

Relational resources in organizations: An overview

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The relationship has become increasingly central in any organizational activity, as it permeates any process influencing and in turn being influenced by it continuously. Research has shown that relationship management is an essential skill for a company or organization that pursues important results, since this represents the frame within which these results are achieved. The importance of the relationship is unparalleled, because it pervades the organization and allows interactions among subjects and organizational structures with various roles and purposes. The structure of the relationship overcomes the normal dual representation of company-client or organization-user, articulating itself in a set of relationships with different objectives and processes, which link various types of organizations to others, each one composed of individuals with their own contacts, connections and relationships. In this scenario, additional *intra-* and *inter-* organizational relationships are added, from the one hand the work teams, participating in the organization's activities with specific functions, roles and objectives, and on the other hand the networks of production, distribution, research or marketing, highlighting complexities which require the management of the main basic resource: the relationship.

Structuring and managing relationships correctly reduces complexities and generates conditions for reciprocal value creation. These considerations are valid not only for direct relationships but also for more extensive and complex ones related to networks, in the form of resources interaction, mutual knowledge exchange and personnel sharing. Therefore, in its broadest meaning, the relationship tends to include the collaborative participation in creating value, modifying the various roles of the parties involved, throughout the relational process, into active actors. Benefits of relationships can also be identified in the rigid and defined relational paths of B-to-B activities. In these contexts, relationships tend to mediate the natural tendency of organizations to develop an attitude to plain transactions, as a natural consequence of the complexity of purchasing decisions, the exchange of specific resources, the increased technological barrier and its demand for inter-functionality, as well

as the degree of customization of vital components. Since the relationship process acts in time and space, it increases the need for more competent management capabilities and better interactivity between corporate functions.

A good relationship is extremely important as it constitutes the way in which the two parts can obtain what none of them could in an autonomous and disjointed approach. Despite it, there are studies showing scepticism about the ability of the relational process to create value or generate collaboration, to contribute to the reduction of costs and business risks. These works only focus on the transactional aspect of relations, as they are centred on contractual exchanges rather than on interpersonal aspects. Nonetheless, the merit of this different perspective is to highlight two different potentials of collaboration that can be defined respectively in transactional and relational relationships.

Transactional relationships are characterized by pre-eminence of price, cost, investments restraint, multiple suppliers, asymmetry of relations, immediate horizon and evaluation of the relationship based on end results. Evidences reveal that organizations establishing transactional relationships show a lower level of organizational learning and a rise in costs over the long-term associated with a reduction in quality.

On the contrary, the strategic relationship establishes medium and long-term goals, encouraging the sharing of resources and the potential for cost reduction, as well as rewarding the synergistic use of joint efforts. A long-term relationship contributes to strengthening the reliability, cooperation, speed and ease of carrying out operational aspects, as well as allowing flexibility and proactive interaction for a faster achievement of results. The relational stability is the element that contributes to reducing risks for the parties involved, increases mutual knowledge and strategic alignment, and helps to distribute initial costs over a longer period. Furthermore, the relationship helps to make internal communication activities more efficient, so as to enhance the aspects of reciprocity and reliability in it.

Empirical research has highlighted specific implementation factors in organizations that pursue relationships strategically. In these organizations, commitment and trust have been identified as essential components in the

process of building the relationship. On the other side, shared values, such as integrity, respect, and trust are considered elements to facilitate the relationship, especially where it is expected to go beyond the aspect of mere reciprocity. In a relationship based on trust, the behaviour of the parties tends to be separated from their demonstration of skills and competence. Whether it is demonstrated daily or in exceptional circumstances, the latter derive from a direct evidence of company's reputation, from the clear determination to operate in the interests of the other party, from the corporate culture and the systematic use of intangible resources, that implicitly define organizational positioning and behaviour.

Empirical evidence points out that trust is considered a necessary facilitator of inter-organizational activity, helping to reduce vulnerability due to unexpected contingencies. In this way, trust becomes not only a prerequisite for the relationship but also the coordination mechanism that reduces social complexity by providing what is missing in an adequate, guaranteed and certain way, going beyond available information and generalized expectations of behaviour. As for the commitment, this represents the desire to make a sacrifice in the short term to maintain the relationship and the trust achieved. This implies that organizations invest in resources increasing mutual interdependence through activities generated by their business relationships. However, market evidence reveals that if the relationship is not effective in generating the expected benefits, the commitment and the trust tend to deteriorate and with them the relationship itself. Consequently, the relationships management has a profound influence on organizations success, and confirms that the coordination of resources, processes and other organizations' activities is a necessary state. Similarly, the relationship system has a profound impact on supply chain performance. To be properly managed, the latter requires the relationships work as a network of interdependencies, making indispensable interactive communication, adaptation, cooperation and trust for achieving results and business success. In these contexts, relationships are not linear and consecutive, but a series of interdependencies between resources, activities and information that need appropriate tools in order to be clearly investigated and to profit from their proper management.

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