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Work in progress paper

Abstract

Present study investigates the changes in the B2B behaviour of organisations from the point of view interaction. The paper addresses the question how the embedded patterns in the transformation of relationship behaviour affect B2B relationship efficiency. In our research the embedded patterns in the transformation of relationship behaviour are described from the point of view of dynamic capabilities, while the relationship efficiency was modelled with the concept of loyalty. We assumed that the dynamic relationship capabilities meant not only opportunities, but also bottleneck for a relationship. We also presumed that the dynamic relationship capabilities affected critically the perceived relationship quality and contributed to partner loyalty.

In order to understand the nature of dynamic relationship capabilities we used the open system view of firms. We interpreted the architecture of dynamic relationship capabilities at five levels: at the level of strategic flexibility; at the level of process flexibility; at the level of coordination flexibility; at the level of resource flexibility; and at the level of operation flexibility. On the other hand, in order to explain the functioning of dynamic relationship capability we used a process oriented capability pattern defined by Pavlou and El Savy to describe the construction of dynamic relationship capabilities at the given architecture level. We investigated inter-organisational loyalty in three dimensions involving behavioural loyalty (repurchase), attitudinal loyalty, and composite loyalty. We assumed that dynamic relationship capabilities affected loyalty.

After reviewing the literature on dynamic relationship capability and B2B loyalty the study presents empirical results concerning the main defined factors of dynamic relationship capability and loyalty, together with their interconnectedness. In our research we use both quantitative and qualitative methods to investigate the connection between the development of relationship management and the strength of loyalty. Our results provide managerial implications from organisational point of view to enhance the relational performance in the context of dynamic interaction.

Keywords: loyalty, dynamic relationship capabilities, interaction

Introduction

Interorganisational relationships management is a key issue even in today's network economy. This is especially true when the success of an organisation is not determined only by its internal efficiency and productiveness, but rather by the success of those networks in which the organisation is actively taking part. By today, the significance of relationship networks has become greater, consequently, for organisations it is not an irrelevant issue how they manage these relationships, whether they are able to maintain and improve these relationships, and make certain that the dynamism of these interactions that emerge on very different levels is ensured. Do organisations learn from previous experience? Can organisations use the experience gained to continue to stay in the networks or achieve competitive advantage in their relationships? How does flexible adaptation influence the evaluation of relationship quality and through relationship quality does flexible adaptation exert any influence on interorganisational loyalty?

This study strives to examine how the embedded patterns of relationship behaviour reconfiguration influence the success of interorganisational cooperation. The success of relationships may be described with several dimensions. These categories exist in various contexts in the different models, but there are only a few models which examine the role of dynamic relationship capabilities in the assessment of relationship quality. There are even fewer theoretical approaches that examine the relation between dynamic relationship capabilities and the issue of loyalty between organisations. This study takes an approach where dynamic relationship capabilities stand for a process through which organisations are able to and ready to maintain permanent flexible behaviour and change action and behaviour in order to comply with the expectations of their partners. The willingness to change, which appears on several levels of dynamic relationship capabilities, also represents the continuous improvement of relationship capabilities. It is the approach of this paper that capabilities and skills to change behaviour (in line with the needs of partners) may have a positive impact on the assessment of relationship quality, and through this, on the issue of loyalty.

Following a description of the theoretical background of dynamic relationship capabilities, relationship quality and interorganisational (B2B) loyalty, this study proposes a model which strives to identify the dimensions of relationship management and the dimensions of organisational loyalty.

The concept of dynamic capabilities

Organisational capabilities are the accumulation of individual and collective capabilities, professional skills and capacities, and in the literature, the subject of organisational capabilities is approached in various ways (Awuah 2001; Conceição–Heitor 2002). Early approaches explain the concept as organisational competence (Prahalad és Hamel 1990, 1994; Carlsson and Eliasson 1991; Drejer and Riis 1999) which by means of a gradual expansion process reaches the meaning of the term as it is used today: organisational capability (Barney 1991; Stalk-Evans-Shulman 1992; Grant 1996). From a resource-based view, organisational competence is the result of an integration process that occurs on different levels and integrates applied knowledge and other resources. Instruments of the integration process are rules applied by an organisation, directives, sequencing, routines and group problem solving (Grant 1996). In the literature, organisational capabilities are very widely-studied areas. There have been numerous approaches to describe organisational capabilities. Some of these approaches describe these capabilities through their hierarchy, stressing the fact that there are capabilities that are linked to the completion of specific tasks while other capabilities comprise

organisational cross-unit methods for problem solving and operation (Grant 1991; Torkkeli-Tuominen 2002; Peng et al. 2008). Other approaches focus on the use of specific managerial and technical/technological skills (Walsh-Linton 2001) while other approaches emphasise the value-adding role of capabilities and describe these capabilities by stressing how much value each capability represents for the organisation and the stakeholders (Long and Vickers-Koch 1995).

From the point of view of maintenance, capabilities are divided into static and dynamic capabilities. Static capabilities describe the possible combinative mechanisms of human knowledge, the available resources and technologies at a given time in the present, while dynamic capabilities are the accumulation of those processes and routines by means of which an organisation is able to improve its static capabilities, or develop new ones (Teece et al. 1997; Teece 2011; Cepeda – Vera 2007; Peng et al. 2008). In the understanding of dynamic capabilities absorptive capacities and combinative capabilities play a key role. Absorptive capacities serve to identify and acquire new information, transform that information into the organisational setting and utilize that new information (Cohen és Levinthal 1990). Combinative capabilities describe the ability to generate new knowledge through the specific recombination and rearrangement of internal and external facts, information and know-how (Kogut és Zander 1992).

The specific understanding and comprehension of dynamic capabilities is further assisted and enhanced by the understanding of the different levels of dynamic capabilities. A starting point for understanding is, on the one hand, the fact that on the different organisational areas and levels organisational capacities comprise of different knowledge components that arise, accumulate and are available within an organisation and, on the other hand, the fact that organisational capabilities do not form a structure of linearly build elements, but rather a multidimensional construct where capabilities with various complexity, and on various levels, operate and link together in a parallel way (Kusunoki et al. 1998; Banerjee 2003). Dynamic capabilities may encompass both the knowledge that accumulated at a specific organisational area (local capabilities) and the ability to change the combination of the discrete knowledge components (architectural capabilities). By analysing the hierarchic nature of dynamic capabilities, Sanches (2004) illustrates dynamic capabilities in a well-operationalised model. The model derives from the theory of open systems and distinguishes five specific levels of dynamic capabilities:

- the level of strategic flexibility that reflects on the capability to identify and accept alternative strategic logic;
- the level of processes flexibility that reflects on the capability to carry out those necessary changes in the organisational processes that are related to the basic tasks utilized to achieve strategic goals;
- the level of coordination flexibility that reflects on the capability of organisational units to change or configure those actions that are aimed to (put together the components) of their products and services;
- the level of resource flexibility that reflects on that capability of organisational units by means of which these units may expand the utilization, fields of exploitation and diversity of their resources and capacities;
- the level of operational flexibility that reflects on the capability of organisational units to configure the efficiency of their actions under given resource and operational conditions.

To sum up, when the task is describe how to maintain those dynamic capabilities that are relevant in the reconfiguration of local or architectural capabilities that exist in any organisational areas, the universal process-based approach of Pavlou and El Sawy (2011) is to be underlined. To realise organisational dynamics in specific areas, the authors have identified a framework of four capability components that are built on one another. These capability components are the following: sensing capabilities that allow to spot and interpret change; learning capabilities that allow the integration of new knowledge into existing one, the distribution of new information and the recognition of how that new information shall be applied; integrating capabilities that allow the integration of new knowledge into the existing operations and the ability to combine new knowledge with existing one; coordination capabilities that allow the exercise for the division of labour and allocation of resources under a reconfigured operation thus making an organisation capable of consolidating change. The approach of Pavlou and El Sawy also suggest that by understanding that dynamic capabilities basically come together on the level of applying these capabilities, it is possible to study dynamic capabilities on specific organisational levels and areas.

Dynamic relationship capabilities

The phenomenon known as relationship competence (or known as network competence in the terminology by many scholars) is by itself linked to the concept of dynamic capabilities. Relationship competence may be understood as the accumulation of those processes, routines and behaviour patterns that enable an organisation to arrange its relationships with external partners, optimize the organisation's relationship portfolio and allocate resources from partners and between partners in a business relationship (Gemünden et al. 1997; Ritter 1999, Ritter et al. 2002; Mitrega et al. 2012). Äyväri and Möller (2008) has carried out a comprehensive study on the concepts of relationship capabilities (emphasised the concept as network capability) and described the concept as a multidimensional phenomenon. The authors have identified three distinct levels of the phenomenon: the organisational aspect, the relationship aspect and the network aspect.

In the present study, an organisational viewpoint is taken. The focus is on how organisations, in order to increase the success rate of some of their cooperative activities, are able to reconfigure those routines, processes and accumulated behaviour patterns that are available for them in order to govern and implement cooperative behaviour.

The capability to change the management of cooperation is studied in the literature on several levels and from several directions. A study by Roseira, Brito and Ford (2013), points out those characteristics of dynamic relationship capabilities that exist on a strategic level. By relying first and foremost on the IMP interaction approach, the authors emphasise the integration of relationship strategy, interactions, network pictures and organisational positioning. Furthermore, the authors point out that any reconfiguration in the relationship strategy that an organisation realizes is determined just as much by the changes in the network picture, or the ability to change the network picture (e.g. to spot and interpret network interaction characteristics), as by the change that may occur in the situation itself. Reinhartz, Krafft and Hoyer (2004) study the capability to reconfigure relationship management from the aspect of CRM processes. The authors summarise that in connection with the setting up and modification of relationship processes there are three typical characteristics. Firstly, there are organisational and industry-specific characteristics and the ability to manage the reconfiguration of these characteristics. Secondly, considering relationship processes reconfigurations, the authors point out the importance of evaluating the relationship's life-cycle. Thirdly, the authors point out the management of the diverse distribution of relationship value that shows a heterogeneous picture with the partners. The long-term aspect of dynamic

relationship capabilities are linked to the processes, to each relationship management methods and to the inter-personal level of cooperation. The long-term aspects of dynamic relationship capabilities focus on how those capabilities accumulate that are necessary to initiate, develop and close cooperation processes (Mitrega et al. 2012, Havila and Medlin 2012, Ritter and Geersbro 2010, Ritter and Geersbro 2011). Studies carried out along these principles illustrate that the evaluation of partners, the initiation of cooperation processes, the sharing of information, communication, the management of mutual decision-making, the sharing of risks and benefits, the sharing of knowledge, the management of inter-personal relationships, the management of conflicts in relationships, the identification of unwanted partners, the existence of a routine to close relationships and the motivation levels of individuals to initiate change in how they treat their partners all exert a significant influence on the realisation of successful cooperation management.

For the understanding of dynamic relationship capabilities, the conclusions of Johnsen and Ford (2006) should also be pointed out. These conclusions illustrate that whether the reconfiguration capabilities of relationship management are interpreted on the level of dynamism of inter-personal interactions, technological change, organisational structure or process or cultural dynamism, it should be recognized that these levels and dimensions come together and jointly determine the level of reconfiguration capabilities that may be achieved by an organisation.

Relationship quality

The evaluation of relationship quality depends on several factors. If parties evaluate the quality of the relationship positively, they usually make efforts to have a long-term cooperation (Costabile 2000, Jarvelin 2001, Rauyruen - Miller 2007, Kong 2008, Čater – Čater 2010).

When attempts are made to distinguish the most important factors in interorganisational relationships, studies dominantly focus on factors such as the perceived quality of products or services, satisfaction, trust, commitment (Morgan-Hunt 1994, Ganesan 1994) and fairness (Kahneman et al. 1986, Jambulingham 2011), but only very few studies examine whether there is loyalty on B2B markets, and if there is, what is the nature of loyalty in this particular context (Costabile 2000, Hennig-Thurau 2002, Rauyruen – Miller 2007, Čater – Čater 2010, Haghkahr et al. 2013). In the following, the theoretical approaches to the above-mentioned dimensions shall be discussed briefly.

Perceived quality of products/services

On B2B markets the quality dimensions that customers evaluate may vary according to industry and these evaluations also depend on those strategies that the organisations apply (Kong 2008). The various perceptions of quality further complicate the issue of quality evaluation. The comparison of the perceived and the expected levels of products and services quality induce emotional reactions in the customers and these reactions generate the feeling of satisfaction or dissatisfaction in connection with products or services. In line with these approaches, a positive evaluation of quality depends on the conformity between expectations and experience. Parasuraman et al. (1988) confirm that objective and perceived quality are not identical, as perceived quality should be taken into account as an attitude. Other studies have found that *customers evaluate quality* by comparing what they experience now with what they believe the product or service should be (Grönholdt et al. 2000). On B2B markets the quality evaluation of products and services is a paramount factor because considering the vertical and horizontal integrations and the network cooperation, quality evaluation is the narrowest section to achieve competitive advantage.

Satisfaction

Cognitive satisfaction is linked to the measurable attributes of quality (Oliver 1997); while emotional satisfaction is associated with quality that agrees with what the preferences may be (Halstead et al. 1994). Satisfaction however is not influenced only by the quality of products and services; especially not on the organisations' market. In B2B contexts, due to the long-term relationships, satisfaction is not a one-time action, but a process through which satisfaction is established and where several other factors play a role to achieve a comprehensive and all-around perception of satisfaction or dissatisfaction (Westbrook 1987, Fornell 1992). In the approach of this study, satisfaction is a result of a process where, in addition to product and service quality, the following dimensions of expectations play a role: trust, commitment, ability to cooperate and flexibility.

Trust

Andaleeb (1992) states that trust is belief, attitude and expectation towards the behaviour of a partner which behaviour implies that the partner would do everything for the success of the cooperation. Other authors believe that there are three important alternative features: firstly, trust is defined as "benevolence" that directly or indirectly affects how a relationship is assessed (Anderson - Weitz 1989, Geyskens et al. 1996); secondly, trust encompasses honesty meaning that the credibility of a partner is trustworthy (Ganesan 1994, Doney - Cannon 1997); thirdly, in addition to the above-mentioned two motivational factors, some authors believe that it is important how a partner applies its capabilities and competences to construct advantages from a relationship (Moorman et al. 1992, Ganesan 1994). Dwyer, Schurr and Oh (1987) describe trust as the critical factor in the transition from a discrete financial transaction to a continuous relationship. In the dynamic model of Costabile (2000) trust also plays a significant role. In the relationship process, dynamic relationship capabilities may reinforce trust: the feeling that the partners are able to rely on one another. Such feelings may have an impact on the acceptance of mutual values and the formation of commitment.

Commitment

Research results suggest that *commitment* is a major indicator of successful relationships. Commitment means an association with the values of an organisation, and it is assumed that committed partners strive to maintain their relationship. In a seller-buyer relationship, commitment is defined as a sort of readiness and inclination of partners to have a continuous relationship with each other (Dwyer et al. 1987). To put it simply, commitment means that the partners are motivated in maintaining their relationship (Moorman et al. 1992). Some authors make attempts to distinguish the motivational components of commitment and differentiate between affective, positive and negative calculative and normative commitments (Kumar et al. 1994, Sharma et al. 2006).

Affective commitment is a desire to "develop and strengthen a relationship with another person or group because of familiarity, friendship, and personal confidence built through interpersonal interaction over time." (Sharma et al. 2006, pp. 65). Affective commitment refers to identification, mutual values and congruence thus affective commitment gives the feeling that the partners like working with one another (Geyskens et al. 1996, Fullerton 2005/a). Calculative commitment is based on different motivations. Calculative commitment covers economic rationalities i.e. the behaviour of *homo economicus* applies. Such rational and calculation-based commitment may be either positive or negative. Positive calculative commitment refers to a strong value-based commitment, which is indeed calculative, but the partners feel that it is worth maintaining the given relationship as it may be beneficial for both parties (Kumar et al. 1994). Negative calculative commitment is a kind of locked-in situation. With these commitments, the buyer has no alternative supplier or the switching costs are high (Sharma et al. 2006). Normative commitment refers to a kind of conscientiousness. Normative

commitment refers to those commitments that the partners have stipulated in the form of a signed contract and to the fact that the partners wish to fulfil these formal obligations (Geyskens et al. 1996, Kumar et al. 1994). Normative commitments have nothing to do with affections, positive or negative calculative commitments. Normative commitments only imply a degree of conformity with the rules of formal cooperation.

Approaches to loyalty in organisational markets

In this paper, interorganisational loyalty is explored in three dimensions: behavioural, attitudinal and complex approaches are taken into account. In the literature, behavioural loyalty is defined as the partner's intention to re-purchase and cross-buy (Dick - Basu 1994, Hennig-Thurau 2004), in other words, behavioural loyalty is seen as an intention that should be specified as the readiness of a partner to renew existing contracts and sign new ones. Attitudinal loyalty is a higher level of loyalty that implies that a partner has emotional and psychological affection, has trust in the relationship and committed to the organisation (Garbarino - Johnson 1999, Fullerton 2005). The complex form of loyalty is a combination of behavioural and attitudinal loyalty where re-purchasing and cross-buying activities also encompass emotional attachment (Oliver 1999, Costabile 2000, Rauyruen-Miller 2007).

Model development – a research-based approach

To explore the impact of dynamic relationship capabilities on relationship success, this study has mapped the multidimensional aspects of dynamic relationship capabilities. To have an opening model framework for the mapping procedure, this study has relied on the research results of Sanches (2004) who has built on the theory of organizations as open systems to distinguish five distinctive levels of dynamic capabilities. These levels are the following: strategic flexibility, process flexibility, coordination flexibility, resource flexibility, operational flexibility.

To test whether the framework-approach is applicable, a qualitative study has been initiated. The research methodology that has been used is the method of qualitative deep-interview. As an outcome of the deep-interviews, this study has aimed to create a picture that assists the exploration of the phenomenon set in the focus of this study. For the study, executives responsible for relationship management and coming from 20 organisations (sales and/or acquisition) have been interviewed. When selecting the organisations, the following criteria have applied: the responding organisations should operate in international markets, the operation of these organisations should be characterized as relationship oriented and it should be assumed that these organisations already exploit relationship management applications or that the exploitation of such applications may be necessary¹. The outcome of the interview survey is illustrated in Figure 1.

¹ Issues set for questioning are found in Appendix 1.

Figure 1
Identified dynamic relationship capability components in the light of the applied capability levels

Strategic flexibility level of dynamic relationship capability	Process flexibility level of dynamic relationship capability	Coordination flexibility level of dynamic relationship capability	Resource flexibility level of dynamic relationship capability	Operation flexibility level of dynamic relationship capability
Capability of implementing organisational strategy into the field of relationship management	Capability of adapting process supporting solutions into the field of relationship management	Capability of reacting to partners' demands Capability of reacting to other organisational units' demands	Capability of applying suggestions made by relationship management	Capability of developing partner-oriented staff involved in relationship management
Capability of modifying partner-oriented strategy	Capability of managing specific relationship management processes	Capability of learning inside good practices Capability of involving a mediator	Capability of applying good practices of out of relationship management	Capability of partner development

Conclusions of the research are summarized as follows. Although, with the framework-approach, some dynamic capability components are distinguishable, the diversity of these components, the routines of change and the capacity for a cognitive identification of behaviour patterns have generalized the outcomes to such an extent that it is no longer possible to operationalise dynamic relationship capabilities and examine their impact on the success of cooperation. In order to have a more exact approach and distinguish the reference for each dynamic capability levels, in the second phase of the model development, the process-based dimensions of Pavlou and el Sawy (2011) has been applied. These dimensions have been supplemented and expanded by those results that had been concluded from the qualitative research. The outcome of the second phase of model development is illustrated in Figure 2.

Figure 2
Complex description of dynamic relationship performance

	Strategic flexibility level of dynamic relationship capabilities	Process flexibility level of dynamic relationship capabilities	Coordination flexibility level of dynamic relationship capabilities	Resource flexibility level of dynamic relationship capabilities	Operation flexibility level of dynamic relationship capability
Perception capability	Perception of relationship interactions	Longitudinal perception of relationship portfolio	Perception capability of the demands of partners and related units	Understanding resources and their features used in individual relationships	Understanding the efficiency characteristics of relationship management
Evaluation capability	Evaluation of relationship investments vs. relationship value	Evaluation of relationship life cycle	Capability of evaluating the satisfaction of partners inside and outside the organisation	Capability of evaluating suggestions made by relationship management; capability of evaluating good practices of out of relationship management	Evaluation of relationship management efficiency
Learning capability	Capability of changing network picture and network position	Capability of developing new processes to initiate, to develop, and to terminate relationships	Capability of learning inside and outside good practices	Capability of recombining resources	Capability of developing staff involved in relationship management; capability of partner development
Integrating capability	Capability of changing strategy	Capability of adapting process supporting solutions; capability of changing specific relationship management processes	Capability of changing relationship tasks; capability of involving a mediator	Capability of changing the value construction provided in the relationship	Capability of integrating new knowledges into relationship management tasks and methods
Coordinating capability	Capability of implementing strategic changes in relationship strategy	Capability of applying process changes in relationship management structure	Capability of applying changed tasks in relationship management processes	Capability of applying changed value-construction	Capability of utilizing relationship management efficiency

Conclusions of the second phase of model development are summarized as follows. The strategic flexibility level of dynamic relationship capabilities describes the extent to which an organisation is able to think in alternative relationship strategies and implement its strategic changes into its relationship system. On this level, dynamic relationship capabilities encompass the ability to perceive relationship interactions (industry specific characteristics that influence cooperation, buyer and supplier structures and the recognition of change in these structures, the appreciation of relationship investments and relationship values), the ability to change network pictures, the ability to adapt organisational strategy in a relationship-specific way and the ability to rethink relationship strategy (Roseira et al. 2013; Johsen-Ford 2006; Möller and Törrönen 2003; Möller 2006; Ravald and Grönroos 1996; Anderson and Narus 1999; Storbacka 1997; Ford et al. 1998; Walter et al. 2001; Ulaga 2003).

The process flexibility level of dynamic relationship capabilities may be defined as the ability to reconfigure those processes that are responsible for the realisation of relationship strategies. At this level, dynamic relationship capabilities encompass the long-term perception and evaluation of the relationship life-cycle thus the perception of the need to initiate, develop or terminate cooperation and, in the interest of the former, this level also includes the ability to develop new processes and reconfigure existing relationship processes (Dwyer et al. 1984; Mitrega et al. 2012; Havila and Medlin 2012; Ritter and Geersbro 2010; Ritter and Geersbro 2011). From the above-described concept it seems necessary to have capacities in the following areas: managing change in those organisational structures that are utilised in relationship management, adaptation of comprehensive business process support solutions, the reconfiguration of every solution that supports particularly the relationship processes and the integration of such solutions into the relationship management structure.

The meaning of the coordination level of dynamic relationship capabilities may be defined as the capability to strive to understand the intentions of those partners who are interested in relationship management and the capability to utilize those methods of change that are aimed to satisfy the expectations of those partners (Hakansson and Snehota 1995; Ford et al. 1998; Ivens and Pardo 2007; Menon et al. 2005; Schurr et al. 2008). At this level, capabilities may be distinguished in several ways. Firstly, capabilities may be specified as the ability to react to the needs of partners i.e. demonstrating the capability to understand individual needs and the capability to channel these needs into the cross-functional processes. Secondly, capabilities may be distinguished as the capability to react to the needs of other organisational units which encompasses the capability to develop the practice of cooperation on areas of sales, production and acquisition. Thirdly, capabilities may be distinguished as the ability to learn and adapt best practices derived from relationship management. Fourthly, capabilities may be distinguished as the capability to use an intermediary. This capability means that an (actively or passively participating) intermediary is involved to realise or renew a given relationship. At this level, dynamic relationships also encompass the ability to integrate into the processes the reconfigured functions and practices.

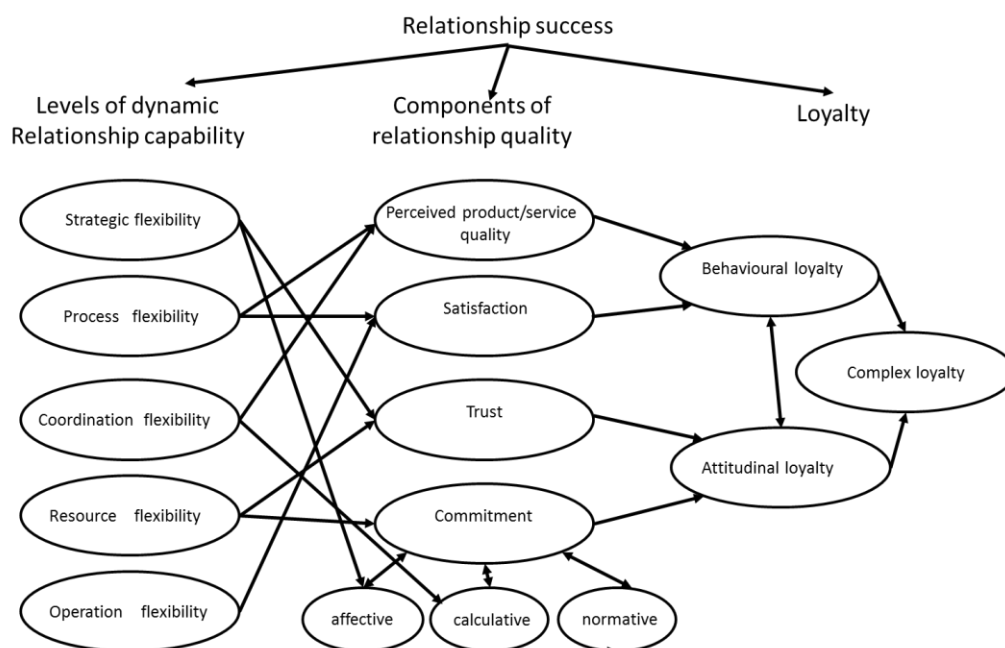
The resources flexibility level of dynamic relationship capabilities may be defined as the expansion, or the identification attempt of alternative exploitation methods, of those capacities and resources that are available for the benefit of relationship management. This encompasses that in an active partner relationship, there should be a comprehension of how mutual adaptation processes work with technological and technical systems, a comprehension of the available intangible and other resources and their characteristics, and the capability to reconfigure and recombine these assets (Hakansson et al. 2009; Ford et al. 2011). To realise the above-described concept, it is necessary to be able to apply those recommendations that come from relationship management. This covers two areas. Firstly, it implies that during the

development and further development of certain relationship activities an organisation should be able to apply those recommendations that come from colleagues and partner interactions. Secondly, it covers the adaptive capabilities of those best practices that come from other organisational units or organisations, which in this case describes the capability to utilize those best practices that come from outside the field of relationship management. Finally, the operational flexibility level of dynamic relationship capabilities may be defined as the accumulation of those practices, development routines and actions that aim to improve the efficiency of relationship management. At this level, it becomes a significant capability component to understand the efficiency of relationship management and the ability to evaluate that relationship (LaBahn and Harich 1997; Joseph et al. 1995; O'Tool and Donaldson 2002; Fynes et al. 2004; Wimmer 2005). When improving efficiency, the capability to utilize partner-oriented workforce development procedures becomes an unavoidable factor. This procedure refers to the following two concepts: firstly, the capability to deploy such work-organising solutions that agree with the needs of partners and ensure optimal capacity utilization and secondly, the operational knowledge of those workforce development mechanisms that aim to develop and expand the relationship management skills of the employees. Moreover, this level encompasses the ability to utilize partner development and covers those skills and mechanisms that aim to expand and deepen the organisation-specific knowledge of partners. For this level, the improvement of knowledge that is related to relationships is a necessary, but not a sufficient condition. During the value creation process, the improvement of knowledge also encompasses the integration of knowledge into action and the ability to exploit the efficiency of relationship management.

Research model proposal

In the following, a model shall be introduced which is still under development and shall be studied in the near future with qualitative and quantitative methods.

Figure 3
Research model



On the one hand, the model illustrates the impact of dynamic relationship capabilities on the assessment of relationship quality components, on the other hand, the model aims to discover how the partners' evaluation of relationship quality influence the various forms of expressions of loyalty. In order to define the hypothesis to be studied with quantitative methods, a preliminary qualitative research (in-depth interviews) is planned. The Figure illustrates which dimensions of relationship quality may be influenced by each level of dynamic relationship capabilities and which levels of loyalty may be influenced by the various dimensions of relationship quality. The proposed approach demonstrates the following:

- strategic flexibility may influence faith-based trust and affective commitment. These are also linked with attitudinal loyalty.
- process and coordination flexibility influence partner satisfaction and satisfaction may be linked with behavioural loyalty
- resource flexibility has an impact on risk-based trust and calculative commitment which influences attitudinal loyalty
- by means of satisfaction, operational flexibility has an impact on behavioural loyalty

In the proposed model, through the evaluation of relationship quality, dynamic relationship capabilities have an impact on complex loyalty.

Appendix 1.

- The structure and construction of the organisation's relationships and relationship management;
- The history of the organisation's relationship mechanism development, the processes of relationship monitoring and evaluating, the interaction points between the participants of relationship management and other units;
- the alternative manners of changing relationship strategies, the reasons of positive or negative changes;
- the alternative manners of changing relationship management processes, the reasons of positive or negative changes;
- the alternative manners of changing relationship management tasks, the reasons of positive or negative changes;
- adaptation methods of practices of other fields, alternative mechanisms of utilizing resources, the reasons of positive or negative changes;
- the manners of changes enhancing efficiency in the field of relationship management, the reasons of positive or negative changes

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