Relationship learning between service firms: The impact of inter-firm and network variables

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Background and purpose

- Explore the role of relationship learning between service firms within the context of tourism destinations.
- Tourism destinations are networks of co-producing actors.
- Relationship learning is essential as firms need to find their position within the larger destination network.
- The objective is to study factors impacting relationship learning at both the network and the inter-firm levels.

Variables

Network-level variables

Structural equivalence
Structural equivalence indicates similar network positions or structures (Lorrain and White, 1971). E.g., if both A and B are collaborating with C, D, and E, they are structurally equivalent in their collaborating ties.

We apply a dyadic level of analysis on pairs of actors (dyads). A widely used measure is to correlate each pair of actors' networking pattern (Wasserman and Faust, 1994).

Simmelian ties
Simmelian ties describe how dyadic relations are embedded in triads (Krackhardt 1998).

If A and B are collaborating with each other, and both are in addition collaborating with C, they have one Simmelian tie. If A and B are collaborating with C and D, they have two Simmelian ties, etc.

Dyadic variables

Specific investments
Investments tailored to the relationship with the cooperating partner (e.g., human capital, machinery and equipment, administrative procedures, etc.).

Trust
Benevolence-based trust - expectations that the partner will not take advantage of the other actor or not by purpose hurt the other actor's interests (Bromily and Cummings, 1992; Mayer et al., 1995; Muthusamy and White, 2005).

Complementary resources
The extent to which the partners contribute complementary resources, knowledge and competencies to the cooperation.

Partner similarity
The extent to which the partners are similar in terms of goals and strategies, resources and competencies, organizational routines and procedures, and human resources.

Outcome variables

Relationship learning
Learning about the collaborative process and the degree of knowledge, skills and competencies transferred from the partner (Muthusamy and White, 2005).

Cost-reductions
Lower production and administrative costs realized through cooperation with the partner (Ghosh and john, 2005).

End-product enhancements
Improved utility of products and services realized through cooperation with the partner (Ghosh and John, 2005).

Research methods

- Data from nine Norwegian tourism destinations.
- 568 relevant firms were identified at the destinations.
- **Round one of data collection:** Network data within each destination and across destinations by telephone interviews, 202 responses.
- **Round two of data collection:** Survey data about the firms and their dyadic relationships to one particular cooperating partner, 73 responses.
- 49 responses with complete network and survey data are used in the data analysis.

Results

- Data analysis by PLS-SEM.
- **Network variables —> dyadic variables:** Simmelian ties have positive effects on trust, complementary resources and partner similarity.
- **Dyadic variables —> relationship learning:** Specific investments, trust and partner similarity show positive effects on relationship learning.
- **Relationship learning —> performance:** Relationship learning strongly impacts both cost reductions and end-product enhancements.

Implications

- Cooperating partners learning from each other can realize performance advantages.
- Similar partners learn more form each other than dissimilar partners. In addition, specific investments and trust also impact relationship learning.
- The dyad's anchoring in triads impacts key inter-firm variables like trust, complementary resources and partner similarity.

Theoretical model and empirical results