding of constructs such as trust, commitment and cooperation (e.g. Styles & Ambler, 2003; Zhuang, Xi, & Tsang, 2010). One of these special forms of relationship that received growing attention is the Et-Moone relationship in the Middle East, mainly in Saudi Arabia (e.g. Abosag & Lee, 2012; Abosag & Naudé, 2014). While these studies have explored the Et-Moone relationship in B2B and examined its similarities and differences with the Chinese Guanxi, there has been no study that examined the key antecedents and consequences of the Et-Moone relationship. Thus, by examining the antecedents and consequences of Et-Moone, better theoretical insights can be gained.

According to Abosag and Lee (2012), Et-Moone is based on strong close and deep friendships that provide greater flexibility in business

relationships and allow for unilateral decisions in business relationships without causing any uneasiness or division between partners. Interpersonal liking, trust and commitment in the relationship are key drivers of Et-Moone. The existence of Et-Moone in B2B relationships can lead to a higher level of cooperation through the development of greater synergy between competitive activities in the marketplace gaining even stronger advantages.

This study examines the key antecedents and consequences of Et-Moone in B2B relationships in Saudi Arabia. The key antecedents of Et-Moone are interpersonal liking, trust and commitment. The key outcome of Et-Moone is cooperation. Using survey data collected from over 180 senior managers of Saudi Arabian firms, the findings help expand our knowledge and understanding on B2B Et-Moone relationships, especially on the driving constructs of Et-Moone in B2B relationships as well as its output. The paper starts by discussing the conceptual theoretical basis of the model and the hypotheses. It then reviews the methodological steps taken and presents the results from the analysis, making way for discussion of the findings and implications for managers and future studies.

2. Et-Moone relationships

Et-Moone reflects a cultural system of relationships that exist in the Middle East at large and specifically in the Gulf States. Yet, the literature on business relationships within the Gulf States has been limited in number, especially when compared with the big economic and business growth in the Gulf. Academic studies on B2B in the Gulf can be traced back to the end of the last century, specifically the end of the 1990s. These rather few studies focused on market orientation in manufacturing

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(Bhuian, 1998), the relationship between satisfaction and relationship commitment in B2B (Abdul-Muhmin, 2002), and the determinants of relationship satisfaction and commitment in B2B (Abdul-Muhmin, 2005). More recently, Abosag and Lee (2012) provided a deep exploration of relationship development in the Middle East. Their study has been particularly useful in understanding Et-Moone and its effects on business relationships.

Since the social roots of Et-Moone have been discussed by Abosag and Lee (2012), the importance of Et-Moone in business relationships stems from its abilities to enable business partners to devote resources, support and commitment to each other as if their businesses were jointly owned by themselves. Thus, Et-Moone's partners are expected to make their businesses, resources and themselves as available as possible to each other, especially during difficult and challenging times in the marketplace (Abosag & Lee, 2012).

The term 'Et-Moone' is used by business partners to "express the importance of the relationship and to distinguish this relationship from other relationships" (Abosag & Naudé, 2014, p. 889). This expression of Et-Moone in the relationship often triggers a set of expectations that both sides of the relationship are aware of (but neither have discussed nor outlined in contracts) and are happy to commit to. Thus, the quality of interpersonal relationships is key to Et-Moone development. This is why only deep and long friendships and relationships can result in Et-Moone in business relationships, and partners are typically careful with whom to adopt Et-Moone. Having said this, Et-Moone is always reciprocal in expression and action and cannot exist from just one side of the relationship. However, Et-Moone does not necessarily require reciprocities in doing favours. Meaning, unlike the Chinese Guanxi where favours are expected to be returned, Et-Moone partners are not conditioned to return favours unless it is necessary that they are returned (Abosag & Naudé, 2014).

Furthermore, in order for business partners to develop Et-Moone, besides the long interaction and friendship, Abosag and Naudé (2014) found interpersonal liking and trust are essential to the development of Et-Moone. In addition, Abosag and Lee's (2012) exploration of Et-Moone shows that relationship commitment is also an important antecedent for Et-Moone in a business relationship. According to Abosag and Lee (2012, p. 608), these three constructs (interpersonal liking, commitment and trust) are the main antecedents of Et-Moone: "high commitment combined with total trust and high level of likability can lead to the development of an Et-Moone relationship." The following will discuss these antecedents as well as the output of Et-Moone.

3. The role of interpersonal liking

Early literature on social exchange and marketing literature recognises interpersonal liking as the key element of interpersonal relationships (Crosby, Evans, & Cowles, 1990; Zajonc, 1980). Since then the literature on interpersonal liking did not pay attention to this construct until the seminal paper by Nicholson, Compeau, and Sethi (2001) in which they argued that understanding the impact of interpersonal liking in B2B can help in developing deeper insights of B2B beyond traditional cognitive models. Their study was followed by an exploration of the construct by Hawke and Heffernan (2006) who defined interpersonal liking as "an ability to 'get on' or be comfortable with the other party in a bank lender-business customer relationship; based on a positive attitude each person has for the other and the recognition of the existence of an affirmative emotional connection" (p. 152). Both studies (Hawke & Heffernan, 2006; Nicholson et al., 2001) found B2B relationship development highly influenced by the level of interpersonal liking that strengthens economic pledges and benefits. Recently, Abosag and Naudé (2014) found interpersonal liking to have the strongest influence on the special forms of relationships, namely Guanxi and Et-Moone. They argued that interpersonal liking is a prerequisite for Et-Moone in B2B, and without it Et-Moone relationships would not exist in

B2B relationships. Thus, and following the findings from Abosag and Naudé (2014), we can hypothesise the following:

H1. Interpersonal liking in B2B leads to Et-Moone relationships.

Aspects of interpersonal relationships have long been found to play a key role in B2B relationships (e.g. Dwyer, Schurr, & Oh, 1987; Weitz & Jap, 1995; Wilson, 1995). Bilateral perception of personal interaction is important to the creation of trust (Zaheer, McEvily, & Perrone, 1998), especially bilateral liking of the interaction (Robbins & DeNisi, 1994; Thunman, 1992). Importantly, interpersonal liking nurtures trust mutuality, which is essential to the development of special forms of relationships like Et-Moone. This relationship between interpersonal liking and trust has already been established (Nicholson et al., 2001). More recently, and within the context of Guanxi and Et-Moone relationships, Abosag and Naudé (2014) found interpersonal liking to have a big influence on trust in these relationships. Therefore:

H2. Interpersonal liking increases trust in B2B relationships.

Although the link between interpersonal liking and trust was statistically established by Nicholson et al. (2001) and Abosag and Naudé (2014), the relationship between interpersonal liking and relationship commitment was also found to be significant by Harris, O'Malley, and Patterson (2003). The findings by Hawke & Heffernan (2006,) were most interesting as they found that "an increase in liking led to an increase in commitment." Thus the relationship between these two constructs is to some extent dependent on the ability to maintain mutual liking in the relationship. Because commitment is essential to the success of long-term B2B relationships (e.g. Morgan & Hunt, 1994), the ability to increase commitment through the increase in interpersonal liking, though not an easy task to maintain, is crucial to special forms of relationships such as Et-Moone relationships. Thus, it can be hypothesised that:

H3. Interpersonal liking increases commitment in B2B relationships.

4. Relationship commitment and Et-Moone

Relationship commitment has always been a key construct in B2B relationships (e.g. Gundlach, Achrol, & Mentzer, 1995; Morgan & Hunt, 1994). Commitment is defined by Dwyer et al. (1987, p. 19) as "an implicit or explicit pledge of relational continuity between partners." Interestingly, Anderson and Weitz (1992) found that commitment is mutually reinforcing and increases over time leading to better benefits in the relationship, while Gundlach et al. (1995) argued that disproportionate commitment between less committed partners can lead to opportunism by the less committed partner. However, Leek, Naudé, and Turnbull (2002) demonstrate that suppliers are more concerned about gaining and maintaining the commitment of their customers in the relationship than vice versa. This confirms O'Malley and Tynan's (1997) argument that the existence of one committed party in a relationship does not automatically suggest that all parties in the relationship are committed. Within Et-Moone relationships, commitment must be mutual. The findings from Abosag and Lee (2012, p. 607) confirmed that "managers understand that without mutuality they cannot maintain the relationship." Mutual commitment is a cornerstone in the development of an Et-Moone relationship.

In addition, it has been argued that "much of commitment occurs at a personal rather than organizational level" (Rylander, Strutton, & Pelton, 1997, p. 65). This is particularly true in special forms of relationships like Et-Moone which are largely driven by strong personal commitment to the relationship by both partners. The level of commitment in some Et-Moone relationships may be excessive to normal business relationships which, in the Western view of relationships, can be regarded as negative. According

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