Development of special forms of B2B relationships: Examining the role of interpersonal liking in developing Guanxi and Et-Moone relationships

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ABSTRACT

The paper examines the driving factors of two of the special forms of relationships that exist in Eastern countries namely Guanxi (China) and Et-Moone (Saudi Arabia). The paper argues that these special forms of relationships that have been found to significantly influence business-to-business relationships in these countries are primarily motivated by the presence of strong interpersonal liking. To do this, a conceptual model has been developed within which interpersonal liking is placed as the key mediating variable. The key outcomes of interpersonal liking are trust and Guanxi (in the Chinese sample) and Et-Moone (in the Saudi sample). Because Guanxi has received significant attention both conceptually and empirically, the research started by conducting in-depth interviews in Saudi Arabia to further explore the concept of Et-Moone. Survey data was collected from 401 businesses in China and Saudi Arabia. Using structural equation modelling, the model has been supported in both samples. The findings show that interpersonal liking plays a crucial role in the development of Guanxi and Et-Moone. Managerial implications and future research are discussed.

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1. Introduction

In recent years, different forms of relationships that are culturally bound have emerged such as ‘Guanxi’ in China (Liu, Li, Tao, & Wang, 2008; Luo, 2007) and ‘Et-Moone’ in Saudi Arabia (Abosag & Lee, 2012). These forms of relationships are found not only to significantly influence how B2B relationships are developed and managed, but also to provide strong competitive advantage in the marketplace (Abosag & Lee, 2012; Liu et al., 2008). While these special forms of relationships emerged largely from Eastern countries, they are essentially culturally determined and based on similar interpersonal motives. Regardless of the terminologies used to describe them or the type of culture within which these relationships exist, there is no study that has examined the drivers of these special relationships, especially the role of interpersonal liking as their core driver (Abosag & Lee, 2012).

Interpersonal liking is found to be a much stronger form of bonding that can act as a driving force of interpersonal relationship development (Hawke & Heffernan, 2006; Nicholson, Compeau, & Sethi, 2001). According to Nicholson et al. (2001, p.4), “the inclusion of liking may offer greater explanatory power beyond models that rely solely on the more cognitive aspects of the relationship.” Thus we argue that interpersonal liking in business relationships is a key driver of these special forms of relationships such as Guanxi and Et-Moone. According to Bruun (1993), Guanxi involves the use of close friendships and associations to assist business activities. Guanxi has been defined by Yeung and Tung (1996, p. 55) as “the establishment of a connection between two independent individuals to enable a bilateral flow of personal or social transactions.” On the other hand, Et-Moone is also based on strong close intimate friendships that provide greater flexibility in business relationships and allow for unilateral decisions in business relationships without causing any uneasiness or division between partners (Abosag & Lee, 2012). Both Guanxi and Et-Moone are characterised by high self-disclosure, significant interaction outside work, open sharing of knowledge and information, strong emotional attachment, mutual commitment and personal loyalty. In a Western context, Wilson (1995) refers to this type of relationship, which is more than just ‘close’ as being a ‘deep relationship’, whereas in the Chinese context it is referred to as ‘Xinren’ or ‘deep trust’ which constitutes an important part of Guanxi (Kriz & Fang, 2003). In the Saudi Arabian context, this type of relationship is referred to as ‘deep Et-Moone’ in which partners allow for unilateral business decision-making as well as much stronger solidarity and personal loyalty. Table 1 provides a brief comparison of key similarities and differences between Guanxi and Et-Moone. While relational elements such as social reputation, doing favours, social interaction, interpersonal liking, trust and commitment exist in both Guanxi and Et-Moone, differences exist in relation to connection to others,
mutual benefits, unilateral decisions, the degree of friendship, loyalty, solidarity and the return of favours. Since almost all of these special forms of relationship including Guanxi and Et-Moone exist in collectivist cultures where personal relationships are of great importance to business relationships, and given that there are very limited studies on understanding the drivers of these special relationships, this paper aims to examine the role of interpersonal liking in developing these special forms of relationships. The paper develops a conceptual model that was subsequently tested in both China and Saudi Arabia. The shared antecedents of interpersonal liking in both countries are social reputation and doing favours. The outcomes of interpersonal liking are trust (in both samples) and Guanxi (in the Chinese sample) and Et-Moone (in the Saudi sample). We start by discussing the theoretical foundation of the model and the hypotheses. We then present the methodology used and review the results from the analysis based on the samples from China and Saudi Arabia. Finally, we discuss the findings and future research.

### 2. The role of interpersonal relationships in B2B

Interpersonal relationships are the underlying social content of interorganisational relationships (Morgan, 2000). The importance of interpersonal relationships in business-to-business (B2B) relationships has long been emphasised (e.g. Dwyer, Schurr, & Oh, 1987; Ford, 1980; Hakansson, 1982; Wilson, 1995). Statements such as “personal relationships and reputations between boundary-spanning members play an important role in facilitating and enhancing inter-organisational exchange” (Weitz & Jap, 1995, p. 316) are common (e.g. Bendapudi & Berry, 1997; Dwyer et al., 1987; Ganesan, 1994; Hakansson, 1982; Halinen, 1997; Svensson, 2004; Wilson & Mummeleni, 1986). However, the number of studies focused on identifying the manner in which personal relationships influence B2B relationships is limited (e.g. Bolton, Smith, & Wagner, 2003; Larson, 1992; Michell, Catarquet, & Hague, 1992) and perhaps the best evidence has been emerging from Eastern cultures, mainly the Chinese Guanxi (e.g. Ambler, Styles & Xicau, 1999; Chung, 2011).

Haytko (2004) categorised three types of interpersonal relationships: ‘strictly business’, ‘business friends’, and ‘personal’. In ‘strictly business’ relationships, there is no personal interaction or communication, no self-disclosure and no personal knowledge base, and the relationship is project focused. The ‘business friendship’ relationships are typified by little interaction outside of work, a limited knowledge base, and some self-disclosure. ‘Personal’ relationships are characterised by highly intimate self-disclosure and a fully developed knowledge base. While this categorisation of relationships is useful especially from a Western perspective, recent studies have focused only on the ‘business friends’ category (e.g. Massey & Kyriazis, 2007; Price & Arnould, 1999). The core argument is whether or not ‘business friends’ can really develop into ‘personal’ relationships, with an inclination towards the personal more than the business level. Haytko (2004, p. 326) appears to argue that this is possible, stating that “many of the interpersonal relationships do develop and evolve from one category to the next, becoming intensely personal with time and the building of a knowledge base about the client through reciprocal self-disclosure and relationship-building strategies.” However, Cater (2008, p. 3) argued that ‘business friends’ and ‘personal’ relationships are similar but stresses that the orientations “remain in the business level.” There is no clear evidence to suggest that a segment of ‘business friends’ relationships inclines towards the personal level. There is also a lack of understanding on whether or not ‘personal’ relationships leaning towards the personal level can increase/decrease the effectiveness and efficiency of relationships. Since most literature on B2B has been generated from Western individualist cultures, looking at the driving force in interpersonal relationship development in collectivist Eastern cultures can help in understanding whether or not such an inclination towards the personal level exists.

Bonding is a critical component of interpersonal relationship development (Halinen, 1997; Mavondo & Rodrigo, 2001; Meyer & Allen, 1991; Mummeleni & Wilson, 1991). Based on cultural differences, Williams, Han, and Qualls (1998) argue that relational bonds are found to vary in terms of type and influence on relationship development. Williams et al. (1998) found that the degree of individualism or collectivism in a country influences the extent of structural/financial and social bonding. They found that countries with a high interpersonal orientation (collectivism) would be highly responsive to interpersonal aspects of the business relationship and put more emphasis on social bonding. Similarly, they found that countries with a high structural orientation (individualism) would be more responsive to structural aspects of the business relationship and put more emphasis on structural bonding. This has been proved in a number of studies (e.g. Rodriguez & Wilson, 2002; Zakbar & Brencic, 2004).

Social bonding is a cornerstone in interpersonal relationships (Weitz & Jap, 1995). Yet, much of the literature on social bonding (e.g. Bendapudi & Berry, 1997; Bolton et al., 2003; Rodriguez and Wilson, 2002; Wilson & Mummeleni, 1986) has not directly discussed its key dimensions and the influence on the development of interpersonal relationships. The dimensions of social bonding in business relationships include personal confidence, familiarity, friendship (Rodriguez and Wilson, 2002), feeling of acceptance, and social interactivity (Gounaris & Venetis, 2002), as well as trust, personal contacts, and liking (Thunman, 1992). Using the definition by Wilson (1995, p. 339), social bonding is “the degree of mutual personal friendship and

### Table 1

Brief comparison between Guanxi and Et-Moone.

<table>
<thead>
<tr>
<th>Connection to others</th>
<th>Guanxi</th>
<th>Et-Moone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social reputation</td>
<td>✓✓</td>
<td>✓✓</td>
</tr>
<tr>
<td>Doing favours</td>
<td>✓✓</td>
<td>✓✓</td>
</tr>
<tr>
<td>Mutual benefits</td>
<td>✓✓</td>
<td>✓✓</td>
</tr>
<tr>
<td>Unilateral decisions</td>
<td>✓✓</td>
<td>✓✓</td>
</tr>
<tr>
<td>Social interaction</td>
<td>✓✓</td>
<td>✓✓</td>
</tr>
<tr>
<td>Interpersonal liking</td>
<td>✓✓</td>
<td>✓✓</td>
</tr>
<tr>
<td>Trust</td>
<td>✓✓</td>
<td>✓✓</td>
</tr>
<tr>
<td>Contractual forms</td>
<td>✓✓</td>
<td>✓✓</td>
</tr>
<tr>
<td>Close friendship</td>
<td>✓✓</td>
<td>✓✓</td>
</tr>
<tr>
<td>Deep friendship</td>
<td>✓✓</td>
<td>✓✓</td>
</tr>
<tr>
<td>Long-term orientation</td>
<td>✓✓</td>
<td>✓✓</td>
</tr>
<tr>
<td>Solidarity</td>
<td>✓✓</td>
<td>✓✓</td>
</tr>
<tr>
<td>Personal loyalty</td>
<td>✓✓</td>
<td>✓✓</td>
</tr>
</tbody>
</table>

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