INTERORGANIZATIONAL RELATIONSHIPS BETWEEN EXPORT COMPANIES AND FOREING TRADE SERVICE PROVIDERS: A STUDY IN DYADS IN THE FURNITURE INDUSTRY

ABSTRACT

This study aimed to analyze the interorganizational relationships (IORs) between focal firms (export furniture companies) and support members (foreign trade service providers) in the context of supply chains in the furniture industry. The study was conducted through multiple cases in three dyads. The results have indicated that with the development of IORs, the acquired trust has allowed to improve service delivery. Furthermore, we have also identified that a more frequent and personal relationship among employees of the investigated dyads has allowed a better interorganizational relationship. On the other hand, the distancing of relationships has caused the sectors involved to draw apart and dissatisfaction due to lack of innovations delivered by foreign trade service providers.

Keywords: Interorganizational Relationships, Supply Chains, Furniture Sector, Dyadic Relationships.
1 INTRODUCTION

Interorganizational relationships and their forming dimensions (IORs) are developed due to several reasons (RIBEIRO; SILVA; PRADO, 2009). In order for them to develop, they need not just resources investments and choice of best partners, but also dimensions such as trust, satisfaction, loyalty, commitment, information sharing, cooperation and power (GUMMESSON, 2005, PALMATIER et al., 2006).

Moreover, networks, supply chains and interorganizational relationships represent complex business bonds, which range from a net of connections to a dyadic relationship (BAKER, 1990; CLARO, 2004). Pereira and Bellini (2006) argue that analysis unit of a dyadic relationship consists of the relationship between the two parties and, due to mutual interdependence, consistent dyadic research needs to reflect patterns, relationships or interactions between partners.

As mentioned by Maloni and Benton (1997), IORs construction minimizes barriers between agents of the dyad. The motivation for a relationship, according to Pirani and Cunha (2010), takes into account agents’ socialization, which tend to interact with other agents sharing similarities regarding attitudes, resources, competences and behaviors. Hence, when organizations allow the combination of their resources by means of relationship articulation, they may obtain competitive advantages over their competitors, which they would not accomplish on their own (DYER; SINGH, 1998).

The increase in relational orientation and service provisions is also noteworthy, since it results in higher level of joint actions and cooperation, higher trust levels and a more advantageous information sharing in the dyad (GULATI; SYTCH, 2007). This communication between partners ends up reducing process mistake rates; besides, it improves relationship quality and response time to clients (DYER, 1996; CHEN; PAULRAJ, 2004). Given this context, contractor support members represent a focal company before its end client, therefore its performance is reflected upon the hiring part.

Therefore, we aim to analyze IORs in the supply chain context, particularly between focal companies and support members. Specifically, (i) characterize the processes involved in IORs (ii) analyze the constituents dimensions of the chosen IORs (information sharing, trust, commitment, cooperation, satisfaction, loyalty and power; and, (iii) identify barriers found in the IORs. The field of study consists of three foreign trade service providers, (support members) and three export companies from the furniture industry (focal companies), that is, three dyads.

The study is justified, since according to Chen e Paulraj (2004), most supply chain literature addresses only financial aspects or regards only one focal company (buyer/supplier) instead of extending dyads. Furthermore, Alighieri e Filho Zanquetto (2009) state that few studies stress IORs in service providers, in which information circulates instead of products. It is noted a growing trend in publications on service segment, whose suitable subjects are global supply chain management and supply chains and their interrelations (BORTOLLOSSI; SAMPAIO, 2012).

Therefore, the study is laid out in five sections. Besides this introduction, theoretical background comprises the second section. Afterwards, the methodology is presented. The fourth section concerns data analysis and discussion of findings, followed by the final remarks.
2 THEORETICAL BACKGROUND

2.1 Interorganizational Relationships (IORs)

Relationships between companies develop as time goes by and are essentially dynamic, that is to say, the elements of these relationships play an important role in the development of the members involved (PALMATIER et al., 2013).

Considering IORs, at least two organizations interact in a given context, that is a dyad (LARENTIS; ANTONELLO; SLONGO, 2018). Håkansson and Snehota (1995) describe some basic IORs roles, among which, the role to unite two organizations (dyad role), which means developed by two established companies in relation to their activities, resources and agent levels. Moreover, dyads represent not only two parts joined together but also the inception of something qualitative distinct.

Furthermore, the length of a relationship may positively influence companies’ collaborative attitude. Therefore, in long-standing relationships, actions tend to be more likely for success (ANDERSON; WEITZ, 1989; CLARO; CLARO, 2004). Additionally, Grandori and Soda (1995) argue that IORs are important both economically and for the companies’ cooperative interdependence since IORs regulate the interdependence in complex transactions. We point out that definition for IORs used in the study is the one by Oliver (1990), which conceptualizes IORs as transactions relatively continuous, with flows and connections occurring between two organizations in their context.

In the context of services, Gummesson (2005) finds the service provider’s ability to design and deliver the service crucial for an adequate IR. Moreover, Grönroos (2003) adds that it is important to distinguish three relevant strategic requirements in a relationship: (i) redefining the business as a service business with service competition as a key element, (ii) understanding the organization from a process management angle instead of a function angle, and (iii) importance of the development of partnership networks in order to take care of the service process as a whole.

2.1.1 Interorganizational Relationships in a Supply Chain Context

Supply Chain Management (SCM), according to Lambert and Cooper (2000) arises as a new way to manage businesses and their relationships with excellence in business processes. Mentzer et al. (2001) describe SCM as a systematic and strategic coordination of traditional and tactical business functions; used in a relationship between these functions within an organization and through businesses within the same supply chain in order to improve performance in the long term for both companies individually and the chain as a whole.

We highlight that SCM consists of primary and support members. Primary members are companies or business units that carry out activities (operational or managerial) and add value throughout the supply chain of a given product or service. Support members provide resources, share information among other services to support the chain’s primary members, yet they do not participate directly in adding value process (LAMBERT; COOPER, 2000). According to the authors, adding value means getting to know customers, their habits, preferences and values. We point out that adding value between supply chain members may reveal whether the links in the chain are adding the value expected by final customers and show whether the members’ competences are synchronized and complemented in order to maximize the expected service level. Additionally, adding value to a
product or service represents interaction with customers, which depends on satisfaction and loyalty not only from customers but also from the entire chain (VARGO; LUSCH, 2006).

Furthermore, the activities in the value chain may be shared, thus allowing competitive gains (PORTER, 1999). Generally, this integration allows gains such as product aggregated value, market access and technological capacity (SIMCHI-LEVI; KAMINSKY; SIMCHI-LEVI, 2003).

On the other hand, the relationship between buyer and supplier may be regarded as a set of interorganizational strategies employed by buyers and suppliers in their negotiations (CUNHA; ZWICKER, 2009). We have verified that relationships between customers and supplier comprise every activity related to establishment, development and maintenance of relational exchanges (LADEIRA; MARCONATTO; ESTIVALETE, 2012). According to Sirdeshmukh, Singh e Sabol (2002), relational exchanges consist of studying relationships in order to build strong and long-term relationships. In most relational exchanges there is some power asymmetry. One of the key points to minimize this asymmetrical effect in relational exchanges is by gaining customers’ trust. Moreover, relational exchanges are those occurring between parties that constitute long-lasting and strong IORs – based on attributes such as confidence and commitment (MORGAN; HUNT, 1994).

Unlike transactional or discreet exchanges, in which the parties are not seeking a long-term engagement, in relational exchanges companies pursue long-term relationships, high cooperation level, shared planning, adaptation and beneficially meeting mutual needs (LAMBE; SPEAKMAN; HUNT, 2000). Relational exchanges are motivated by mutual acknowledgement that the outcomes of such exchanges exceed the level achieved through other exchanges with a different partner (DWYER; SHURR; OH, 1987; LAMBE; SPEAKMAN; HUNT, 2000).

The integration of activities by the supply chain demands close work relationships that involve sharing information and staff working beyond organizational boundaries through mutual cooperation. Effective SCM involves the management of relational exchanges with other chain members (TAYLOR, 2005; ESPER; DEFE; MENTZER, 2010; HUTT; SPEH, 2011). In this vein, regarding the importance of IORs for SCM Esper, Defee e Mentzer (2010) present Guidance for the Supply Chain (GSC), which consists of a holistic view of the supply chain, competing through developed competences in the chain and emphasize the work and relationships between companies. GSC involves (i) organizational design; (ii) people management; (iii) information technology; and (iv) organizational measure. In this interim, as identified by Li (2011) suppliers that find excellence in service operations and commit to close and strong relationships show higher satisfaction and loyalty levels. Still, according to Gomes et al. (2012) in order to establish an efficient and long-lasting relationship, besides satisfying customers with the service provided, one must also know customers’ needs in order to build a closer bond with them and develop loyalty.

### 2.2 Selected IORs Dimensions Constituents in the Study

This subsection presents seven dimensions selected for the study beforehand. Oliver (1990) stresses that determinants of interorganizational relationships are mainly justified for two reasons: (i) organizations make deliberate decisions to engage in interorganizational relationships, generally so that they can overcome restrictions limiting or influencing their choices, and (ii) dimensions explain the reasons why companies decide to
engage in interorganizational relationships.

Firstly, we used the study by Agariya e Singh (2011), as our reference, a review of definitions and general constructs of relationships, based on the theory on relationship marketing. The article presents 72 definitions proposed between 1982 and 2010, which resulted in the 50 main definitions with at least 10 mentions. The first 10 constructs were: (1) trust (167 mentions); satisfaction/experience (163 mentions); loyalty (84); (4) commitment (71 mentions); (5) service quality (66 mentions); (6) communication (57 mentions); (7) empathy/customer guidance (38 mentions); (8) quality, value and relationship length (33 mentions); (9) reciprocity (29 mentions) and (10) culture (29 mentions).

In this research study we used the dimensions presented by Agariya e Singh (2011) according to the number of mentions. However, we excluded the 5th, 7th, 8th, 9th and 10th dimensions and included the cooperation dimension (48th position), based on the meta analysis by Palmatier et al. (2006). We replaced the 6th communication dimension for information sharing, which is number 31 in the research, for this dimension is narrower.

We employed the study designed by Pigatto (2005) in the choice of power dimension, since he studied important aspects in collaborative relationships. The author carried out his study from 11 dimensions: power, dependence, specific investment, communication, satisfaction, adaptation, cooperation, commitment, trust, conflict, culture and organizational structure.

Below, a brief explanation on each of the selected dimensions:

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Main aspects</th>
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<tbody>
<tr>
<td>Information Sharing</td>
<td>Important for the convergence of expectations about partner and their responsibilities not bound by contract: partners in dyads who utilize information sharing precisely and thoroughly may gain competitive advantage (Gulati; Sytch, 2007); Communication is the main factor leading up to trust (Morgan; Hunt, 1994); trust is expressed by quantity, frequency and quality of the information shared between partners (Palmatier et al., 2006); Decisive for company performance and one of the one of the most important requirements for successful IOR (Dyer, 1996; 1997).</td>
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<tr>
<td>Trust</td>
<td>Acceptance of risks associated to kinds and intensities of interdependences inherent to every relationship. It may be contextualized into 4 ways: (i) superficial dependence; (ii) superficial interdependence; (iii) intense dependence; and (iv) intense interdependence, determining the nature of interdependence between the parties (Sheppard; Sherman, 1998); Considered to be a key element in relationships (Morgan; Hunt, 1994); it respect to information confidentiality as well as the truth of information (Larentis; Slongo, 2008).</td>
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<tr>
<td>Commitment</td>
<td>Permanent wish to keep a relationship based on value between the partners; trust is necessary for commitment: it exists when one of the parties believes the relationship is important and strives to keep and improve it (Grönroos, 2003; Morgan; Hunt, 1994); Represents a continuous wish to keep a valuable relationship with affectivity, proper behavior, obligations and regulations fulfillment: a company or people feel motivated to do business with other participants (Palmatier et al., 2006).</td>
</tr>
</tbody>
</table>
Cooperation
Joint efforts related to performance and planning over time (Dwyer; Schurr; Oh, 1987); cooperation is strengthened by joint actions, important element for successful relational exchanges (Gulati; Sytch, 2007); Similar or complementary coordinated actions that reflect expectations from both parties engaged to achieve mutual and individual goals over time (Anderson; Narus, 1990); Directly influenced by commitment and trust. A committed partner will cooperate for the success of the relationship (Morgan; Hunt, 1994).

Satisfaction
Customers’ affective and emotional condition, which typically assesses a relationship cumulatively over their partnership (Palmatier et al., 2006); comparison between expectations and perceived performance, assessment on a product/service based on what was delivered or is being delivered (Oliver, 2010); Important aspect for companies due to the customers’ increasing demands and growing offer of products and services (Radons; Torres; Ceretta, 2012); positive relation between quality and satisfaction; People make decisions based on the satisfaction they expect to get or punishment they intend to avoid (Fornell, 2007).

Loyalty
Multidimensional model combining intentions, attitudes and seller’s performance indicators (Palmatier et al., 2006); A remaining commitment to repurchase a preferred product/service, causing repeated purchases (Oliver, 1999); Result (i) emotional attachment based on affection denoting a positive attitude toward the brand developed through successive and cumulative experiences; (ii) customer’s need to be in accordance with the ongoing rules in society; (iii) wish to prefer and invest in a certain brand or service and (iv) lack of alternatives (Ellis, 2000); It is believed that loyalty development by customers basically requires satisfaction, since satisfied customers tend to purchase or acquire a service repeatedly (Grönroos, 1996).

Power
Capacity to impose oneself over others. The greater the interdependence, the more important a fair application of power in a relationship becomes (Dwyer; Schurr; Oh, 1987); important factor to identify the level of power and influence of each partner (Croom; Romano; Giannakis, 2000); individual or group ability to influence others’ behaviors: capacity to make somebody do something they would not have done in the first place (Hunt; Nevin, 1974; Gaski, 1984); Some kinds of power: owned or realized. Realized power is the outcome of exercised owned power in order to bring about change in other people’s behavior (He; Gobadian; Gallehar, 2013); There is still (i) formal power, divided into coercive, reward power, legitimate and information power and (ii) personal, divided into talent power, reference and charismatic (Robbins, 2005).

Source: Designed by the authors based on the bibliography consulted (2012-2013).

3 METHODOLOGY

Given the research problem, the objects proposed and the themes studied, we have designed a qualitative and exploratory-descriptive research (Marconi; Lakatos, 2002). The strategy was a multiple-case study due to the need to explore processes and behaviors on which understanding is limited (Flyvbjerg, 2004; Godoy, 2006; Merriman, 2009; Yin, 2010). We understand that a qualitative research study allows the researcher to deepen the investigation in the pursuit of information about the study object, which, in this case is the interorganizational relationships in supply chains. Furthermore, we opted for a descriptive study in order to framework the study object and present data regarding the furniture sector (mainly in Rio Grande do Sul state) as well as information about consultancies in foreign trade.

The analysis unit is represented by IOR in three dyads (furniture companies and foreign trade consultancies) different from one another. The dyad analysis unit consists of the relationship between the two parties; standards and interactions between partners must be taken into account (Pereira; Bellini, 2006).
We have chosen these furniture companies due to their large representativeness both in terms of time (market tradition), production volume, and market share, mainly overseas and also for their social and economic role in their cities. Complementarily, the choice for the foreign trade consultancies has been made based on length and frequency of relationships with focal companies, since according to Dwyer, Schurr and Oh (1987) longer and frequent relationships between organizations present interesting characteristics for the study. Both consultancies have been acting in their segments (Consultancies E and G, since 1996; Consultancy C since 1997) and have a great deal of experience in foreign trade. We point out that the interorganizational relationship in Dyad A consisting of Company B and Consultancy E has existed since 2007. Dyad B consisting of Company M and Consultancy G dates back to 2006. Lastly, Dyad C, whose members are Company T and Consultancy C, has occurred since 2007.

The data collection process utilized data triangulation, use of different kinds and sources of data (YIN, 2010). Following the definition of analysis unit, data collection was carried out by means of interviews on personal depth, document analysis and observations. Respondents were people in charge of operational sectors and export managers from the furniture companies as well as consultancies employees who directly assisted the furniture companies and their commercial managers.

Data collection was carried out by ways of in depth interviews (KING; HORROCKS, 2010) with every key respondent, between May and July, 2013 adding up to 16 interviews. In the appendix, the entire interview script can be found. We applied the same questions to both the furniture companies and foreign trade consultancies, modifying consequently the file used in the research according to employee interviewed. In Dyad A 6 interviews were carried (3 in company B and 3 in the Consultancy E); for Dyad B there were 5 interviews (2 from Company M and 3 from Consultancy G), in Dyad C 5 people were interviewed (2 from Company T and 3 from Consultancy C). All these interactions were recorded in the companies’ headquarters, after making an appointment and later transcribed. The number of respondents was defined based on the redundancy principle (GODOI; MATTOS, 2006).

Lastly, for data analysis, we used content analysis (BARDIN, 2000; PATTON, 1987; SCHREIER, 2012; SCOTT; GARNER, 2013). As analysis stages we adopted those defined by Flick (2009) such as (i) material definition and interview selection; (ii) analysis of data collection situation: evidence respondents; (iii) material formal characterization, recorded interviews and material saved in electronic archives; and, (iv) lead the analysis to selected texts: Miles and Huberman (1994) describe as data reduction, that is, a selection process that focus on and simplifies the data obtained.

For this study we used the research protocol (interview script and observation script; as seen in the Appendix) and tables designed with the analysis categories, that is, processes involved in IORs between support member and the respective focal companies, subcategories defined established beforehand (information sharing, trust, commitment, cooperation, satisfaction, loyalty and power) and barriers found in IORs. After transcribing all interviews in a singles text file, we designed three tables (one for each dyad, with interviewed employees), each one having six columns: specific objectives, analysis categories, interview summary, selected account, researchers’ questionings following the interview and base authors (relating quotes from theoretical background).
4 DATA ANALYSIS AND RESULTS PRESENTATION

4.1 Characterization of the processes involved in IORs in the Dyads studied

For the process characterization in IORs for Dyad A (Company B - Consultancy E), Dyad B (Company M - Consultancy G) and Dyad C (Company T - Consultancy C), we have considered primarily how the members contact one another, frequency and interaction between the participants as well as the important attributes for the choice of partners, either for customers or suppliers. In summary, despite the relevance of emails for keeping track of processes, we have realized that phone and personal visits facilitate IOR, either in or out of a business environment; this personal contact contributes to personalizing services and quite often leads up to better quality and intensity in the relationship.

We point out that in Dyad processes (drawing up and sending documents, customs and logistical operations among others) people in operational departments who keep daily contact due to information sharing, end up having closer relationships. This closeness between people and departments facilitate or hinder IORs as services are developed.

In general terms, the roles and orientations between both companies are well defined and consultancies are believed to shape foreign trade professionals in the region. Concerning personal contact, mainly through visits, we highlight the dissatisfaction on the part of companies B and T that wish for more attention from their partners. According to Forti, Marson and Campello (2012), suppliers are losing customers not only due to competition but mostly due to their mistakes in commercial practices. Respondents suggested meetings after working hours, such as lunches or dinners. Besides, they would like a wider range of offers of activities by the companies (lectures, trainings), including in trade shows in the segments or other events as such.

On the other hand, in Dyad B, this practice is already applied by its members. Below is the account by the analysis from Consultancy G about the theme:

We started to realize that the relationship changes. It is very easy to “scold” someone you do not know; getting to know customers personally made professional relationship closer (Foreign Trade Analyst – Consultancy G - Dyad B).

Moreover, they bring up innovation as a distinguishing element to the service offered, which is not recurrent in Dyads A and C. This request from companies is corroborated by Gummesson (2005) who regards the supplier’s ability to design and produce services as crucial for good IOR, along with its production and delivery systems and offer of new alternatives.

4.2 IORs Selected Dimensions in the Dyads participating in the Study

Below we show the results associated to IORs dimensions: information sharing, trust, commitment, cooperation, satisfaction, loyalty and power.

Regarding information sharing, we employed two aspects (Table 2), sharing process and information quality. Regarding processes, information sharing between the Dyads proved to be fast and daily, mainly by email so that information could be registered. The consultancies agree about agility, yet they do not fully agree about accuracy. According to the Exports Analyst from Consultancy C, they base their processes on what they get from their customers. Another account is transcribed as follows:
Information sharing happens as of the moment we get the email. All the information received is verified. Moreover, our software has a record on every client (Exports Analyst - Consultancy E - Dyad A).

According to Palmatier et al. (2006), information sharing may be expressed by amount, frequency and quality. In the Dyads studied, amount directly depends on the number of executed processes; despite that frequency is daily. Quality, on the other hand, many times depends on the data sent by the furniture companies, which may cause discrepancies and delays, should they be inaccurate.

This information corroborates what Dyer (1996;1997) says, since information sharing is determining factor for performance and one of the the most important requirements for successful IOR. Gulati and Sytch (2007) stress the importance of quality in information sharing, regarding detail, accuracy and punctuality, since these factors promotes cognitive capacity and ability to process information.

For trust we based ourselves on aspects such as information clarity and transparency, attitudes such as taking responsibilities for mistakes and freedom to talk to the employees involved in the process. The data analyzed concern information, actions and people (Table 2). Regarding trust in information, all the companies participating in the study believe it to be important to check data received, despite the trust in their partners, since confidence as described by Larentis and Slongo (2008) concerns confidentiality and truth of information.

On the subject of actions, it is crucial that documents be flawless, since purchase and sales conditions are bound by contracts with overseas markets, which shall influence the other end of the chain, that is, importer and quality of operation. Below we present an account about information confidentiality according to the Exports Manager of Company B:

My nearest or furthest competitor can obtain information on the market, such as buyers, exports volumes, imports, public information. Therefore, the gretest trust lies on confidentiality (Exports Manager - Company B - Dyad A).

It is important to highlight the question concerning the trust level established between people in operational departments in the Dyads studied. Even when, the information is about a distinct process or unique information, the first person to be informed is the one with whom they have daily contact. This indicates the acceptance of hierarchy but also the respect for the people. Managers are copied in emails but they are rarely resorted to, as the shown in account from the Commercial Manager from Consultancy G:

Operational department is always contacted. Whenever an director's endorsement is needed, we speak with operational. We never ignore it or the sector of direct contact, which is exports (Commercial Manager - Consultancy G - Dyad B).

Such situation is shown in the three dyads by means of interviews and observations made. This situation meets what Morgan and Hunt (1994) and Gronroos (2003) state, because whenever there is trust, both parties will see conflict as constructive and it becomes a key element in a long-standing relationship and relational exchanges, thus reducing anxiety and increasing trust in the service provider.

Concerning commitment dimension, as shown in Table 2, with actions and results, the dyads reveal service reliability, pursuit of information and mainly deadline accomplishments (sending ship reservations, bill of landing drafts, overseas documents among others).

Dyad A perceives commitment as a differential in service supply, mainly regarding assistance. Company B mentions the question of service reliability, process and prompt efficiency
feedback. Consultancy E comments on investments in information technology, computers and data security, which directly impacts on service quality and mistakes reduction.

I believe commitment is shown by giving prompt feedbacks by meeting deadlines. A number of times we make requests with agents in the name of company B because we wish everything to happen accordingly (Exports Analyst - Consultancy E - Dyad A).

Dyads B and C stress what was mentioned by Dyad A by pointing out that commitment is represented by meeting deadlines, immediate feedbacks, availability for any clarification when necessary. By the interviews and observations, we have realized that in the Dyads IORs the concept of commitment established by Morgan and Hunt (1994) is present. Furthermore, we have seen an effort to maintain the relationship, to meet deadlines, to provide immediate feedbacks and to seek information about new processes or even improve daily resources.

As for the cooperation dimension, we have approached cooperation between partners and joint activities. The cooperation between Dyads is peculiar regarding joint activities, since each partner develops distinct strategies for service provision.

The Dyads studied show cooperation between the companies, some on a closer level (Dyads A and B) or a more distant relationship (Dyad C).

As a cooperative differential we may mention the training department of Consultancy E from Dyad A. On the other hand, we have observed that cooperation in Dyad B is greater and occurs in several situations. These cooperative actions do not occur only on the daily foreign trade activities but they also happen by the participation in events of the furniture company and other meetings promoted by the Consultancy as the account denotes:

We do cooperate, whenever it is necessary to answer a client’s question, we talk, try to adapt. I think there is a great deal of cooperation; it is agile and effective, and that is extremely important (Exports Manager - Company M - Dyad B).

According to Gulati and Sytch (2007), cooperation is reinforced by joint actions. Morgan and Hunt (1994) state that cooperation is directly influenced by commitment and trust. We have observed that within the three dyads we have studied, Dyad B is the one with the greatest cooperation since it presents synchrony between the members. Dyad B is followed by Dyad A. In this dimension, according to the Exports Manager of Company B interaction could be improved, mainly by visiting each other in order to bond closer together. In Dyad C it is evident that cooperation occurs for the sole purpose of process development, such situation damages their relationship and many times hinders the partners’ understanding.

In respect with satisfaction, we have analyzed similarities through satisfaction with the service provided and recognition; a few peculiarities have been observed between the Dyads, such as organization and innovation in the relational exchanges. Satisfaction with the service provided occurs when members of the Dyads report that processes are carried out correctly, attention is paid to details, transparency and flexibility to negotiate. However, in Dyads A and C, lack of innovation is causing dissatisfaction. According to Gronroos (1996), customers do not seek only goods and services but also innovation. Moreover, they expect this to happen in a friendly environment and within the deadline set by the parties. Evidences follow:

Consultancy E could have a wider range of work option with us. It does not happen because I believe it is not in their interest, since we have a close and yet distant relationship (Exports Managers - Company B - Dyad A).
My satisfaction is about the service, there may be something new to offer me but this not knowing does not please me (Exports Manager - Company T - Dyad C).

Forti, Marson e Campello (2012) say that, in segment of services, quality assessment takes place throughout the the duration of the service. Every moment with the customer is a moment of truth, an opportunity to satisfy or not one’s customer. The authors point out that agents in the service segment need to find creative and concrete alternatives in order to allow continuous improvements in quality, productivity and innovation. Such points are crucial for better IORs as stated by the managers in the furniture companies from Dyads A and C. About that, we emphasize the acknowledgments and compliments given, which generate satisfaction and recognition among consultancies employees.

Emails from customers thanking us for the service provided, or the timely arrival of a new machine, or the exports success, or the accomplishment of a process they had not been able to accomplish...this generates satisfaction (Commercial Manager - Consultancy E - Dyad A).

Compliments and acknowledgments show appreciation for our work (Exports Analyst - Consultancy C - Dyad C).

According to Fornell (2007), people may make decisions based on usefulness expectation instead of value expectations, or based on the satisfaction they may get or penalty they may avoid. Companies B and T expect that through the service provided they may achieve competitive advantage. However, they are currently getting usefulness and convenience. They often avoid a possible decline in revenue by changing suppliers, which would compromise performance during a transition period.

Despite this situation, both Dyads demonstrate loyalty with their partners, mainly due to their ethical and confidentiality attitude towards information and due to the long-standing partnership. Such situation denotes that trust and commitment may lead to a higher level of customer loyalty (PALMATIER et al., 2006). Moreover, customer loyalty development, in the case of furniture companies basically requires satisfaction since satisfied customers are more likely to keep their services with their suppliers (GRÖNROOS, 1996). Satisfaction is seen more as a “seed” that germinates loyalty (OLIVER, 1999)

As seen in Table 2, the two main aspects to be analyzed were the Dyad participants and their attitudes and intentions. In Dyad A, employees from Company B stress their loyalty to Consultancy E because they do not look for other consultancies for its tradition and reliability. However, they bring up their distant relationship as an exception.

Loyalty is seen by Dyad B, according to Company M, as trust, information clarity and even addition of other services such as containers transportation and international shipping. The quotation below shows what is represented by this dimension:

I believe what contributes to loyalty in our relationship is trust. We have expanded the partnership, not only shipping but road transportation of containers. Consultancy G has already added the service, thanks to their work (Exports manager - Company M - Dyad B).
Concerning Dyad C, according to employees from Company T, it does not tend to change partners; instead they aim to set long-term relationships. Given that, the company’s loyalty is highlighted thanks to their feedback and fulfillment of all its activities and transparency in all moments. For Company C, loyalty is expressed in every process and confidentiality of information.

Gronroos (2003) argues that a service provider that works with competence persuades their customers that it has knowledge and ability to solve customers’ problems. Customers feel that their partner is interested in working out their difficulties by solving problems and helping in their processes. The three quotations above exemplify IOR in Dyad B and elicit the need to improve daily participation in Dyads A and C.

In power relations, considering the influence of power and the use of formal power, the Dyads suggest that customers (focal companies) have more power in their relationship. The Dyads have worked together for years, with trust, commitment and loyalty in order to maintain their partnership; instead of looking for new partners. Notwithstanding, one must pay attention to such matters in order not to damage the relationships with abuses. As pointed out by Benton and Maloni (2005), once power holders have realized they can benefit in their performance, they tend to reassesses their strategy position in the supply chain.

Similarly to Dyad A, the participants in Dyad B agree there is power assymetry in their relationship, mainly when there are cheaper suppliers available, including unfair competition. However, customers are concerned about the quality of the relationship. The account below elicits this point:

Surely, the customer always holds the power. In our relationship we can negotiate and argue so we can have some benefits. We surely seek a win-win situation, a healthy relationship because that is what matter (Exports Manager - Company M - Dyad B).

On the other end of the Dyad, Company T does not consider itself to hold the power. However, Consultancy C as well as the others believe to be the weakest link because there is a great number of other providers. Based on the accounts above we have observed that it is hard to find power balance in IOR. Gummesson (2005) stresses that many times, before an important relationship, the focal company possesses advantages mainly given their position as customers. Yet, power assymetry does not mean a low quality relationship.

He, Ghobadian and Gallear (2013) argue that the availability of alternatives determines dependence between chain members, whereas the power implementation policy determines the power to realize. These two elements joined together indicate the interdependence level between the two parties. In this interim, the larger the interdependence, the more important fair use of power is in transactions (Dwyer; Schurr; Oh, 1987).

In order to facilitate the understanding of the results, Table 2 shows a summary of the data analysis.
### Table 2 – Summary of the Results

<table>
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<tr>
<th>Comparisons</th>
<th>Aspects</th>
<th>Dyad A</th>
<th>Dyad B</th>
<th>Dyad C</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Information Sharing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Similarities</td>
<td>Information sharing process</td>
<td>Quick and accurate (furniture companies). / Quick but not always accurate (consultancies). / Record: email. / Frequency: Daily</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Information quality</td>
<td>Depends directly on data received (focal company x support member and vice versa).</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Trust</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Similarities</td>
<td>About information</td>
<td>Information clarity. / Information transparency (mainly in the consultancies’ financial and service supply areas). / Complicity and friendship.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>About actions</td>
<td>Owning up to mistakes. / Kind of relationship. / Freedom to talk and carry out processes.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>About people</td>
<td>Commitment and respect to hierarchy.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Peculiarities</strong></td>
<td>Perception</td>
<td></td>
<td></td>
<td>Trust as a feeling.</td>
</tr>
<tr>
<td><strong>Commitment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Similarities</td>
<td>About actions</td>
<td>Service security. / Process effectiveness. / Prompt feedback. / Availability for clarifications. / Pursuit of information.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>About results</td>
<td>Investment in information systems. / Act in their company’s name (consultancies). / Meeting deadlines.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cooperation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Similarities</td>
<td>Between members</td>
<td>In general terms the companies in the Dyads cooperate.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Joint activities</td>
<td>Training/ email newsletter (consultancy). Help to answer customers’ questions abroad.</td>
<td>Visits to ports and trade fairs. / Participation in events. Concern and support to answer questions abroad / sending newsletter.</td>
<td>Processes only. Help to answer customers’ questions abroad.</td>
</tr>
<tr>
<td><strong>Satisfaction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Similarities</td>
<td>About service provided</td>
<td>Processes are carried out properly. / Attention to details, transparency and flexibility for negotiation, support so customers get their documents in due and legal form. / Relationship closeness in operational departments.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Recognition of service provided</td>
<td>Acknowledgments and compliments received.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organization</td>
<td></td>
<td>Organization of Company M.</td>
<td></td>
</tr>
<tr>
<td><strong>Peculiarities</strong></td>
<td>Innovation</td>
<td>Offer something new, unique. Not simply offer the basic service (Company B).</td>
<td></td>
<td>Offer something new, unique. Not simply offer the basic service (Company T).</td>
</tr>
</tbody>
</table>
### Comparisons

<table>
<thead>
<tr>
<th>Aspects</th>
<th>Dyad A</th>
<th>Dyad B</th>
<th>Dyad C</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Loyalty</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Similarities</td>
<td>Intentions and attitudes</td>
<td>Partnership maintenance/ Organization’s tradition and time. Transparency about demands. / Information confidentiality. Software used by consultancy.</td>
<td>Trust between organizations. Addition of other services besides consultancy. / Services such as container transportation and shipping. Relationship length.</td>
</tr>
<tr>
<td><strong>Power</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Similarities</td>
<td>Power influence in the relationship</td>
<td>Believe customers are more powerful.</td>
<td></td>
</tr>
<tr>
<td>Peculiarities</td>
<td>Use of formal power</td>
<td>Consultancy E brings up the knowledge element as a power differential, which means power of information. Know-how on certain themes may grant power.</td>
<td>Consultancy mentions unfair competition (mainly lower costs) as a coercive power in the relationship.</td>
</tr>
</tbody>
</table>

### Aspects associated to building interorganizational relationship and its influence on relational performance

<table>
<thead>
<tr>
<th>Aspects</th>
<th>Dyad A</th>
<th>Dyad B</th>
<th>Dyad C</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Similarities</strong></td>
<td>Roles and Orientations</td>
<td>Clearly defined. Consultancies shape new foreign trade professionals.</td>
<td>Companies are concerned about this.</td>
</tr>
<tr>
<td>Interaction with customer overseas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interaction between departments</td>
<td>Low and dissatisfaction in both segments (furniture sector and foreign trade consultancies).</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Peculiarities</strong></td>
<td>Visits (Personal contact)</td>
<td>Dissatisfactory (company B).</td>
<td>Great (Company M).</td>
</tr>
</tbody>
</table>

Source: Designed by the authors (2014).

### 4.3 Barriers Found in the IORs for the Dyads studied

Based on criteria listed by Brass et al. (2004), the main barriers identified in the IORs are related to relationships conflicts, possible partnership termination and its consequences, quality of foreign trade professionals and politically, economic and legally motivated influences.

Therefore, we have observed that Dyad A points employees’ inexperience when they join the field as a barrier. Moreover, a number of times there are misunderstandings, which are mentioned mainly by the consultancy. In Dyad C, the main barrier was a problem involving an Angolan customer, which caused the change of service supplier for that market and nearly caused complete change of partners. About this matter, the results of interactions between foreign trade consultancies and exporting companies impact on how importer view the service provided (PHONLOR, 2007).

We have been able to realize that both companies, despite the partnership termination, would normally proceed with their processes; the companies would need an adaptation time with the new consultancy, which might cause friction and consequently a lower performance in exports processes, which also would reduce effectiveness and revenue for a certain time.

Service supplier, in turn, would seek new customers to fill out the gap in their work and
revenue. Moreover, they would look into the reason for the termination and improve on their weaknesses. Yet, it is worth noting the relatively low cost of changing partners for the hirer.

Among the main conflict mentioned are the financial ones, as improper charges, different prices from those previously agreed, and also competitors’ lower prices. Lastly, one of the main difficulties pointed out by all is the lack of integration between foreign trade professionals. Export companies have few unions and association in the region and have scarce contact with educational institutions. Information sharing is done informally, mainly in fairs and events, or between consultancies, main source of questions clarification.

Likewise, consultancies are not given clarification by unions and they rarely share information with competition. In order to clarify any questions, consultancies get in touch with other units, with experienced individuals (consultancy C) or through research. We have perceived the lack of joint efforts to qualify foreign trade companies. Consultancies are not united and prepared for changes in legislation and foreign trade procedures.

Having in mind the processes involved in IORs, constituting dimensions and barriers presented, we have perceived that consequences of joint actions are not restricted to within the Dyads. Likewise Dyads depend on a group of resources and restrictions within their contexts, which is expanded on an international scale.

5 FINAL REMARKS

This study aimed to analyze IORs in a supply chain context, specifically in three dyads in the furniture industry. In a nutshell, we have seen a development of IORs, the trust built up along the partnership allowed, at least in Dyad B, companies to qualify their services. We have also identified that frequent personal contact allowed employees from the Dyads to get to know one another, thus allowing better IORs, which many times goes beyond professional settings.

However, in Dyads A and C, a more distant relationship caused the sectors to draw apart and dissatisfactions arose because consultancies did not innovate. It has become evident that information sharing is more intense and frequent between employees in operational departments. In this regard, space distance affects IOR as well as operations, which is a characteristic of outsourcing operations (STRINGFELLOW; TEAGARDEN; NIE, 2008).

Concerning the selected dimensions, information sharing takes place with quality and trust mainly in information clarity, relationship length and mutual respect. Commitment has to do with meeting deadlines and concern with process effectiveness. Nevertheless, in general terms, the number of joint actions is low, despite statements that cooperation between companies does exist.

The central gap we have observed and identified was the lack of more support for foreign trade professionals, that is, internally with unions, association and educational institutions. Furthermore, there is not an approximation between chain members who work isolatedly, thus affecting information sharing and in general the organizations participating in the Dyads. Somehow, the lack of integration in the production chain reflects on several points in organizations’ supply chain, including foreign trade.

Both Dyads mention satisfaction with their relationships when they happen properly and correctly, yet innovation emerged as a point that needs improving in Dyads A and C. Loyalty is shown through attitudes and intentions mainly regarding the length of the partnership that allows the relationship to continue. Lastly, concerning power relations, both point to the existence of an asymmetry, in spite of concerns regarding the quality of the relationship on the part of the focal companies.

Altogether, we conclude that despite their benefits and formation of competitive advan-
tages, IORs depend on time, resources, work and interation between those involved, whether these efforts are economical or not (LARENTIS; SLONGO, 2008). As a result, having become aware of the dimensions of relationships, service suppliers may get ahead to meet their customers’ needs.

This study contributes to organizational practices and corroborates Chopra and Meindl (2001) who argue that companies involved in IORs need to converge to pursue mutual benefits, in a win-win relationship, and despite power reasonable asymmetries, relational exchange becomes stronger, collaborative and long-lasting.

We mention as a limitation for this study, the scarce use of documental observations and analyses. Moreover, the evaluation model used for relational performance has been developed in order to evaluate international performance, from an export standpoint. We suggest further studies deepening the research by expanding it to importers in order to look into their perception on services provided by consultancies and whether or not it interferes and/or contributes to their performance. We also suggest studies that address other kinds of business performance besides relational dimensions. It is also worth investigating resource sharing and capabilities in occasional IORs between companies from the same production chain. Another aspect deserving attention is the role played by unions, associations and educational institutions in activities carried out in the region’s furniture sector and in foreign trade consultancies, considering a network perspective. Lastly, other dimensions may be added to the study, such as changes costs, relational bonding tactics and power typology.

REFERENCES


BRASS, D. J. et al. Taking stock of networks and organizations: a multilevel perspective. Academy
INTERORGANIZATIONAL RELATIONSHIPS BETWEEN EXPORT COMPANIES AND FOREIGN TRADE SERVICE PROVIDERS: A STUDY IN DYADS IN THE FURNITURE INDUSTRY


LAMBE, C. J.; SPEAKMAN, R. E.; HUNT, S. D. Interimistic relational exchange: conceptualization


### APPENDIX

**Interview Script to the companies participating in the study**

<table>
<thead>
<tr>
<th>Specific Objectives</th>
<th>Study questions to the company</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Characterize processes involved in interorganizational relationships between support members (foreign trade companies) and their respective focal companies (exporting furniture companies) in the supply chains studied</td>
<td>How is contact usually made between companies? Which employee has the most interaction with the company? Why? How often are there visits to check on the relationship, suggestions, problem-solving among other situations such as uncertainties? Who is responsible for the visits? What are the causes for conflicts in the relationship? When do they occur? How do conflicts work out? What attributes are considered important for the choice of a foreign trade consultancy/possible customer?</td>
<td>Ludwig (2006)</td>
</tr>
<tr>
<td></td>
<td>Satisfaction What shared experiences have satisfied you about the relationship? Are there meetings to pursue satisfaction of the customer overseas? If so, how are they held?</td>
<td>Palmatier et al. (2006)</td>
</tr>
<tr>
<td></td>
<td>Loyalty What attitudes by company XXX show loyalty to company YYY? What generates or contributes to loyalty in an interorganizational relationship?</td>
<td>Palmatier et al. (2006)</td>
</tr>
<tr>
<td>Verify the barriers found in interorganizational relationships in the dyads studied</td>
<td>What are the major difficulties in the relationship with company XXX? Why? What has contributed to that? Exemplify. Would the termination of partnership bring trouble to the company? What is the level of dependence of company XXX to company YYY? Do foreign trade professional meet to discuss improvements to the sector? How do legal, political and economic impact on interorganizational relationship?</td>
<td>Håkansson; Snehota (1995) Brass et al. (2004) Gummesson (2005) Bowersox; Closs; Cooper (2007)</td>
</tr>
<tr>
<td>Analyze how aspects associated to relationship building in the dyads interfere in the relational performance of consultancies</td>
<td>Are roles and orientation well defined in the relationship? How has the relationship with other organizations (other consultancies) contributed to your organization’s performance? Mention facts, situations that show how the relationship between company XXX and YYY happens.</td>
<td>Cooper; Lambert; Pagh (1997) Dyer; Singh (1998) Lambert; Cooper (2000) Bowersox; Closs; Cooper (2007)</td>
</tr>
</tbody>
</table>
### Observation Script

<table>
<thead>
<tr>
<th>Items observed</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information sharing as the sort of words employed, informality register,</td>
<td>Morgan; Hunt (1994)</td>
</tr>
<tr>
<td>parallel talks, comments on other people from the organizations involved.</td>
<td>Palmatier et al. (2006)</td>
</tr>
<tr>
<td></td>
<td>Gulati; Sytch (2007)</td>
</tr>
<tr>
<td>Problems and signs of conflict as discomfort indications caused by talks,</td>
<td>Håkansson; Snehota (1995)</td>
</tr>
<tr>
<td>types of attitudes, terms used.</td>
<td>Gummesson (2005)</td>
</tr>
<tr>
<td></td>
<td>Bowersox; Closs; Cooper (2007)</td>
</tr>
<tr>
<td>Trust, commitment and cooperation through signs and indications. Compared to</td>
<td>Morgan; Hunt (1994)</td>
</tr>
<tr>
<td></td>
<td>Palmatier et al. (2006)</td>
</tr>
<tr>
<td></td>
<td>Gummesson (2005)</td>
</tr>
<tr>
<td></td>
<td>Gulati; Sytch (2007)</td>
</tr>
<tr>
<td></td>
<td>Larentis; Slongo (2008)</td>
</tr>
<tr>
<td></td>
<td>Palmatier el al. (2006) / Pereira; Luce (2007)</td>
</tr>
</tbody>
</table>

Source: Designed by the authors based on the bibliography consulted (2012-2013-2014).