



ACTIVITY OF SMALL BUSINESSES IN THE PROCESS OF BUILDING RELATIONSHIPS IN THE SUPPLY CHAIN

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ABSTRACT. Background: Multilateral cooperation is an inherent part of any business and one of the most important factors in the success of modern enterprise. Therefore, in this paper the author addresses the problem of building relationships with partners in a supply chain and focuses on the development of relational abilities as well as inter-organizational ties, and his exploration and considerations are applied to small businesses.

Methods: In the empirical part of the work the author aims to identify the scope and intensity of the involvement of small businesses in taking measures to build relationships with supply chain partners. The basic source of data is the results of empirical research conducted by the author in 2014 by means of mail and personal surveys. A questionnaire specially designed for this purpose was sent out to 500 randomly selected small businesses from the kujawsko-pomorskie region (Poland).

Results: The author provides a positive verification of the formulated hypotheses, which imply that small businesses take action to develop both their ability to establish and maintain relationships and the actual relationships with partners in the supply chain. However, they take various activities into account, but not all, and this is mostly done in a manner that is not systematically, particularly in relation to those undertakings which require more sophisticated skills and tools.

Conclusions: Propagating the theory of relational abilities among small businesses and the concepts indicating the forms of their development and use appears to be justified, even if these companies seem to be aware of the impact of the quality of relationships with supply chain partners on the effects of cooperation with them.

Key words: inter-organizational relationships, cooperation, relational abilities, supply chain, small businesses.

INTRODUCTION

According to the definition developed by the European Committee for Standardisation, the supply chain is a sequence of processes to add value to the product during its movement and processing of raw materials, through all the intermediate forms, to a form consistent with the requirements of the end customer [European Committee for Standardisation 1997]. It can therefore be considered from various perspectives, such as, for instance, the perspective of material flows and entities regulating them, the activities performed within this scope and mechanisms of co-

ordinating them by co-operators, or systems of codiciding [Grzybowska 2015]. However, a supply chain is also, and perhaps above all, a structure of relationships between partners that jointly build them. These relationships determine the process of supply chain management. Such management, in turn, should be understood as integrating key business processes throughout the supply chain, from suppliers to the final consumer, including information flows [Croxtton et al. 2001].

Therefore, in a supply chain we are not only dealing with flows of goods and accompanying information, or financial means, but also with the flow of benefits and risks occurring

between partners. Benefits would not be achievable without the contribution of specific partners and the occurrence of risk, which in turn is a natural consequence of the interaction with them [Glabiszewski 2013]. In particular that aspect of supply chain management highlights the importance of inter-organizational relationships which are based on mutual trust and the ability to build them. Lambert and other researchers clearly underline the fact that relationships within the framework of cooperation must be based on openness, mutual trust and the sharing of risks and benefits to allow a better result of the joint action [Lambert et al. 1996].

Recognizing the exceptional importance in today's economic reality of cooperation between companies within different networks, the author of this study decided to explore the problem of building relationships with business partners operating within a supply chain. In his research and deliberations, the author focuses on small businesses, for which it is much harder to develop partnerships with well-established entities mainly because of their limited ability to use targeted actions in this area and because of their potential that is usually not very impressive for their partners. Moreover, in theoretical considerations, as a rule, it is assumed that small businesses play a subordinate role to large ones, which are usually the leaders in a supply chain, and meticulously meet the obligations imposed by them [e.g., Noori and Lee 2006]. However, the perspective of small companies often seems to be quite different. They do not consider their participation in a supply chain from the perspective of their marginal significance and hierarchical subordination, but from the perspective of the interest being pursued, which may become significant for both sides. Furthermore, cooperation with large companies, as seen from the point of view of small businesses, rather ennobles than depreciates them.

THE ESSENCE AND SIGNIFICANCE OF INTER-ORGANIZATIONAL RELATIONSHIPS

The essence of cooperation between enterprises is to connect them in relationships

that seem to be the most important part of the supply chain, and yet the most difficult part to manage and this determines the effectiveness and efficiency of the whole system. Inter-organizational relationships should be understood as relationships between entities within which the following are assumed [Sudolska 2011]:

- obtaining mutual benefits by partners,
- employing specific resources,
- their long-term orientation towards cooperation,
- their high propensity to adapt to the conditions of cooperation.

The difficulty in forming desirable relationships within a supply chain results mainly from the heterogeneity of the organizations which are cooperating. It must be remembered that a supply chain is a group of organizationally autonomous and legally independent companies making joint efforts with a view to optimizing the manner of inter-organizational coordination of logistics processes. These entities differ substantially due to their abilities, attitudes and expectations that directly affect the reinforced mutual behaviours determining the pattern of relationships between them. The shape of the relationship existing between partners is also reflected by their personality, which is shaped both by past experiences and by forward-looking aspirations.

- The basic premise of building relationships with other enterprises is to gain benefits from this cooperation. If these benefits are at the level established by the partners' expectations, then their relationship should be deemed their success. The success of the relationship is often interpreted as a combination of [Bodi-Schubert 2014]:
 - smooth cooperation,
 - continuous reduction of administrative and transaction costs,
 - an increase in co-created value,
 - reducing the dependency of one side on the other,
 - and providing a balance of power.

The major factors of the success of relationship partners understood in this way include a two-way exchange of information, the involvement of senior management in the

development of relationships, common goals accepted by all parties in the relationship, a mutual exchange of examples of success achieved in relationships with other entities, and maintaining the status quo, in which each partner contributes to the value added to the relationship [Bodi-Schubert 2014, Grzybowska 2012].

A success factor in the relationship that reflects the scale of benefits resulting from the co-operation is undoubtedly the level of the quality achieved by partners in the relationship. The quality of relationships is often expressed as a level of mutual trust and partners' commitment. This measures the degree to which the trust and commitment of one company is correlated with the trust and commitment of its partner [Chi-Shiun et al. 2009]. The quality of the relationship is, in turn, determined by the company's ability to build and maintain inter-organizational ties, an ability which consists of the company's competences for cooperation. These are primarily a function of effective action in the field of mutual communication, coordinating joint actions and building mutual trust [Sivadas and Dwyer 2000]. It is in these areas that key opportunities to build relationships with supply chain partners must be sought.

METHODOLOGY OF EMPIRICAL RESEARCH

In the empirical part of the work, the author aims to identify the scope and the intensity of the involvement of small businesses in taking measures to build relationships with their supply chain partners. It is to be achieved through the realisation of the following three objectives:

1. to identify the scope and frequency of actions taken with a view to building the ability to establish relationships with partners in the supply chain.
2. to identify the scope and frequency of actions taken with a view to building the ability to maintain relationships with partners in the supply chain.
3. to identify the scope and frequency of the activities undertaken within the direct building of relationships with partners in the supply chain.

The statistical and descriptive analyses conducted by the author were to verify the following three hypotheses:

- H1. Small businesses make efforts to develop their ability to establish relationships with partners in the supply chain.
- H2. Small businesses make efforts to develop their ability to maintain relationships with partners in the supply chain.
- H3. Small businesses take action with a view to developing the relationship with partners in the supply chain.

The basic source of data necessary to verify these hypotheses is empirical research conducted by the author in 2014 by means of mail and personal surveys. A questionnaire specially designed for this purpose was sent out to 500 small businesses from the kujawsko-pomorskie region (Poland) that had been randomly selected by the Provincial Statistical Office in the city of Bydgoszcz. According to the data provided by the Statistical Office, the general population amounted to 183,592 small businesses operating in the private sector, including 178,156 microenterprises. When preparing random research sampling, the criteria that were used were the company size and its belonging to one of the following three sectors: manufacturing, trade and service. As a result of the research undertaken, information was obtained from 119 small businesses, including 85 micro-enterprises. Among the entities surveyed, 39% were trade companies, 33% service companies and 28% - manufacturing ones.

SHAPING RELATIONAL ABILITIES - EMPIRICAL VERIFICATION

The basic premise of establishing and building relationships with other companies in a supply chain are potential benefits resulting from cooperation. The research conducted by the author indicates that even the vast majority (71%) of small businesses are aware of the impact of the quality of relationships connecting them with partners in the supply

chain on the effects of cooperation with them. As a result, they recognize an objective need for deliberate relationship-building with other entities. This raises the question of whether this awareness translates into real action in this regard. The search for the answer to this question must begin with a diagnosis of enterprises' involvement in developing their potential, proving their abilities in terms of building relationships. It seems natural that a company with higher relational abilities will expect more value from the relationships with their partners [Smirnova et al. 2011]. As a result, guided by an economic criterion a company should be interested in developing their ability to build such relationships that will

later guarantee their high quality and consequently, the scale of resultant benefits.

Accordingly, in the first phase of the research the author asked managers how often during the last 3 years they had made efforts to develop their abilities to build relationships with supply chain partners and grouped them into specific abilities to establish or to maintain inter-organizational relationships. Respondents answering this question had the following three answer options: 'never', 'occasionally', and 'systematically'. The research findings reflect respondents' subjective assessment and are presented in table 1.

Table 1. Involvement of businesses in building their relational abilities
 Tabela 1. Zaangażowanie przedsiębiorstw w budowanie swoich zdolności relacyjnych

No.	Ability to build relationships	Systematic action	Occasional action	No action
		(% of responses)		
Abilities to establish relationships				
1	The existing network of relationships	58	33	9
2	The company's reputation	43	32	25
3	Motivation to establish relationships	28	56	16
4	Ability to communicate effectively	28	27	45
5	Strategic assumptions concerning relationship-building	18	36	46
6	Culture of openness to cooperation	12	39	49
7	The propensity to take risks in relationships	11	23	66
8	Monitoring the company's environment	8	76	16
Abilities to maintain relationships				
	Professional competence	62	38	0
2	Experience in cooperation	33	61	6
3	Infrastructure available for coordinating actions	28	28	44
4	Negotiating skills	18	52	30
5	Abilities to coordinate joint actions	16	38	46
6	Conflict-solving skills	14	50	36
7	Infrastructure in the field of communication	13	55	32
8	The propensity to invest in the relationship	9	43	48
9	Co-decision making skills	6	38	56
10	Knowledge of the principles of building trust	2	30	68

These results suggest that small businesses are involved in building their pro-relational potential concerning both establishing and maintaining relationships with partners in the supply chain, which confirms hypotheses H1 and H2. This is indicated by the scope of activities undertaken in this regard as well as by their frequency.

As part of developing the ability to establish relationships companies most often take action to expand networks with other entities, which are a source of experience and,

consequently, the knowledge and the skills used in the process of establishing business contacts (91% of the surveyed companies take such action and 58% do so 'systematically'). This activity seems to be the most understandable, since on the one hand, it is a tool for developing relational abilities, and on the other hand, it is an inherent part of current economic activities and the conscious source of potential business benefits. Moreover, the respondents frequently take action to increase the motivation to establish relationships (84% of the companies surveyed)

and inspiring them to search for and monitor potential partners in the environment (84%), as well as forming a reputation which is distinctive and well regarded in the environment (75%), and which creates trust and clearly makes it easier to establish relationships with new organizations. Most small businesses are also involved in developing their employees' communication skills (55%) and in disseminating those values within the organization that emphasise the meaning and promote the need for cooperation with other entities (51% of the companies surveyed). In addition, they include in their strategic objectives the need to build relationships with business partners (54%).

As shown by the data presented in Table 1, among the entities surveyed there are also such companies, and there are a significant number of them which do not admit to any activity within these areas of strengthening abilities to establish relationships. The lowest number of companies declares taking action aimed at increasing their propensity to take risks related to interactions with new entities. Moreover, even if they declare such activity, it often has the character of ad hoc procedures, rather than systematically implemented tactics.

Small businesses' activity in developing individual abilities to maintain relationships with partners in the supply chain is quite intensive, though very differentiated. According to our findings, professional competence is the focus of the respondents' attention. When asked about developing this component of pro-relational potential, the entire sample declared taking deliberate action in recent years, and it was usually designated as 'systematic'. Such a large commitment would most likely be explained by the fact that those competences are treated by companies not so much as a manifestation of the ability to maintain relationships, but as a basic tool used in current operations. Nevertheless, a high level of professional competence is undoubtedly a very important factor inducing other entities in the supply chain to engage in permanent and close cooperation. Moreover, as regards building experience in inter-organizational cooperation, the managers surveyed declared that they undertake common activity (94% of companies) but not as

systematic (33% of companies) activity, which is a source of the extremely valuable knowledge that conditions the future quality of relationships, due to the fact that this knowledge has been verified in practice. However, not all areas of these abilities are very popular among small businesses. Most do not make any effort, and only few of them engage systematically in the development of decisionmaking skills applied in cooperation with other entities and in the acquisition of knowledge relating to the scientific principles of building trust.

SHAPING RELATIONSHIPS WITH PARTNERS - EMPIRICAL VERIFICATION

Shaping the ability to build relationships with supply chain partners makes sense only if they are properly used in the course of cooperation with them, and are undertaken and carried out in the normal course of business. Only then will they have a chance to enjoy concrete benefits from the interaction of entities in the supply chain. Therefore, in the latter part of the research, managers were asked about the frequency of taking action designed to shape directly the relationships with supply chain partners during the last 3 years. Again, they were given three answer options: 'never', 'occasionally', and 'systematically'. The answers are shown in Figure 1.

Based on these findings, hypothesis H3 should be considered as valid. According to the hypothesis, small businesses take action with a view to developing the relationship with partners in the supply chain and in a fairly wide range. Unfortunately, in most of the areas analysed, these actions are occasional rather than systematic. In the case of such an elementary operation seeking to establish contacts with selected partners, most of the companies (58%) admitted undertaking systematic activities, and a further 35% - sporadic. An equally large proportion, i.e., 92% of the companies declare that they take their partners' expectations into account in their day-to-day activities, which is also not surprising, since such behaviour seems to be a prerequisite for maintaining relationships.

What is quite puzzling is the fact that 8% of those companies do not do this, especially that being a small business only it is difficult to dictate one's own terms of cooperation. A high level of activity is also shown by the

companies surveyed in terms of establishing mechanisms to coordinate cooperation with partners (88%) and adapt their own resources to the conditions of cooperation (86%).

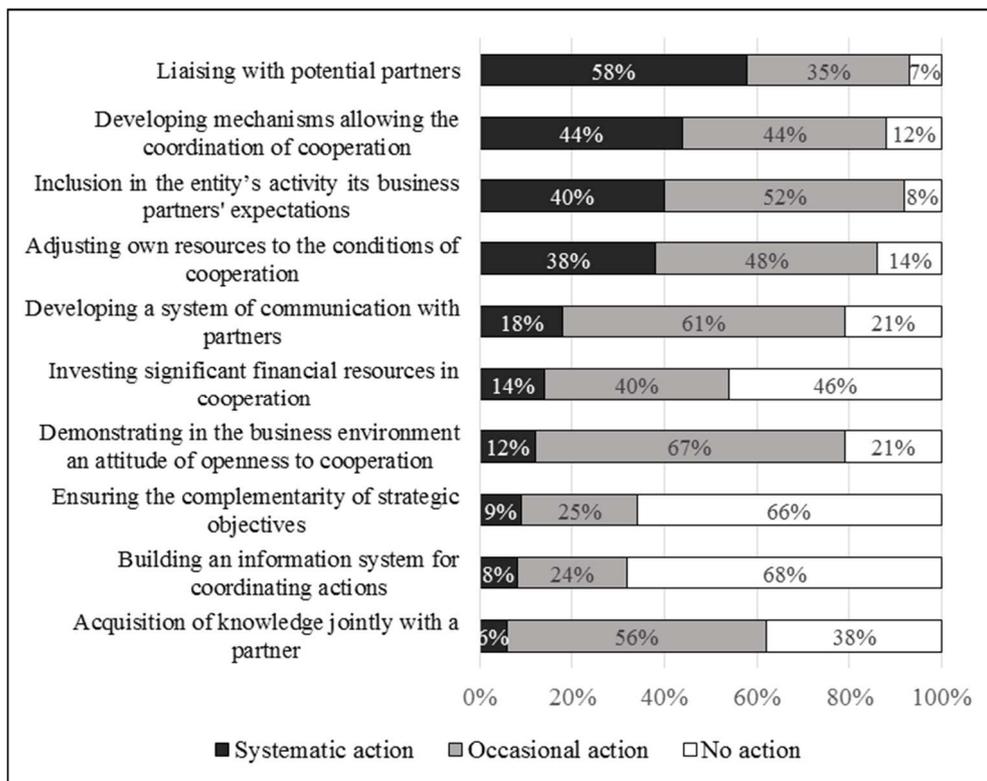


Fig. 1. The involvement of companies in building relationships with supply chain partners (% of responses)
 Rys. 1. Zaangażowanie przedsiębiorstw w budowanie relacji z partnerami w łańcuchu dostaw (% wskazań)

Small businesses exhibit the most passive attitude with regard to ensuring the complementarity of their strategic objectives relative to their partners and building a computer system to coordinate joint actions. These activities seem to be more demanding, both for reasons of competence and finance, which in the case of small businesses is reflected in the absence of that activity. Furthermore, for financial reasons a significant part of the companies (46%) do not make a significant investment in developing cooperation within the supply chain, which could affect the size of its benefits. Another distressing aspect is the very limited involvement of small businesses in the systematic acquisition of knowledge together with a partner, especially in terms of the importance of this aspect of building relationships, which is frequently signalled in the literature. It transpires that the joint efforts

made by the buyer and the supplier in order to acquire knowledge not only impact directly on the effects of their relationship, but also the willingness to make investments in specific assets and skills to the benefit of the cooperation, which, in turn, further increases the scale of the effects of this relationship [Mesquita et al. 2008].

CONCLUSION

In the study the author addresses the research of building relationships with business partners operating in a supply chain and focuses on small businesses.

When analysing the empirical material, it must be assumed that small businesses are involved in building their pro-relational

potential relative both to establishing and maintaining relationships with partners in a supply chain. This commitment, however, is differentiated in various areas of this potential and is often a short-term operation rather than systematically implemented actions. Moreover, the companies surveyed exhibit the largest pro-developmental activity in relation to those elements that are not only about the ability to build relationships but are also used in current operations, such as the professional competence, experience in cooperation, or a previously formed network of relationships.

A similar situation can be seen in the case of the involvement of the companies in the direct formation of desired relationships with supply chain partners. They undertake various activities in this regard, but not all of them, and mostly not systematically, particularly in relation to those undertakings which require more sophisticated skills and tools. This seems to be understandable due to the fact that they are small companies with limited capabilities, both intellectual and material.

This means that companies that even declare their commitment to the development of relational abilities do not necessarily take intentional actions to achieve this, especially those that are demanding and focused on developing specific abilities within a separate and clearly identified pro-relational potential. Therefore, propagating the theory of relational abilities and the concepts indicating the forms in which they might be developed and used among small businesses appears to be justified, even if these companies seem to be aware of the impact of the quality of relationships with supply chain partners on the effects of cooperation with them. This postulate is even more legitimate since it refers to an obvious need for multidimensional cooperation between companies in the supply chain and in the case of small companies with well-established entities from the business environment.

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AKTYWNOŚĆ MAŁYCH PRZEDSIĘBIORSTW W PROCESIE BUDOWANIA RELACJI W ŁAŃCUCHU DOSTAW

STRESZCZENIE. Wstęp: Wielostronne współdziałanie jest immanentnym elementem każdej działalności gospodarczej i jednocześnie jednym z najważniejszych czynników sukcesu współczesnego przedsiębiorstwa. Dlatego też autor w niniejszym opracowaniu podejmuje problem budowania relacji z partnerami w łańcuchu dostaw, koncentrując się na kształtowaniu zdolności relacyjnych i więzi międzyorganizacyjnych, przy czym swoje poszukiwania i rozważania odnosi do małych przedsiębiorstw.

Metody: W części empirycznej swego opracowania autor stawia sobie za cel dokonanie identyfikacji zakresu i intensywności zaangażowania małych przedsiębiorstw w podejmowanie działań na rzecz budowania relacji z partnerami w łańcuchu dostaw. Podstawowe źródło danych niezbędnych do realizacji przyjętego celu stanowią wyniki badania empirycznego przeprowadzonego przez autora w 2014 r. metodą ankiety w wersji pocztowej i osobistej. Przygotowany w tym celu kwestionariusz ankiety został skierowany do losowo wybranych 500 małych przedsiębiorstw regionu kujawsko-pomorskiego.

Wyniki: W artykule autor pozytywnie weryfikuje przyjęte przez siebie hipotezy, w ramach, których zakłada, że małe przedsiębiorstwa podejmują działania mające na celu rozwój zarówno swych zdolności do nawiązywania oraz utrzymywania relacji, jak również samych relacji z partnerami w łańcuchu dostaw. Niemniej jednak ich zaangażowanie w tym zakresie jest istotnie zróżnicowane i raczej niesystematyczne, zwłaszcza w odniesieniu do tych przedsięwzięć, które wymagają zastosowania bardziej wysublimowanych kompetencji i narzędzi.

Wnioski: Uzasadnionym wydaje się propagowanie wśród małych przedsiębiorstw teorii zdolności relacyjnych oraz koncepcji wskazujących formy ich rozwijania i wykorzystywania, nawet, jeśli przedsiębiorstwa te wydają się być uświadomione, co do wpływu jakości relacji z partnerami w łańcuchu dostaw na efekty współpracy z nimi.

Słowa kluczowe: relacje międzyorganizacyjne, współpraca, zdolności relacyjne, łańcuch dostaw, małe przedsiębiorstwa

AKTIVITÄTEN VON KLEINUNTERNEHMEN BEIM HERSTELLEN VON BEZIEHUNGEN IN LIEFERKETTEN

ZUSAMMENFASSUNG. Einleitung: Gemeinsames Wirken ist jeder wirtschaftlichen Tätigkeit immanent und ist auch gleichzeitig einer der wichtigsten Erfolgsfaktoren eines modernen Unternehmens. Im vorliegenden Beitrag wird dem Problem der Beziehungen zu Partnern in Lieferketten Rechnung getragen. Der Autor konzentriert sich dabei auf die Entwicklung von unternehmensbezogenen Beziehungskompetenzen und interorganisationalen Netzwerken, wobei er bei seinen Erwägungen und seiner Suche kleine Unternehmen unter die Lupe nimmt.

Methoden: Mit dem empirischen Teil der Studie bezweckt der Autor die Identifizierung von Umfang und Stärke des Engagements von kleinen Unternehmen bei ihren Maßnahmen zur Herstellung von partnerschaftlichen Beziehungen in Lieferketten. Die grundlegende Quelle der zur Realisierung des Vorhabens notwendigen Daten sind die Ergebnisse einer vom Autor im Jahre 2014 elektronisch und persönlich durchgeführten Umfrage. Der für diese Umfrage entwickelte Fragebogen wurde an 500 stichprobeweise ausgewählte Kleinunternehmen der Region Kujawien-Pommern (Polen) verschickt.

Ergebnisse: In dem Beitrag werden die vom Autor aufgestellten Hypothesen positiv verifiziert. Es wurde angenommen, dass kleine Unternehmen gezielt Maßnahmen ergreifen zur Entwicklung ihrer Fähigkeiten, Beziehungen aufzunehmen und aufrechtzuerhalten sowie zur Entwicklung und Stärkung der bereits bestehenden Partnerbeziehungen innerhalb der betreffenden Lieferketten. Nichtsdestotrotz ist zu bemerken, dass ihr Engagement sehr differenziert und eher als unregelmäßig zu bezeichnen ist, insbesondere bei solchen Maßnahmen, die sublimere Kompetenzen und Tools erfordern.

Fazit: Es scheint begründet zu sein, bei Kleinunternehmen Theorien über Beziehungskompetenzen sowie Konzepte zu deren Entwicklungs- und Gebrauchsformen zu verbreiten, auch wenn sich diese Unternehmen selbst des Einflusses der Qualität von Partnerbeziehungen in Lieferketten auf die Ergebnisse der gegenseitigen Zusammenarbeit bewusst sind.

Codewörter: interorganisationale Beziehungen, Zusammenarbeit, Beziehungskompetenzen, Lieferkette, Kleinunternehmen.

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