

# Relational Leadership Within Business Partnerships In India: A Process Framework

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## ABSTRACT

*Inter-organizational partnerships are an essential mechanism for corporations to access resources, particularly in emerging markets. This study is concerned with the steps relating to how multinational corporations in India create, develop, and evaluate their partnerships based on relationships. In the context of business-to-business partnerships, the researchers aim to (i) create a relational leadership process framework for how these relationships are built, and (ii) analyze if relational governance through relational leadership is complementary or rather a substitute to formal contracts in the context of such business-to-business partnerships. A case study-based research design is employed to explore relational leadership in business partnerships in India, thereby incorporating case studies based on interviews from nine internationally operating corporations. A process framework for relational leadership with six distinct steps on how to develop business partnerships in India was developed. Furthermore, the researchers found that the framework complements the relational governance processes supported by relational leadership and formal contracts when engaging in business partnerships in India. The study's main aim was to contribute to the current theory in the emergent field of relational leadership. Practitioners responsible for partnership building among corporations can gain insights from the framework into the application of relational leadership. The results indicate that corporations can maintain long-term partnerships if specific relational governance mechanisms mainly supported by the application of relational leadership are in place.*

**Keywords:** Relational Leadership; Case Study; Business Partnerships; India

## 1. INTRODUCTION

In this paper, we analyze how relational leadership is used to create, develop, and maintain business partnerships in India. We aim to provide a process framework applying relational leadership theory adapted from Uhl-Bien (2006, 2011) and Wieland (2017) and observe leadership across organizational borders (e.g., Wieland, 2017, 2018; Maak & Pless, 2006; Schneider, 2002) to describe the processes to build partnerships based on individual relationships (see, e.g., Peng & Luo, 2000) among corporations. Corporations mostly aim to safeguard transactions with other corporations via formal contracts. Relational constructions (see Wieland, 2018) become critical enablers to do business in emerging markets when formal institutional support is fragmented (see, Li, Park & Bao, 2019; Peng, Sun, Pinkham & Chen, 2009, p. 69, also discussing Peng & Heath, 1996). Researchers agree that law enforcement and regulation in India have remained rather weak (e.g., Kshetri, 2016, p. 151; Lehne, Shapiro & Eynde, 2018; Allen, Chakrabarti, De, Qian & Qian, 2012, p. 414-415). There is also a cultural dimension in some regions favoring relationships in a business context compared to formal agreements that applies to India. People are less focused on individual transactions but rather on building relationships with people they trust to do business with (Gupta & Bhaskar, 2016, p. 186). This makes leadership to build mature relationships (see Graen & Uhl-Bien, 1995) critical in India.

In the following study, we observe the processes of corporate partnership development based on relationships<sup>1</sup> and within them inter-personal relationships of representatives of the respective corporations in India through relational leadership. In our study, relational leadership theory (e.g., Brower, Schoorman & Tan, 2000; Uhl-Bien, 2011; Wieland, 2017, 2018) serves as the framework to observe leadership processes in any situation they exist (see Hunt & Dodge,

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<sup>1</sup> See Peng & Quan (2009) who discuss the micro-macro link with a focus on e.g. “interpersonal connections” and “interorganizational relationships” considering China (p. 203).

2000, as in Uhl-Bien, 2011, p. 75). It is critical to mention in respect to relational leadership that it primarily concerns (social) processes (Uhl-Bien, 2011, p. 76). Therefore, research question one concerns:

- (1) What are the processes of relational leadership required to build and maintain partnerships based on relationships among corporations in India?

In this context, the interplay of relational governance (see Poppo & Zenger, 2002, p. 710, Wieland, 2018) and relational leadership is of significant interest in relational settings (see Wieland, 2017, 2018; Popp, Milward, MacKean, Casebeer & Lindstrom, 2015; Duerst-Lahti & Kelly, 1995, p. 11). It is noteworthy from a research perspective to observe if relationships in partnerships built and developed by relational leadership serve as mechanisms within relational governance and how they interact with formal governance. Research (e.g. Poppo & Zenger, 2002) also discusses the related question if relational governance is a substitute or complementary to formal governance. With our second research question, we want to approach this topic with a link to relational leadership:

- (2) Is relational governance supported by relational leadership mechanisms complementary to, or do they substitute contracts in business partnerships?

As part of the BRICs, India is a significant player in the global economy (Johnson & Tellis, 2008, also for further literature) and currently together with China one of the fastest-growing economies in general what attracts corporations to do business there (also see Gupta & Bhaskar, 2016, p. 184-185). Despite the popularity entering emerging markets, India is the most challenging regarding its success rates, even compared to China (Johnson & Tellis, 2008, p. 1), making it an interesting geographical context for research and critical for practitioners to consider (ibid.).

So far, interdisciplinary literature covers the importance of network relationships in general (e.g., Freeman & Sandwell, 2008). We also acknowledge several studies covering market entry in India (e.g., Johnson & Tellis, 2008; Holtbrügge & Baron, 2013) or business partnerships there (e.g., Sharma, Young & Wilkinson, 2006; Winkler, Dibbern & Heinzl, 2008). However, how relationships, particularly concerning relational leadership, are created and applied in an India context remains a potential field for research. Leading researchers elaborating on relational leadership agree that there is an opportunity to research the details concerning relationships as well as relational processes (e.g., Uhl-Bien, 2011) also using qualitative methods (Yukl, 2013, p. 292).

## **2. DEVELOPMENT OF THE CONCEPTUAL FRAMEWORK**

### **2.1 Introduction of the Methodology**

We begin our study with the development of a research framework based on previous literature (Eisenhardt, 1989; p. 535-536; Winkler et al. 2008, p. 244) to guide us through the study (ibid.).<sup>2</sup> Our focus is on partnership building processes through relational leadership via multiple case study analysis (see Stake, 2006; Yin, 2009; Eisenhardt & Graebner, 2007, p. 27). We apply relational leadership theory (see Uhl-Bien, 2011; Uhl-Bien, Maslyn & Ospina, 2012; Wieland, 2017, 2018 for a detailed discussion) to observe how leadership in organizational relationships among corporations is impacting their exchange (see Wieland, 2018). Relational leadership therein should achieve “*co-constructed outcomes, such as coordinated action, collective achievement and shared accountability*” (Fletcher, 2012, p. 86 as in Wieland, 2017, p. 249). Both informal (e.g., organizational culture, trust, or values) and formal (e.g., rules and structures) mechanisms enable partnerships through relational leadership efficiently (Wieland, 2017, p. 249). We include several levels in our analysis (see Yammarino & Dansereau, 2009) incorporating the individual, organizational, and institutional levels.

### **2.2 Conceptual Background**

In the following, we use relational leadership theory (Uhl-Bien, 2011; Uhl-Bien, Maslyn & Ospina, 2012; Wieland, 2017, 2018, from whom we adopt the arguments on relational leadership) as the lens to observe leadership. Relational

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<sup>2</sup> See Winkler, Dibbern, & Heinzl (2008), for a similar case study research process setting in an Indian context (they focus more variables based on Eisenhardt (1989), while we focus on process steps) from whom we mainly adapted our case study approach.

leadership is thereby defined “as a social influence process through which emergent coordination [...] and change [...] are constructed and produced” (Uhl-Bien, 2011, p. 77). At this point, it is critical to mention that leaders can influence followers and vice versa (Rost, 1997, p. 11; see Uhl-Bien (2011) for a discussion on these points) and that leadership can occur outside organizational hierarchies (Wieland, 2017; Maak & Pless, 2006; Maak, 2007; Schneider 2002) particularly in a relational perspective (see Wieland, 2018). The overall framework should cover partnerships among corporations; however, these are often at least partly rooted in (dyadic) relationships among individual actors that can be accumulated to networks (see Graen & Uhl-Bien, 1991, p. 35-36; 1995, p. 233-235). Wieland (2017, p. 249) characterizes relational leadership as “the art of creating adaptive processes, informal (character, values, organizational culture) and formal (rules, procedures, organizational structures) governance structures for a learning process in which all relations between the stakeholders involved and their resources can have their best possible effect concerning a specific transaction.” [own translation].

The research framework is mainly based on the following literature. First, we mainly apply elements from the ‘Leadership Making Cycle’ (see Graen & Uhl-Bien, 1991, 1995 for a detailed discussion) used for describing how actors develop “mature leadership relationships” (e.g., Graen & Uhl-Bien, 1991, p. 29). Three subsequent phases are distinguished therein, namely (I) the stranger phase concerning the first meeting of the actors, (II) the acquaintance phase in which the partnership is developed, and (III) the maturity phase in which mature relationships through the leadership processes is reached (see *ibid.*, p. 33). We use the basic idea and extend it towards the leadership in inter-organizational partnerships.

Therefore, second, we also use Wieland's (2017, 2018) relational leadership framework that considers individual and organizational level (Wieland, 2017, p. 252) considering inter-organizational transactions. Actors should tend to exhibit relational leadership competencies, such as the willingness to cooperate, the ability to cooperate, and the ability to create relational rents (see Wieland, 2017 p. 250-252).

Third, we apply Ring & Van De Ven’s (1994) framework on the developmental processes of cooperative inter-organizational relationships. Their work does not entail a discussion of leadership; however, it does provide critical insights into building relationships among organizations. They distinguish the stages of negotiation, commitment, and execution (see *ibid.*, p. 96-99).

Our research framework differs from the frameworks mentioned above in the sequence of specific actions. Further literature strengthens the development of our framework (e.g., Mohr & Spekman, 1994; Tuten & Urban, 2001; Frydinger, Cummins, Vitasek & Bergman, 2016).

Figure 1 illustrates our basic framework distinguishing three phases to reach maturity in the relationships (see Graen & Uhl-Bien, 1995) based on the here and in the following discussed literature.

**Figure 1.** The Primary Conceptual Framework based on Literature as described here<sup>3</sup>.

<b>Starting Phase</b>	<b>Building Phase</b>	<b>Relationship Phase</b>
- Prioritization of relevant stakeholders	- Adaptation of organizational structures	- Rules of action
- Identification of primary motives (fit of partnership)	- Communication with other actors in the partnerships	- Mechanisms to maintain the partnership
- Identification of complementary resources	- Finding solutions for challenges and dealing with conflicting motives	- Relational rents
- Interaction and building of trust		- Mechanisms for problem-solving
- Finding a role		- Monitoring and evaluation of the partnership

<sup>3</sup> The framework is based on the literature discussed in the sections here with a focus on Graen & Uhl-Bien (1991, 1995).

### *2.2.1 Starting Phase<sup>4</sup>*

The first phase is the one where the “*wills of the parties meet*” (Commons, 1950, as noted in Ring & Van De Ven, 1994, p. 98)<sup>5</sup> and the actors meet for the first time as such (see Graen & Uhl-Bien, 1995, p. 230). In this phase, in line with Wieland (2017), the primary motivations of potential corporations to build a relationship should be identified (see *ibid.*, referring to Selsky & Parker, 2005, p. 851, p. 855). Actors representing corporations in the relationship should manage the process of relationship building as also discussed by Wieland (2017, p. 250-251) through identifying (see also e.g., Hahn & Gold, 2014, p. 1321), prioritizing the relevant stakeholders (Wieland, 2014, p. 106) and finding complementary resources (also see Dyer, Singh & Hesterly, 2018, p. 3141).<sup>6</sup> It should then be considered if there is potential for collective activity by the actors representing the corporations to reach shared interests and objectives (Uhl-Bien, 2011, p. 81). The willingness to cooperate (see Wieland, 2017, p. 250) is a critical component in the starting phase. It is the fundamental requirement for a business partnership based on formal contracts and relationships of individual actors impacted by relational leadership while it emerges that actors should demonstrate interest, willingness for discourse and commitment among partners (*ibid.*). As a first step towards collaboration in a partnership, depending on the partners’ willingness to rely on each other (Wieland, 2017, p. 250, 252), several interactions are necessary for the emergence of a relationship (see Mohr & Spekman, 1994, p. 137). As argued in Mohr & Spekman (1994, p. 138), Pruitt (1981) indicates that building trust is highly related to the corporation’s willingness to engage in a partnership. Therefore, the willingness to engage in trustworthy behavior should be at the base of this framework (see also Wieland, 2017). Also, organizational learning in corporations is crucial for successful business partnerships (Wieland, 2017, 2018; Dong & Yang, 2015; Parkhe, 1991; Selsky & Parker, 2005). To sum up, this phase primarily focuses on finding a potential role in a future relationship (Graen & Uhl-Bien, 1995, p. 231).

### *2.2.2 Building Phase*

If the actors made an offer for further developing the corporate relationship in the first phase, they would enter the relationship-building phase (see Graen & Uhl-Bien, 1995, p. 230). In the building phase, the ability to cooperate in a partnership must be rooted in the organizational structures of a corporation. Key components are communication, learning, and managing relationships with representatives from the other organization (Wieland, 2017, p. 250-251). Corporations should be capable to communicate with other corporations and individual actors representing these corporations to build a partnership (Comfort & Franklin, 2014 as in Wieland, 2017, p. 251). An entanglement of interpersonal intra-firm relationships among individual actors (see Yukl, 2013, p. 291) reaches beyond organizational borders (see also Dyer et al. 2018; Wieland, 2017, 2018). Interest to listen to other actors and to search for solutions is crucial for the willingness to cooperate (see Wieland, 2017), for example, when engaging in discourse (see *ibid.*, citing Clarke & Fuller, 2010 and Waddell & Brown, 1997). Subsequently, actors share challenges and competing motives (Bengtsson & Kock, 2000, p. 412; Lovegrove & Thomas, 2013, p. 49-50; both cited in in Wieland, 2017, p. 251). Investing in relationship-specific resources (Dyer et al. 2018) is critical at this stage. These steps take place during negotiations where partners aim to develop and deepen shared expectations about their motivations (Ring & Van De Ven, 1994, p. 97). Here, the parties form the basis for codifying (either formally or informally) the elements of the relationship, such as its governance structure and underlying conditions (Ring & Van De Ven, 1994, p. 98). The processes of formal bargaining and informal sense-making are essential to provide opportunities to assess possible uncertainties in the relationships (*ibid.*, p. 97-98).

### *2.2.3 Relationship Phase*

In the relationship phase, actors previously strengthened the partnerships so that these emerge into mature relationships. As a result, actors can rely on loyalty and reciprocity (Graen & Uhl-Bien, 1995, p. 230; Brower et al. 2000, p. 229). Actors exhibit the “*rules of action*” (Ring & Van De Ven, 1994, p. 98) with a motive to obtain relational rents (see Lavie, 2006; Wieland, 2017, 2018; Dyer et al. 2018) that are material or immaterial. Relational leadership processes do not focus on the relationship-building anymore but rather on maintaining it. This means that individual actors should serve as leaders who influence relationships and collective activities through processes of relational

<sup>4</sup> The three phases are adapted from Graen & Uhl-Bien (1995), renamed and combined with literature.

<sup>5</sup> Ring & Van de Ven (1994) address this in a later stage.

<sup>6</sup> See Wieland (2017) for a discussion of these arguments.

leadership (see Uhl-Bien, 2011).

Mechanisms for problem resolution should be prevalent to repair the relationship if necessary (Wieland, 2017, p. 250). For such a stage, Wieland (2017, p. 251) illustrates three components as crucial, namely the aim to create shared value, trustworthiness, and recognition. From a corporate perspective, trustworthiness and recognition relate closely to transaction cost as well as efficient resource access through the process of community building (ibid.). Subsequently, corporations evaluate the mutual benefits of cooperation (Dacin, Hitt & Levitas, 1997, p. 12).

### 3. METHODOLOGY

The lack of comprehensive models in the relational leadership context of business partnerships in India makes a case study method<sup>7</sup> to build frameworks appropriate (see Eisenhardt, 1989, p. 536; Eisenhardt & Graebner, 2007, p. 25-26; see also Winkler et al. 2008, p. 247 from whom we mainly adopted our methodology section). Additionally, researchers consider qualitative methods to study relational leadership situations as appropriate (Yukl, 2013, p. 292). In spring 2018, we conducted nine individual case studies (Stake, 2006, p. 17-38; Eisenhardt & Graebner, 2007, p. 27), each as a distinct analytical unit (Eisenhardt & Graebner, 2007, p. 25; Stake, 2006, p. 40-41). The current study uses semi-structured interviews as a source of data acquisition (see Eisenhardt, 1989, p. 541) to cover critical issues related to relational leadership in partnerships. We acknowledge that all participants are highly knowledgeable and able to observe the focal phenomenon of relational leadership in business partnerships in India from several perspectives (see Eisenhardt & Graebner, 2007, p. 28).

The nine interview partners (see Bogner, Littig & Menz, 2009) provide expertise from nine multinational companies (see Table 1). The experts mainly serve as divisional directors in India, often managing several hundred employees. The upper-middle management reporting directly to the managing board is purposely selected because, along with fulfilling strategic decision-making roles, they work with teams on day-to-day issues arising from business partnerships. Furthermore, their role is critical in applying relational leadership to lead these business partnerships. The interviewees have an average professional experience of thirteen years. The interviews lasted for approximately 60 minutes. Eight interviews were conducted via video call and face-to-face in English, and one interview was conducted face-to-face in German<sup>8</sup>. We recorded the interviews<sup>9</sup> and used MAXQDA<sup>10</sup> for transcription. The case protocol with the aggregated data comprises 37 219 words and 84 pages of unformatted text. In line with Stake (2006) we first focused each interview individually before comparing them.

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<sup>7</sup> See particularly Winkler et al. (2008) who follow the same basic research structure and methodological explanation of case studies (we mainly adopted their arguments and steps here in line with the cited literature), and also Roy & Karna (2015) both in an Indian context.

<sup>8</sup> The quotes form (AUTO1) were translated by the authors [own translation].

<sup>9</sup> Due to compliance reasons of the interviewee's company (IT1), one interview was not recorded by tape but with notes.

<sup>10</sup> From VERBI Software. (2017, Dec). MAXQDA 2018 [computer software]. Berlin, Germany: VERBI Software. Available from maxqda.com.

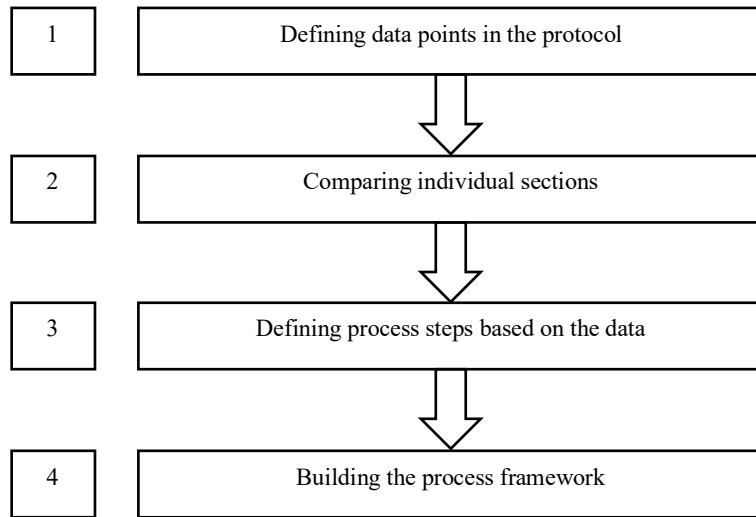
**Table 1.** Case overview

Case	AUTO 1	ITFIN1	IT1	ITFIN2
Industry	Automotive Supplier	IT and financial services	IT	IT and financial services
Total years of experience	12	13	11	12.5
Job Title	Divisional Manager	Divisional Manager	Head of HR	HR Manager
Job Description	IT, Procurement, Finance, Controlling	Head of Business Line	HR and report to Sales Director	Management of Application Systems
Project Partners	Subsidiaries and their Stakeholders	Government, supplier, buyer, customer	Distribution partners	Distribution partners
Case Focus	Local management and management	Distribution partners	Distribution partners	Distribution partners
Headquarters	Dutch	Indian	US	US

Case	AUTO 2	CONST	IT2	FIN	PHAR
Industry	Automotive supplier	Construction Material	IT	Financial Services	Pharmaceutical
Total years of experience	8	9	14	17	19
Job Title	Area Sales Manager	Head of IT	Business Process Manager	Head of IT	Head of Sales
Job Description	Head of Sales North India	Managing IT setup	Managing product set up	Leading Several Teams in IT	Managing sales Regions and Key Accountants
Project Partners	Production partners	Distribution partners	Supplier/Buyer Government	Project Partners	Distribution partners
Case Focus	Production partners	Distribution partners	Supplier / Buyer	Project partners	Distribution partners
Headquarters	Indian	German	US	US	US

The cases were encoded and subsequently analyzed with MAXQDA (see Winkler et al. 2008, p. 247). Previous literature, particularly Wieland (2017) provided the fundamental base for our coding structure. Although the framework method was deductive (as previous literature determines our framework), we also used inductive coding to create new topics. Thus, our approach combined both types of qualitative data analysis, i.e., deductive and inductive (e.g., Fereday & Muir-Cochrane, 2006). The analysis included 49 codes (see Stake, 2006, p. 31) with 448 data points in the protocol. We conducted a cross-case analysis to build on the findings of individual cases (Eisenhardt, 1989, p. 540; Eisenhardt & Graebner, 2007, p. 30; Stake, 2006, p. 39; Roy & Karna, 2015, p. 1358, Winkler et al. 2008, p. 248). Following our framework, we searched for differences and similar patterns among the case studies and analyzed them in detail (Stake, 2006, p. 40; Winkler et al. 2008, p. 248). We brought the observed situations in a possible chronological order to build the framework. Figure 2 outlines the main process steps of our data analysis.

**Figure 2.** Process Steps of Data Analysis and Framework Building.



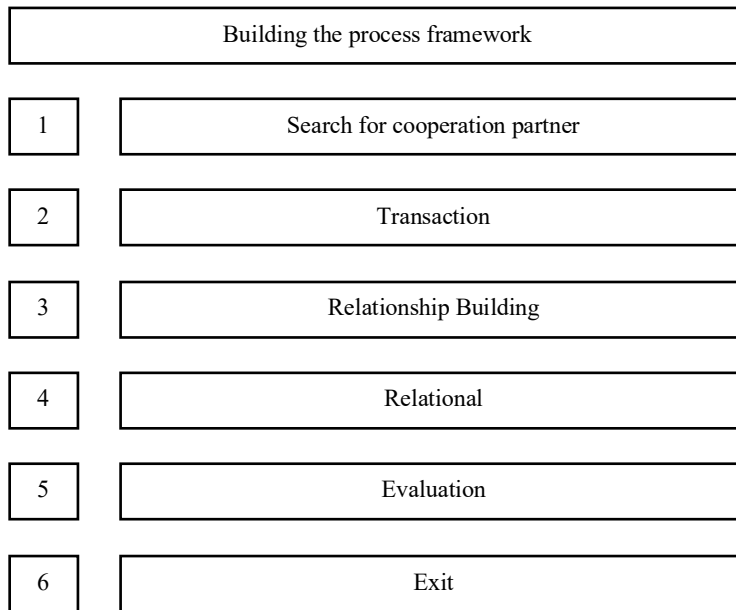
#### **4. FINDINGS & PROCESS FRAMEWORK**

In the following, we want to present our findings and thereby adapt the above-described research framework to the purpose of this study. Thereby (through stretching Graen & Uhl-Bien’s, 1995 ‘Leadership Making Cycle’), we identified six phases as process steps, each with main processes, supporting processes, and points of focus. We then assigned the individual situations from the case interviews to the steps in the framework. The refined research framework including the crucial processes concerning leadership in business partnerships in India is presented below. While doing so, we also compare our findings with that of existing literature (Eisenhardt, 1989, p. 533).

##### **4.1 Process Framework**

We present the findings in various sections according to our identified phases that are supported by empirical evidence derived from some of the cases. The six phases can be differentiated, as described below. A basic schematic illustration summarizes the findings (see Eisenhardt & Graebner, 2007, p. 29-30), and presents the phases of our framework in Figure 3 to guide through the findings section.

**Figure 3.** Phases of our Refined Framework.



We will now introduce the various phases in detail. With each phase, we illustrate the main as well as supporting processes. Furthermore, we explain the focus of each phase. The phases might sometimes be parallel or overlap to a certain degree.

*4.1.1 Search (for Cooperation Partner) Phase*

The search for an appropriate cooperation partner with which to build a partnership is the first step before relationship-building can commence. The respective corporations engage in a structured search for business partners to initiate a relationship. One participant stated that he “do[es] a survey [...] independently in the market [...] and [...] identif[ies] [...] 4-5 potential distributors. The survey is largely based on, what is their coverage, what is their service level, what is their sales capability, how exactly [...] they are perceived in terms of their operation in market.” (PHAR).

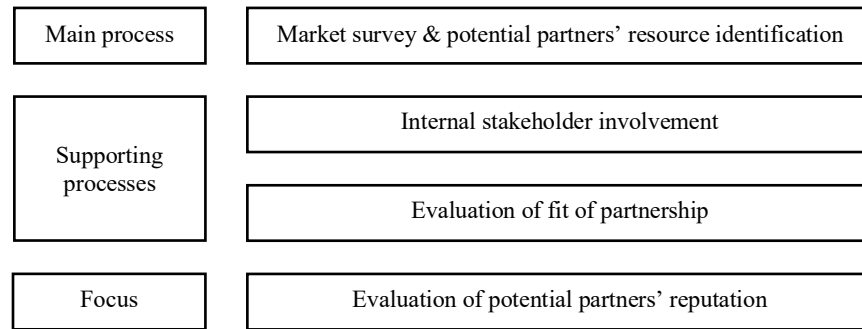
The search process includes formal (e.g., size of the corporation, revenue, market penetration, and certificates) and informal (e.g., reputation and perception by customers) indicators to evaluate whether the potential corporation considered for building a partnership that meets the requirements to qualify for such. The following quotes illustrate the importance of several points in the search phase: i) “Sales is a function of various of these parameters, also [...] distribution and [sic] reputation, and service.” (PHAR); ii) “In a case when you have to evaluate you go for reputation.” (CONST).

We deduce that the reputation creates confidence in functionally appropriate and morally correct behavior and increases the reliability of the corporation considered for building the partnership. Moreover, reputation is assessed as a signaling tool for reducing uncertainty regarding information asymmetries in decision processes in the market that is in line with previous research (e.g., Houston, 2003, p. 332).

Critical in this process is the potential access to tangible and intangible resources that the other corporation controls (see Wieland, 2017, p. 251; Dyer et al. 2018). Moreover, knowledge is acquired through informal conversations from already-existing partnerships using the support of other actors to gain a more profound understanding of the prospective corporation considered for building a partnership. The involvement of internal stakeholders is necessary to gain access to knowledge and expectations regarding cooperation.



**Figure 4.** Phase 1 – Search for a Potential Partner.



After the shortlisting of a potential corporation for a business partnership, actors of corporations proceed and enter the next phase.

*4.1.2 Transaction Phase*

In this phase, corporations start discrete market transactions (see also Graen & Uhl-Bien, 1995, p. 230; Wieland, 2018) to test whether the previous results of the evaluation are also reflected in the actors’ behavior concerning the actual processes within the relationship. A first meeting is a central point in this phase as one respondent states:

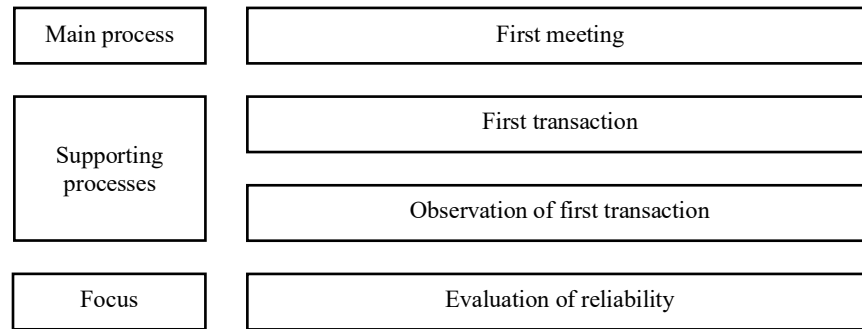
*When a potential partner is “shortlisted, then the regional manager comes into the picture. [...] [An] appointment happens [...] we prefer at their place. [...] you get to know the distributor in a better manner. If the [...] [other] suggests that he also wants to see our office, then definitely we invite.” (PHAR).*

Meetings in this manner enable the building of relationships on several levels. What is also a critical point in the literature about business partnerships is to gain information about the potential partner for the relationship informally (Holmlund, 2004, p. 284). Visiting the partner allows observing and understanding the respective corporation and the environment that surrounds his operations. First transactions with the characteristics of discrete market transactions follow the meeting and allow interactions among the actors representing the respective corporations and among the corporations themselves. Similarly, Graen & Uhl-Bien (1995, p. 230) describe in their Leadership Making Framework that at the beginning, the ‘strangers’ come together for the first time interacting on a formal basis.

The focus is now on whether the potential business partner for the relationship is reliable and whether he or she can meet the expectations in the required manner. Whether the announced actions later correspond to the real actions is a critical concern. This demonstrates that reliability is perceived as a crucial factor. Trust is defined as “*confidence in an exchange partner’s reliability*” by Morgan & Hunt (1994, p. 23). In this situation, some corporations try to overperform at the beginning. Actors attempt to behave in the way they expect their business partner to behave, as outlined in the following statement:

*“I make sure [...] [to] summarize on the next steps [after the conversation] and, [...] I would try to stick to the commitment [...]. I see to get back to him let us say in five days’ time and I would generally go back to him at the fourth day [e.g., via e-mail] and at the fifth day I would call him.” (ITFIN1).*

**Figure 5.** Phase 2 – Transaction.



Further cooperation follows after a transaction has been completed. The next process step follows gradually. In this phase, the relationship is formed, and in practice, these phases often overlap.

*4.1.3 Relationship Building Phase*

This phase represents the transition from the focus on a specific transaction to the focus on the relationship (see Wieland, 2018), laying essential foundations for the sequential phases. Therefore, this phase is the most critical for relationships to gain maturity (see Graen & Uhl-Bien, 1995). The main process here is “a kick-off meeting wherein [sic] all [relevant] stakeholders are invited” (IT2). It is therefore evident that “verbal talks are very important [...] [and] [...] a two-way requirement” (AUTO2). It is further noted that “[f]ace-to-face meetings are critical. So, a good relationship should develop out of that.” (ITFIN2).

The relevant actors from the respective corporations initiate and participate in joint meetings. One conversationalist stated that the responsible “management team does the invitation. We join the meeting.” (IT1). These interactions are crucial to gain first-hand knowledge of the other corporation, which can provide critical information about its future actions. Therefore, it is significant to formulate objectives and follow a specific protocol during the conversation. In line with this, one manager underlined the importance of conversations and experience:

*“when you are in a business relation, the conversation cannot start informally. It happens with certain protocol [...]. When you talk to [a] vendor, then you definitely use your experience and judgemental skills to let the relationship develop and flourish. While talking you have to ensure that either in [the] first or second meeting your [...] process should be replicated by the other party.” (CONST).*

Furthermore, in such meetings, the actors “try to understand [...] problem[s] and talk about [them]” (ITFIN1). As a prerequisite, however, actors research the other corporation before the actual meetings. The following statement by a participant supports this view: “You go to their website and see the things that they do. When you meet somebody for the first time [...] [you mention] ‘I understood from your website, these are the things that you do’.” (ITFIN1).

The second main process in this phase is to implement a relational contract.<sup>11</sup> Relational contracts focus on long-term relationship building (Macneil, 1974, p. 749-750) that is why we consider them here as a mechanism of relational leadership (see Wieland, 2018, p. 170). However, in the complex web of processes in long-term relations, the formulation of contracts is challenging. Researchers argue that both informal and formal mechanisms of governance are critical in managing business partnerships (Kim, 2014, p. 923) in what we consider relational leadership a critical informal element. According to one participant, relational elements are “more complementary, [...] to protect the contract but [...] also [it] helps to build the relationship and trust [...] to do more business together [in future]” (ITFIN1).

<sup>11</sup> For a detailed discussion on the application of relational contracts see Frydlinger et al. (2016) who generate a process framework with focus on relational contracts and also Wieland (2018).

Consequently, more elements of relational contracts incorporating approaches of relational leadership come into practice (see Wieland, 2018). Distinctive of these contracts are several norms, such as integrity, reciprocity, flexibility, consent, solidarity or “*harmonization with the social matrix*” (Macneil, 2000, p. 432).

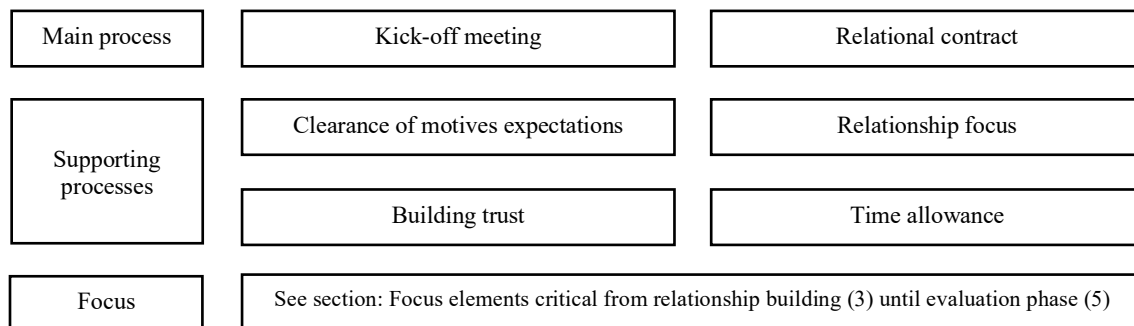
Therefore, at this stage, it is more important to focus on the relationship instead of the discrete transaction (see Frydinger et al. 2016, p. 7). Relational processes are aiming at building trust and commitment (Poppo & Zenger, 2002, p. 710; Kim, 2014, p. 910, p. 924; Wieland, 2017, p. 252). These two concepts can also be central elements to relational leadership, as the literature demonstrates (Brower et al. 2000, p. 229, p. 241). The concept of trust is critical in business partnerships (see, e.g., Heffernan, 2004, p. 114). Therefore, in our framework, building trust is an essential supporting process in line with previous literature (Sako, 1998, e.g., p. 98). One respondent made it clear: “*Reputation helps you to get the first meeting [...]. If you want a long-term relationship you need to build trust*” (ITFIN1). Furthermore, transparency is expected to be essential means of developing trust, as one participant noted that “*when you connect and put your questions on the table [...] you can make it out easily, if the relationship is trustworthy*” (IT1).

Here, time is important for future relationship progress. Bridging expectations and “*building trust takes time*” (CONST). Another participant’s statement provides additional clarity: “*In any case, [...] it takes some time to build up trust, but [...] once you have the trust [then it works]*” (AUTO1). Joint activities in this phase to build trust mitigate potential opportunism in the relationship, primarily through the interaction of actors across corporations. Also, high commitment and ownership establish trust and therefore contribute to strengthening the relationship. This topic will be revisited in the values focus section.

The next supporting process entails gaining clarity of the motives and expectations for the next steps. Before discussing these aspects with the business partner, motives, requirements and expectations must be clearly defined internally as the following statement demonstrates: “*If the requirements or expectations are not clearly defined internally, then [...] that [...] will lead to a conflict and delay or failure of the project. So [...] [we] ensure that whatever we want is clearly laid out on a document and there should be a proper vision*” (CONST). In the next step, the focus shifts towards the relationship. In one of the participant’s words, “*[i]t is more of understanding, what kind of business they are in today [...] and if you compare it with your own business plans and future plans, you know if they are a competitor or [if] they can be partners.*” (ITFIN1). Shared objectives are crucial for relational leadership processes initiated by collective action (Yukl, 2013, p. 291).

Motives are mostly output driven. The actors try to approach the goals through output definition: “*[O]ur main motive is to get the project requirement and [to] deliver the product. [...] So generally, the motives are same. They want the delivery and we want to deliver. We both need quality product and on time delivery*” (ITFIN2). The aim of this process is an outcome of “*[m]utually defined goals [...] and roadmaps*” (FIN).

**Figure 6.** Phase 3 – Relationship Building.



#### 4.1.4 Focus Elements critical from the Relationship Building (3) until the Evaluation Phase (5)

In the following subsections, we describe the different foci that apply to the corresponding phases of the relationship-building phase, relational phase, and the evaluation phase. These overlap to the extent that it should be considered in the framework. The integration into the framework is shown in Figure 7.

##### 4.1.4.1 Values Focus

Reliability and the demonstration of ownership are among the most frequently mentioned values. All participants demonstrated strong values (see also Wieland, 2017, p. 249) focus as the following suggests:

*“I value the essential qualities [...]. First, transparency, if you are not transparent [...] then definitely the results will not be healthy. Second, willingness to deliver, [...] there should be hand in hand support and cooperation [...]. Third, [...] mentality or principles to give outstanding support and service.” (CONST).*

##### 4.1.4.2 Ethics Focus

A strong ethics and integrity focus are prevalent in all corporations observed in this study. Therefore, it is not only important to focus on them but also to search actively for them. The following view provides further evidence.

*“Behaving responsibly is an integral part of [company name] daily business. The vision and core values related to responsible work ethics and leadership is [sic] embedded right from the induction day [...] [I]t becomes a part of one’s daily routine.” (IT2).*

##### 4.1.4.3 Data Protection

Data and knowledge protection are critical in business partnerships. Otherwise, the outbound spillover rent as described by Lavie (2006, p. 648) is not only from the resources that should be brought into the corporation but also unintended knowledge and data. Corporations should have processes to protect data and knowledge as the following example indicates.

*“If a [partner] is building an application [...], then [the partner] is going to access my system only through [...] [a secure connection] or [...] using [the] laptop provided by the company [...]. They cannot carry that outside and this is one way of maintaining security.” (FIN).*

##### 4.1.4.4 Process Focus

Process focus (also see Uhl-Bien, 2011) seems to be essential to do business in India, mainly to provide orientation and reliability in the partnership. Although establishing the process takes time, once established, corporations encourage cooperating parties to follow the process quite strictly. The importance of processes is outlined in the following quotation.

*“We need a process. We should know [...] what and how things happen [...]. In India, employees are very disciplined, and process-oriented [...]. We visited there twice a year for internal audit [...] [T]hey were very accurate. We observed that they follow the process so conscientiously that we developed trust from our side as well.” (AUTO1).*

##### 4.1.4.5 Communication and Culture Focus

India is one of the most diverse countries in the world (Adeney & Wyatt, 2010, p. 38). Considering geography, language, or culture, India is a country incorporating high diversity (see *ibid.*). Culture is seen to impact partnerships in business, as also discussed in the literature (e.g., Trompenaars & Hampden-Turner, 2012, p. 12; p. 58-59). Therefore, a link to informal institutions as culture is critical for building mature relationships. However, this seems to be a challenge in all the cases considered in this study. One of the respondents particularly underlined the diversity.

*“[I]t is important to appreciate [...] the 36 languages [...] to understand and respect the culture of each language that people speak and [...] if you do not do that, you will not be able to build the relationship.” (ITFIN1).*

Corporations respond to such challenges via a strong adaptation strategy of processes when conducting business in India, as the following point illustrates.

*“[W]e have area managers, there is the regional head [with local language skills] [...]. Definitely we use the local languages, in fact our communication, even to consumers is very, very local. We try to use the language. That gives a connection.” (PHAR).*

We also came across one contradiction regarding communication among partners, which is when *“communication skills play a lesser role while technical communication has higher importance.”* (AUTO2). Moreover, we deduce that in some cases, technical expertise forms the platform enabling verbal communication to develop and may also be a critical enabler for the partnership. Hence, in such cases, communication skills and cultural adaptation are less crucial.

#### 4.1.4.6 Recognition and Respect Focus

Recognition and mutual respect are considered a particular point of focus in the context of India. One of the participants said: *“I find the issue of respect [...] intense in India [compared to] [...] Mexico or the US or Brazil”* (AUTO1). In some case studies, the topic of respect and recognition is an integral part of corporate values. Some even tried to use respect in negotiation strategies, as the following statement illustrates: *“[M]utual respect is [...] necessary. This can be [...] a disarming tactic”* (FIN). Furthermore, the way actors in partnerships address each other can facilitate a relationship.

*“I call them [vendors] as partner. For example – one of my vendors, he also gave a feedback that when you call us partner, we feel more connected. [...] [W]hen you call us partner it means that you support us, and this gives us ownership.” (CONST).*

#### 4.1.4.7 Transparency Focus

We observe the focus on transparency and its importance in all cases. There seems to be an interrelation between transparency and clear communication. *“By maintaining [...] transparency in all communications with the partners [...] [we ensure] that the decision makers on their side as well as on our side are in loop at all times”* (IT2). Also, in the literature, transparency is discussed as a critical component of long-term partnerships of corporations (Bloomfield, 2006, p. 401).

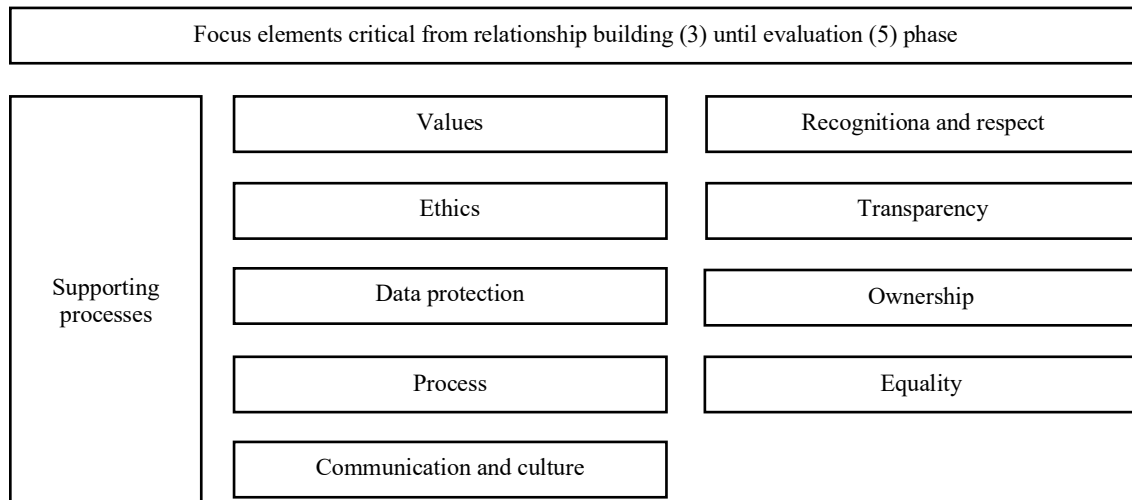
#### 4.1.4.8 Ownership Focus

Demonstrating ownership is crucial for indicating the ability to cooperate, as illustrated by the following participant’s view: *“Being a sales rep[resentative], I deal with marketing department, HR department [...]. [...] I try to align them [...] through ownership. Because, I am the guy who is fulfilling the demand.”* (PHAR).

#### 4.1.4.9 Equality

Focusing on equality is vital in business partnerships, as partners should be able to cooperate with equal rights. As one participant put it: *“It is necessary to be in an equal partnership. [...] [M]utual relationship and productivity is crucial.”* (IT1).

Figure 7. Foci for Relationship Building, Relational and Evaluation Phases.



4.1.5 Relational Phase

If the relationship-building phase is successfully concluded, the partnership should be considered as a mature partnership comparable to the maturity phase in the leadership making cycle (Graen & Uhl-Bien, 1995, p. 230). The relational phase provides the opportunity for the highest relational rents (see Lavie, 2006; Dyer et al. 2018, Wieland, 2018) in the framework and, hence, maintaining this phase should be the purpose of any relationship management. The previously discussed phases fulfill supporting functions building up to the relational phase. It is furthermore crucial to maintaining the cooperative nature of the business relationship under this phase. The first main process in this phase is organizational adaptation interlinked with flexibility. Flexibility reflected in readiness for adaptation is critical to working relationships. Particularly when the relationship is already established, this should not be neglected.

It is a critical point to orientate oneself towards corporate goals without neglecting one’s own goals, because in inter-firm relationships goals should be “mutually beneficial” (Stańczyk-Hugiet, 2013, p. 63) as indicated in the following statement: “It is important [...] to [adapt to] their goals. That you obey their goals, that you respect their goals” (ITFIN1). However, adapting to goals should only occur if there are some values consistent in the cooperative arrangements, i.e. “only if there is transparency, willingness, and commitment [...] we certainly strive to create a win-win situation.” (CONST).

Simultaneously, it is essential that the relationship grows and further deepens during the process. Hence, the second important point is the institutionalization of the relationship. In the words of a participant, “regular weekly/bi-weekly status update meetings [...]. [There should be] a steering committee that is setup as well which decides from the given options on the way forward.” (IT2). Some corporations have formal guidelines on how often these meetings should take place, others anchor the relationship building and maintenance in their relational leadership processes, as the following quotation illustrates: “It is suggested and promoted to find ways and strengthen your relationship with the stakeholders” (ITFIN2). Regular meetings facilitate organizational learning (see Dyer et al. 2018; Huikkola, Ylimäki & Kohtamäki, 2013). The conversations during the formal meetings, among the individual actors of the different corporations, help to develop social ties, and further strengthen the partnership. Learning is critical for corporations engaging in business relationships (Kale & Singh, 2007; Nguyen & Nguyen, 2010; Dyer et al. 2018). On an inter-organizational level, there should be a formalization of learning through documentation and informal learning through experience-sharing platforms. Willingness to engage in learning processes is crucial for the long-term performance of the corporation. One respondent stated that they “follow a very strong documentation procedure, which means that [...] understanding of [a] particular business or a customer is properly documented and kept [...] for internal use” (ITFIN1). Another respondent argued the following about their learning:

*“My learnings from the first customer is important for my relationship with the next five customers [...]. I need to make sure that the team [...] documents its problems, its learning, and its processes in so these can be used in the other projects.” (ITFIN2).*

In general, *“business processes are learnt [...] through repeated action” (IT1).*

A next crucial supporting process is the implementation of conflict resolution mechanisms and learning. Researchers argue (e.g., Kale, Singh & Perlmutter, 2000, p. 227; Kumar & Das 2010, p. 223) that such processes should target a shared problem-solving approach. Hence, problem resolution is learning a process of cooperation, as illustrated by this quote: Learning *“is a continuous process within and outside the office. We start taking important data through joint exercise” (AUTO2).*

Moreover, detailed evaluations of the issues are critical for conflict resolution. One responded stated that he asks questions to understand the problem: *“What is the impact? [...] Why is [this] issue [...] coming? Why is it mandatory for the current project? Why should we allow the incorporation at this stage?” (ITFIN2).* Another participant clearly stated the importance of a shared process.

*“When the conflict occurred [...], I had scheduled a meeting with vendor and my internal customer, [...] identified the pain areas, [...] discussed [...] the issue and the period required to rectify the issues. Then we approach the internal stakeholder to seek their approval to extend the timeline.” (CONST).*

This statement illustrates the role of multiple actors from the stakeholder environment (both from internal and external environments) for conflict resolution, as also discussed in the literature (see, e.g., Hemmati, 2002, p 214).

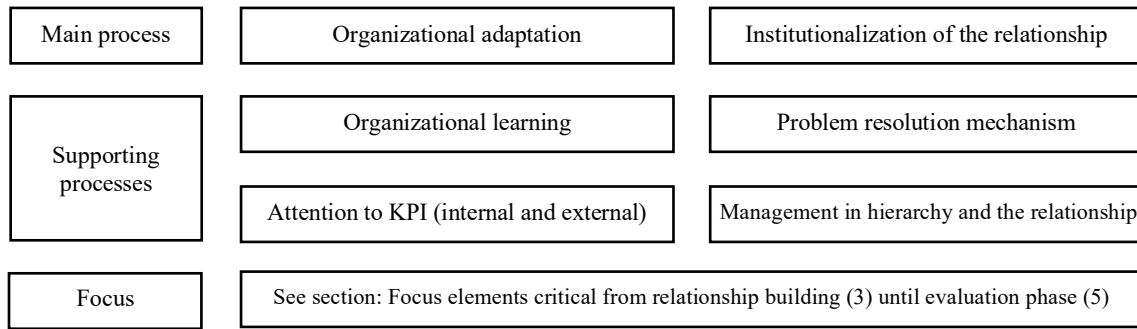
The next supporting process, often also linked to conflict resolution, is the management of hierarchy and complexity (see Lichtenstein et al. 2006, p. 3) arising from external inputs from the respective corporation’s environment such as the business partners. Corporations should form an adaptive system with high flexibility (see *ibid.*) to face challenges of internal (hierarchical) settings and the overall stakeholder environment (see Maak, 2007, p. 332; Kotter, 2012, p. 48). Some participants also stated that sometimes problems should be addressed in informal ways – sometimes immediately by the one who hears the problem for the first time despite hierarchical positions or formal communication processes.

The last critical supporting process we introduce here is attention to the other party’s KPIs. Some partners might have strict partnership evaluation processes. The corporation should be conscious of the evaluation criteria and know-how their actions are reflected and are rated in the partner’s evaluation process. The following participant response considers this challenge.

*“Some [stakeholders] got a formal process of rating you which means they will categorize you as A) B) or C) [...] and so [...] you need to understand what their KPI[s] are to measure you and you should try and be in line with that. [...] [The process] differs from company to company.” (ITFIN1).*

From this, it is evident that for some corporations, it is critical to focus on formal prerequisites such as rating processes, while for others relationships are more relevant.

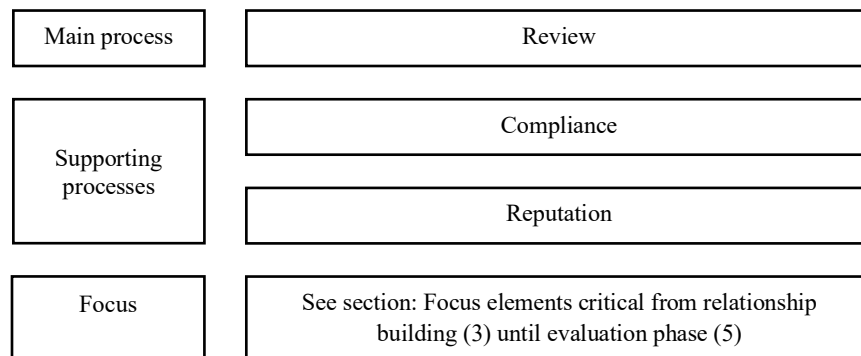
Figure 8. Phase 4 – Relational Phase.



4.1.6 Evaluation Phase

Here, it is critical to weigh up the advantages and disadvantages of business partnerships. Particularly crucial here is whether the relational rent is appropriate for the specific partnerships or whether other arrangements, such as internalizing processes or accessing the resources from the market, are more appropriate. In partnerships which are spanning long periods, there is often relational inertia leading to persistence of underperformance, as Dyer et al. (2018, p. 3152) argue. These processes can frequently be seen parallel to the relational phase when continuing over time. This calls for a need to use processes for evaluation. According to one participant, “[o]ne way to do the evaluation is reporting [...] [I]t is important to have a good mechanism that shows immediately if something is not as expected” (AUTO1). Such reporting is strongly driven by KPIs that reflect the distribution of relational rents. Additionally, we emphasize the importance of both (i) formal, and (ii) informal processes. This is in keeping with one of the participants’ views: “[F]inancial impact[s] [are] definitely [...] more appreciated [...]. But of course, good quality [...] is also appreciable.” (ITFIN2). Compliance is an important indicator that helps measure the business partnership more carefully that might also impact reputation. In case of issues, corporations should employ conflict resolution teams, as discussed in terms of the previous phase. Evaluation is quite critical to make a check on value creation. Researchers discuss that corporations often stay in alliances even beyond their usefulness (see Inkpen & Ross, 2001).

Figure 9. Phase 5 – Evaluation.



4.1.7 Exit Phase

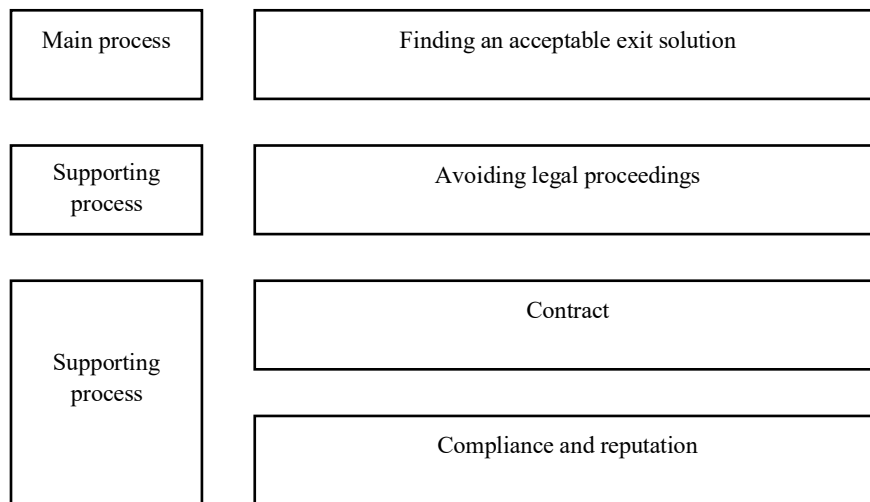
If the evaluation indicates relational risk, which means that further engagement in the relationship leads to extended risk, the exit phase comes into effect. One respondent informed about the difficulties of long-term relationships: “[sometimes] we start with our partners with a different generation of people [...]. A new generation comes with new thoughts, new ideas, new innovation and they have a completely different radical thinking. [...] But [the] organization remains the same, process remains the same. So, the individual changes and hence the entire perception also changes.” (PHAR). According to this respondent, this leads to the fact that it “carries a lot of baggage” (ibid.). The



trust built over several years poses a relational risk and trust carries the risk of betrayal (Nooteboom, Berger & Noorderhaven, 1997, p. 310-311; see also Dyer et al. 2018). Here it is important to find an acceptable solution through discussion with the relevant actors from the stakeholder environment. The ethical aspects should be the focus, while parties make efforts to avoid legal conflicts due to costliness. To ensure a good relationship in difficult situations is also a task of relational leadership. As such, one respondent said: “[If a conflict] is extended to 3 years, 4 years of legal battle, [...] it is costly for both of the parties. [...] [We at first] always [try to use] [...] our relationship and [...] get the issue resolved [...]. If it doesn't happen, then of course the legal remedies are taken. So, the first step is always [to ask] can we use our relationship, and can we get the issue resolved.” (PHAR).

Another participant responded: “The relationship is very important [compared to formal agreements] because once the end of cooperation is public; there is always a risk [of defamation of] the name of the organization by [the] other party” (AUTO1). Therefore, when actors start to behave opportunistically while terminating the partnership, a strong contractual focus is critical. If formal agreements are in line with compliance, there is a possibility that all actors involved in the process will be able to uphold their reputation.

**Figure 10.** Phase 6 – Exit.



**4.2 Further Findings**

In the following section, we briefly summarize further findings that we came across during the data analysis. Firstly, it is critical to establish supporting arrangements (through relationships) to win actors who are supporters in the other corporation’s hierarchy. Secondly, intense focus on the partnership building through relational leadership instead of focus on discrete transactions should be established (see also Frydinger et al. 2016). Thirdly, partnership building through relational leadership as a process that complements and facilitates long-term partnership and is supported by relational leadership should be put in place in India.

We observed that supporting arrangements for one corporation should be implemented in the other corporation’s hierarchy. One participant sees the situation as follows: “We also invest in developing our supporters [...] [on] the partner’s side, and they then stood up for us within the company” (AUTO1). Such supporters can be won through joint activities such as training or team-building events, thus fostering relationships rather than formal deals (see Frydinger et al. 2016). Additionally, a focus on relationships requires relation-specific investments facilitating long-term commitment among parties. These can also be considered the costs to establish a relationship.

Researchers such as Poppo & Zenger (2002), Dyer & Singh (1998) or Hoetker & Mellewig (2009) discuss the application of formal contracts as well as alternative mechanisms (also see, e.g., Abdi & Aulakh, 2017; Yu, Liao & Lin, 2006; Gurcaylilar-Yenidogan & Windsperger, 2015; Wieland, 2018 also for a detailed discussion, also on the

following points). In transaction costs economics, also due to increasing uncertainty, actors prefer more formal governance (see Poppo & Zenger, 2002, p. 707, citing Williamson, 1985, 1991). However, other discussions (e.g., Kezar, 2004, p. 44-55; Uzzi, 1997, e.g. p. 52; Zaheer & Venkatraman, 1995; Wieland, 2018; Dyer & Chu, 2003; Frydinger et al. 2016) argue for more relational processes (see Poppo & Zenger, 2002; Hoetker & Mellewigt 2009 and also Dyer et al. 2018, for a discussion). All cases in the current study reflect on the relational process as a critical factor for building strong partnerships with other corporations and their actors. An example of this can be the emphasis by one participant on trust: “[...] [F]or a good relationship, trust is very important. If they can trust us [...], then we also reciprocate” (ITFIN2). In this case, the trust stemming from the relationship lowers uncertainty (see Hill, 1990 as cited in Nooteboom, Berger & Noorderhaven, 1997, p. 310) and therefore transaction cost (see e.g., Chow, 2008; Dyer & Chu, 2003; Hendrikse, Hippmann & Windsperger, 2015). Also, literature discusses a combination of both components of formal and relational governance (e.g., Poppo & Zenger, 2002; Wieland, 2017, 2018; Gurcayilar-Yenidogan & Windsperger, 2015) of which relational leadership should be a part as we argue here. Another participant summed it up and said: “one [mechanism] depends on the other” (AUTO1).

### **4.3 India-Specific Findings**

In a country-focused study like ours, which value lies mainly in the specific context the observations are conducted, it is essential to highlight the country-specific aspects which were included in our analysis but not mentioned explicitly. We discussed these above but want to emphasize them at this point. We summarize the country-specific aspects of our findings in four points: i) a strong process focus in every action to limit uncertainty within the relationship, ii) the importance of respect among individual actors in a business partnership context, iii) the diversity of culture and language within the same country that are critical components that must be obeyed when building a relationship, and iv) the importance of leadership in relationships – also among individual actors when establishing business partnerships.

## **5. DISCUSSION**

In this study, we observed relational leadership processes (see e.g., Uhl-Bien, 2011; Wieland, 2017) that shape formal and particularly social processes to establish collective activity (see Uhl-Bien, 2011; Yukl, 2013) resulting in shared objectives of partnering organizations when engaging in a partnership. In this case, we apply the work of Wieland (2017) who builds his work on Uhl-Bien and discusses in his framework relational leadership as a combination of organizational and individual processes. Yukl (2013, p. 291) argues that within relational leadership theory, corporations are rather entanglements of interpersonal relationships compared to classical formal characterization of organizations. This perception should be extended in corporate relationships that individual actors from each corporation form interconnections with actors from their own corporation and with actors from the other corporation (see e.g. Peng & Luo, 2000). There are formal components that can also be considered as contributors to a relationship and are, therefore, part of the relational leadership processes. Researchers state that relational leadership is about a combination of formal and informal processes to strengthen a partnership (Wieland, 2017, p. 249) with the dynamics of the social system embedding processes (see e.g., DeRue & Ashford, 2010; Uhl-Bien, 2006 both as cited in Yukl, 2013, p. 291). Often and specifically in environments with high uncertainty, actors aim to safeguard their processes and transactions with formal frameworks (see Poppo & Zenger, 2002, p. 707), mostly using formal contracts. However, this is a costly and challenging process (ibid. for a discussion and also e.g. Williamson, 1985, p. 70). Relational leadership can be a critical complement here to strengthen partnerships when formal mechanisms are not fully applicable. Through our observation, we know that the relational leadership processes, in particular, contribute to mature relationships (see Graen & Uhl-Bien, 1995) that reduce uncertainty. We observed processes that contribute to these relationships and therefore should be considered as processes of relational leadership. These findings could only be found through the intense focus on leading partnerships and differentiating them from formal safeguards such as contracts. Another interesting finding was the problem of keeping underperforming partnerships, as described in the literature (Dyer et al. 2018, p. 3152). Processes should be implemented to detect this issue and respond to them, especially in mature relationships, when trust is well developed. Similar processes are also essential to detect such issues early on and to counteract them through conflict resolution processes. Frequent visits among the business partners as part of the relational leadership processes also ensure informal monitoring and detection of problems early on before they emerge on a larger scale. At the end, when relational governance should complement contracts (see Poppo & Zenger, 2002 and also Dyer et al. 2018 for a discussion), relational leadership processes play a crucial role

to find, develop and structure partnerships what leads to mature relationships among the parties in the business partnership. We would like to acknowledge the discussion of Frydinger et al. (2016) on relational contracts on which we agree on a general scope and that might be aligned with our findings on a more general level, e.g., the necessity to build trust or analyzing the compatibility of the potential relationship partner regarding relational contracts (for a detailed outlines see *ibid.*); however, we shaped our study towards relational leadership in a highly specific situation namely in business partnerships based on relationships in India.

Before discussing our implications, we would like to address the issue of corruption and bribery in India. The building, leading, and managing of relationships, as described above, should not be seen as a motivation for corruption. Wieland's (2017, p. 252) relational leadership framework also discusses the topics of trustworthiness and recognition as part of inter-organizational leadership that we follow here and what is separate from malicious acts such as bribery or corruption. India has anti-corruption regulations (Solomon, 2013, p. 914ff.), and other frameworks such as FCPA and UK Bribery act influence business transactions in India (Solomon, 2013) what is particularly critical for global corporations. However, it should be noted that enforcement of regulations of corruption often remains rather weak in India (Quah, 2008). The interviewees stated that they avoid malicious acts. In our view, relationship building is not linked to bribery and corruption. Instead, it focuses on building trust among stakeholders and, thus, gaining stakeholder support. However, it should not be forgotten that bribery and corruption are a severe issue in India, as covered in our limitations.

### **5.1 Practical Implications**

Practitioners, particularly those who have to manage relationships with business partners in India, can gain crucial insights through this study. To them, the study demonstrates that a strong focus on relational leadership processes is an effective way to create mature relationships with other organizations through which they can conduct transactions in a stable environment. Particularly the use of relational leadership in developing mature relationships is a reliable instrument to lower uncertainty and, therefore, reliance on contracts. What is important to mention is that in India a strong process focus is prevalent, which should also be monitored in the relational leadership processes. One example of this process focus could be that formal meetings provide the space to lead and further develop the partnerships.

### **5.2 Limitations and Future Research**

Before concluding, we briefly present our study's limitations which also serve as recommendations for research regarding future studies. First, the study focused on multinational corporations doing business in India. We did not consider small corporations that are entering the market or networks of local corporations. All corporations considered in the study have a highly professional management team with international experience to which not all other corporations have access in the same way. Mostly business-to-business partnerships, primarily with vendors, were discussed. We observed connecting points to other sectors (e.g., government or civil society), only in a limited way. Second, our main aim was framework building, not theory testing (see Eisenhardt & Graebner, 2007, p. 25). In line with this, our sample was rather small but sufficient for the first attempt to structure the process in relationship building in India. Third, we are aware that our study does exclude sensitive topics like corruption and slow bureaucracy that are impacting business life in India (e.g., Mallet, 2015; Panta, 2001, p. 53). These are interesting points to incorporate in future research. Last, because our framework is a first attempt to structure the process of relational leadership business partnerships in India, for simplification reasons, we neglected several levels of analysis, such as the separation of the individual level and the organizational level, which will be important considerations in further studies.

## **6. CONCLUSION**

In this study, we observe processes of relational leadership in building business partnerships in India by observing corporations and their individual actors engaging in relationships. Business partnerships consist of formal processes but also informal relationships (see Powell, Koput & Smith-Doerr, 1996, p. 120). Both were considered in the study. To answer research question one about the relational leadership steps to build partnerships of corporations in India, we developed a framework<sup>12</sup> with six phases that enable decision-makers to apply relational leadership processes,

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<sup>12</sup> We, thereby, extended frameworks from existing literature (Wieland, 2017; Graen & Uhl-Bien, 1995; Ring & Van de Ven, 1994)

each phase linked to main, supporting, and focus-oriented processes. Accordingly, this study illustrates the interplay among the relational leadership processes that are important to develop and implement mature relationships among business partners. In this context, relationships and collective activities are constantly influenced by processes of relational leadership (see Yukl, 2013, p. 291; and Uhl-Bien, 2011, for a discussion). The second research question focuses on the question of if relational governance is supported by relational leadership. We found that relational governance is complementary to formal governance (see also Dyer et al. 2018; Poppo & Zenger, 2002). Moreover, our findings indicate that relational leadership is a critical component of relational governance (see Wieland, 2017) in this process, which works as a complementary to formal governance. In summary, this study enriches theory by providing a framework on how relational leadership processes work in a specific environment, which is also an interesting starting point for further studies.

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