



**An Exploration of Social Variables in the  
Development and Maintenance of  
Business Relationships with  
Libyan Companies**

**By**

**Bassam Shaladi**

**Salford Business School**

Submitted in Partial Fulfilment of the Requirements of the  
Degree of Doctor of Philosophy, Sep 2013



# **Table of Contents**

|  |             |
|--|-------------|
| <b>Acknowledgements .....</b>  | <b>IV</b>   |
| <b>List of Tables .....</b>  | <b>V</b>    |
| <b>List of Figures.....</b>  | <b>VI</b>   |
| <b>Two Lists of glossary of terms of stages and variables of BRD in Arabic vs. English .</b> | <b>VII</b>  |
| <b>List of Questions (Arabic and English) .....</b>  | <b>IX</b>   |
| <b>Abbreviations .....</b>   | <b>XIII</b> |
| <b>Abstract.....</b>   | <b>XIV</b>  |
| <b>Chapter 1: Introduction .....</b>   | <b>1</b>    |
| 1.1 Introduction.....  | 1           |
| 1.2 Research Background .....  | 2           |
| 1.3 The Need for the Research.....   | 6           |
| 1.4 Research Outline.....  | 8           |
| 1.4.1 Aim of the Study .....   | 8           |
| 1.4.2 Objectives .....   | 8           |
| 1.4.3 Research Questions .....   | 9           |
| 1.4.4 Contribution to Knowledge.....   | 9           |
| 1.5 Review of the Chapters .....   | 10          |
| 1.5.1 Chapter 2: Literature Review .....   | 10          |
| 1.5.2 Chapter 3: Research Methodology.....   | 10          |
| 1.5.3 Chapter 4: Research Findings .....   | 11          |
| 1.5.5 Chapter 6: Conclusion and Recommendation.....  | 12          |
| <b>Chapter 2: Literature Review .....</b>  | <b>13</b>   |
| 2.1 Introduction.....  | 13          |
| 2.2 Reasons for Business to Business (B2B) Relationships .....                               | 16          |
| 2.3 Type and Format of B2B Relationships.....  | 17          |
| 2.4 Notion and Success Factors in Business Relationships .....                               | 18          |
| 2.5 Objectives .....   | 22          |
| 2.6 Why Business Relationships are Important .....   | 23          |
| 2.7 Social Variables in the Development of Business Relationships .....                      | 24          |
| 2.7.1 Cultural Affinity.....   | 25          |
| 2.7.2 Trust .....  | 26          |
| 2.7.3 Commitment .....   | 31          |
| 2.7.4 Experiences .....  | 33          |

|   |           |
|---|-----------|
| 2.7.5 Satisfaction.....   | 36        |
| 2.7.6 Communication.....  | 37        |
| 2.8 Stages in the Development of a Business Relationship .....  | 39        |
| 2.8.1 Pre-contact .....   | 43        |
| 2.8.2 Initial Interaction.....  | 44        |
| 2.8.3 Development .....   | 46        |
| 2.8.4 Maturity.....   | 47        |
| <b>Chapter 3: Research Methodology .....</b>  | <b>49</b> |
| 3.1. Introduction.....  | 49        |
| 3.2 Definition of Research Methodology.....   | 50        |
| 3.3 Research Design.....  | 50        |
| 3.4 Research Philosophy .....   | 51        |
| 3.4.1 Justification for Choosing Phenomenology as the Research Philosophy .....                       | 55        |
| 3.5 Research Approach .....   | 56        |
| 3.5.1 Choice of Research Approach and Justification .....   | 57        |
| 3.6 Research Strategy.....  | 57        |
| 3.6.1 Case Study, and Justification for Choosing this as the Research Strategy .....                  | 58        |
| 3.7 Data Collection Methods (Interviews).....   | 59        |
| 3.7.1 Justification for Choosing the Semi-structured Interview as the Data Collection<br>Methods..... | 63        |
| 3.8 Translation of the Interview Protocol .....   | 65        |
| 3.9 Data Analysis .....   | 65        |
| 3.10 Ethical Approval .....   | 67        |
| 3.11 Research Administration and Pilot Study .....  | 68        |
| 3.12 Evaluating the Research Outcomes .....   | 71        |
| 3.13 Summary .....  | 72        |
| <b>Chapter 4: Research Findings .....</b>   | <b>73</b> |
| 4.1 Introduction.....   | 73        |
| 4.2 Social Stages and Variables in Business Relations.....  | 73        |
| 4.3 The Demographic Data .....  | 74        |
| 4.4 Findings (Stage Name) of Stages of BRD from Libyan Companies' Viewpoints .....                    | 76        |
| 4.4.1 Stage One and Objectives .....  | 76        |
| 4.4.2. Stage Two and Objectives .....   | 78        |
| 4.4.3 Stage Three and Objectives .....  | 79        |
| 4.4.4 Stage Four and Objectives .....   | 81        |

|  |            |
|--|------------|
| 4.4.5 Stage Five and Objectives.....   | 82         |
| 4.4.6 Stage Six and Objectives .....   | 83         |
| 4.5 Stages of BRD and Variables from the Individual Libyan Companies' Viewpoints .....         | 84         |
| <b>Chapter 5: Research Discussion .....</b>  | <b>88</b>  |
| 5.1 Introduction.....  | 88         |
| 5.2 Summary of the Stages in Relationship Building .....                                       | 88         |
| 5.3 Discussion of Stages .....   | 91         |
| 5.3.1 Stage One .....  | 91         |
| 5.3.2 Stage Two .....  | 95         |
| 5.3.3 Stage Three .....  | 98         |
| 5.3.4 Stage Four .....   | 101        |
| 5.3.5 Stages Five and Six .....  | 103        |
| 5.4 Discussion of Stages and Variables .....   | 105        |
| <b>Chapter 6: Research Conclusion and Recommendation.....</b>                                  | <b>109</b> |
| 6.1 Introduction.....  | 109        |
| 6.2 Stages and Variables - Models of BRD in Libyan Companies.....                              | 109        |
| 6.3 Impact of Social Variables in Stages .....   | 113        |
| 6.3.1 Impact of Social Variables on the Pre-searching Stage (Pre-contact Stage) .....          | 113        |
| 6.3.2 Impact of Social Variables on the First Contact Stage (Initial Interaction).....         | 115        |
| 6.3.3 Impact of Social Variables on the Development Stage .....                                | 116        |
| 6.3.4 Impact of Social Variables on the End/Extension Stage (Maturity or Final Stage)<br>..... | 118        |
| 6.4 Limitations .....  | 119        |
| 6.5 Indications and Policy Recommendations for Future Research .....                           | 120        |
| <b>References .....</b>  | <b>122</b> |
| <b>APPENDIX 1.....</b>   | <b>136</b> |
| <b>APPENDIX 2.....</b>   | <b>137</b> |
| <b>APPENDIX 3.....</b>   | <b>217</b> |

## **Acknowledgements**

It is difficult to overstate my gratitude to my PhD supervisor Dr Jonathan Swift, for his advice and support throughout my studies.

I wish to thank my friends, for helping me get through the difficult times, also I would like to thank very much all Libyan companies, and for all the emotional support, camaraderie, entertainment, and caring they provided.

Lastly, and most importantly, I wish to thank my mother Gada Salah and also, my wife Sara Abogila. They help me, raised me, and supported me. To them I dedicate this piece of work. Also, I would like to thank everyone who was directly or indirectly been associated with my work and contributed to the success of this project. It is a pleasure to thank the many people who made this PhD possible.

## **List of Tables**

| <b>No.</b> | <b>Table</b>   | <b>Page</b> |
|------------|--|-------------|
| 2.1        | Stages in the Development of a Business Relationship             | 42          |
| 3.1        | Philosophical Stances for Research.                              | 51          |
| 3.2        | Features of Qualitative and Quantitative Research                | 52          |
| 3.3        | Positivism vs. Phenomenology                                     | 53          |
| 3.4        | Conditions for the Selection of Research Strategy                | 57          |
| 3.5        | Six Sources of Evidence in a Qualitative Approach and Case Study | 61          |
| 4.1        | Participants' Personal Details                                   | 73          |
| 5.1        | Summary of Number of Stages and Objectives                       | 88          |
| 5.2        | Summary of Stage One and Variables                               | 93          |
| 5.3        | Summary of Stage Two and Variables                               | 96          |
| 5.4        | Summary of Stage Three and Variables                             | 98          |
| 5.5        | Summary of Stage Four and Variables                              | 100         |
| 5.6        | Summary of Stage Five and Variables                              | 102         |
| 5.7        | Summary of Stage Six and Variables                               | 103         |
|            | List 1 of Glossary of terms (stages)                             | VII         |
|            | List 2 of Glossary of terms (variables)                          | VIII        |

## **List of Figures**

| <b>No</b> | <b>Figure</b>   | <b>Page</b> |
|-----------|---|-------------|
| 1.1       | Economy and GDP Information of Libya                            | 03          |
| 2.1       | The Psychogeography of Selected Nations: as Seen by the British | 28          |
| 3.1       | The Research Methodology processes                              | 50          |
| 3.2       | Types of Research Interview                                     | 59          |



## Two Lists of glossary of terms of stages and variables of BRD in Arabic vs. English

| <b>List 1: Glossary of terms (stages)</b> |  |
|---|--|
| <b>Stages of BRD in Arabic phrase</b>     | <b>Stages of BRD in English phrase</b> |
| البحث / البحث                             | Search/Searching                       |
| التفاعل الأولي                            | Initial interaction                    |
| تحسين / تحسين                             | Improve/Improving                      |
| نضج / بلوغ / رشد                          | Maturity                               |
| اكتشاف / وجد / تحرى                       | Find/Finding                           |
| اتصل / راجع / مس                          | Contact                                |
| تنمية / تطور / إنماء / تقدم / نشوء        | Development                            |
| إطالة / توسع / مدد / أطل                  | Extending                              |
| خلق فرص عمل جديدة فكرة العمل              | Create new business idea               |
| اجتماع / مقابلة / لقاء / دعوة / مواجهة    | Meeting                                |
| قبل الاتصال                               | Pre-contact                            |
| بدأ / شرع / استهل / شرع                   | Commence                               |
| ترجع / متدن                               | Declining                              |
| نمو / تطور / توسع / توسع / في حالة نمو    | Growth                                 |
| المرحلة النهائية                          | Final stage                            |
| جعل استراتيجية الأعمال                    | Make business strategy                 |
| تحديد أهداف العمل                         | Determine business goals               |
| النتائج / حصيلة                           | Outcomes                               |
| رتب / نظم / عدل / اتخذ                    | Arrange                                |
| إنهاء / نهاية / حد / توقف                 | Ending                                 |
| تمديد / ملحق / إطالة / المد               | Extension                              |
| قبل العلاقة                               | Pre-relationship                       |
| اتصالات / تبادل الآراء / صلة              | Communication                          |
| صيانة / حفظ / التزامات                    | Maintenance                            |
| البقاء على قيد الحياة                     | Survival stage                         |
| أو التوقف عن الاستمرار                    | Stop or continue our business          |
| قبل البحث                                 | Pre-searching                          |

| <b>List 2: Glossary of terms (variables)</b> |   |
|--|---|
| <b>Variables of BRD in Arabic phrase</b>     | <b>Variables of BRD in English phrase</b> |
| التقارب الثقافية                             | Convergence culture                       |
| موثوق / جاد / فعال                           | Reliable                                  |
| التزام / تعهد                                | Commitment                                |
| الوظيفة الجودة                               | Job quality                               |
| الرابط / اتصالات / جمع                       | Connecting                                |
| تقارب الثقافي                                | Cultural affinity                         |
| ضمانة / يقين / ثقة                           | Surety                                    |
| تعهد / التزام / وعد / ضمان                   | Pledge                                    |
| تجربة / خبرة / حنكة                          | Experience                                |
| العلاقة جيدة                                 | Good relationship                         |
| ثقافة مماثلة                                 | Similar culture                           |
| الثقة / أتمن / مسؤولية                       | Trust                                     |
| رضا / إرادة جيدة / شهرة المحل                | Goodwill                                  |
| التزام / واجب                                | Obligation                                |
| العلاقات                                     | Relations                                 |
| تشابه الثقافة                                | Resemblance culture                       |
| حب / ميل / دلال                              | Liking                                    |
| رضا / إشباع رغبة / إرضاء                     | Satisfaction                              |
| ثقافة التشابه                                | Culture similarity                        |
| الرضا الوظيفي                                | Job satisfaction                          |
| اتصالات / تبادل الآراء / صلة                 | Communication                             |

## List of Questions (Arabic and English)

| 1. Pre – Contact Stage   |  |
|--|--|
| Questions (English)  | Questions (Arabic)   |
| 1. How do you generally find new business partners? ”When you have decided that you need to look for new partners?   | - بشكل عام كيف تختار و تجد شريك العمل ؟ و متى قررت البحث عنه ؟                   |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?   | - ما الذي تحاول إنجازه ؟ و ما هي أهدافك في هذه المرحلة ؟                         |
| 3. “Can you give me any examples of how you did this type of search?”<br>“What was the outcome?”   | - هل يمكنك إعطائي مثال عن طريقة بحثك عن الشريك ؟ و ما هي النتائج ؟               |
| 4. “In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?” | - ما هي اهم المقومات التي تأخذها في عين الحسبان أثناء بحثك عن الشريك ؟ و لماذا ؟ |

| 2. Initial Interaction Stage   |   |
|--|---|
| Questions (English)  | Questions (Arabic)  |
| 1. “Generally what are you trying to achieve” and what are your aims and objectives at this level or stage?  | - ما الذي تريد ان تنجزه ؟ و ما هي أهدافك عند هذه المرحلة ؟  |
| 2. Once you have chosen your business partner, how do you contact them?<br><br>In another word “When you first contact a potential partner, how do you generally do it - email, fax, telephone?”<br><br>“What language do you use, and do you generally use formal or informal communications, and why?” | - عندما وقع اختيارك على الشريك ما هي آلية الاتصال بهم ( ايميل - فاكس - تليفون .. الخ ) ؟ و ما هي اللغة التي تستخدمها ؟ و هل تخاطبهم بلهجة رسمية أو لا ؟ و لماذا ؟ |
| 3. If you plane to have a meeting, how do you set it up? And how do you establish a new working relationship with other people?  | - إذا كنت تخطط لمقابلة عمل كيف ترتب لها ؟ و كيف تعد لتوطيد علاقة العمل مع الشركاء ؟ من يرتب لهذه المقابلة ؟ و كم من الوقت ستخصص لهذه المقابلة ؟                   |

|  |   |
|--|---|
| <p>In another word “When you first meet these people, who arranges the meeting?”</p> <p>“How long does the first meeting generally last, and what language is used?”</p>   |   |
| <p>4. “During the development the relationship, how do you generally keep in contact with your business partner?”</p> <p>How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why?</p> | <p>- أثناء تطوير و توطيد العلاقة مع الشركاء كيف تحافظ على الاتصال بهم ؟ كم يأخذ منك من وقت تحديد المتغيرات و المراحل التي قد تؤثر على العلاقة التجارية مع الشركاء ؟ و لماذا ؟</p> |
| <p>5. “In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?”</p>  | <p>- عموما ما هي اهم العوامل التي تبحث عنها عند تطوير العلاقات التجارية مع الشركاء ؟</p>  |
| <p>6. “Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?”</p>                | <p>- هل تتوقع من شريكك اي شيء قد يجبرك على توقف العلاقة التجارية بينكما عند هذه المرحلة ؟</p>   |
| <p>7. “Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?”</p>                               | <p>- هل تتوقع ان تسبب لشريكك اي شيء قد يجبره على وقف العلاقة التجارية بينكما ؟</p>  |
| <p>8. “Have you any (recent) examples of how you have successfully developed relations with a new business partner?”</p> <p>In another word to what extent you can make the meeting or any deal successful with foreign companies?</p>                                       | <p>- هل لديك اي مثال حديث عن تطوير العلاقة التجارية مع الشركاء الجدد (الشركات الأجنبية) ؟</p>   |

| 3. Development Stage  |   |
|---|---|
| Questions (English)   | Questions (Arabic)  |
| <p>1. “Generally, what are your objectives at this stage? What are you trying to achieve”</p> | <p>- بشكل عام ماهي أهدافك عند هذه المرحلة ؟ ما الذي تريد إنجازه ؟</p> |

|   |   |
|---|---|
| 2. "How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone?<br><br>What language do you use, and do you generally use formal or informal communications, and why?"   | - كيف تحسن و تطور طريقة اتصالك بشريكك ؟ و ما هي اللغة التي تستخدمها ؟ و هل تتعامل معه بلغة رسمية ام لا ؟  |
| 3. "When you now have meetings with your partner, how frequently are these held?<br><br>"What are the main objectives of these meetings?"<br><br>"Do you generally go to them, or do they come to you?"<br><br>"How long do meeting generally last, and what language is used?" | - مقابلاتك مع شريكك بخصوص العمل تتكرر كم مرة ؟ و ما هي أهداف هذه المقابلات ؟ و في العادة انت من يذهب اليهم أم هم من يأتي إليك ؟ و كم تستمر من وقت ؟ و ما هي اللغة المستعملة ؟ |
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"   | - ما هي العوامل الأساسية التي تبحث عنها لتؤسس علاقات جيدة و مستمرة مع الشريك ؟  |
| 5. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"  | - هل تتوقع من شريكك شيء يضطرك إلى إيقاف العلاقة التجارية مع الشريك ؟  |
| 6. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?"                                    | - هل تتوقع ان يحدث اي شيء يجعل شريكك يوقف العلاقة التجارية بينكما ؟   |
| 7. "Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?"  | - هل لديك اي أمثلة حدثت مؤخراً تساعد و تؤدي إلى علاقات ناجحة مع الشريك ؟  |

| 4. Maturity Stage  |  |
|--|--|
| Questions (English)  | Questions (Arabic)   |
| 1. "Generally, what do you want to achieve at this stage?"   | - عموماً ما الذي تريد إنجازه في هذه المرحلة ؟  |
| 2. "How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone?" | - عموماً كيف تحافظ على الاتصالات مع الشريك ؟ و لماذا ؟ و ما اللغة التي تستعملها ؟ و هل تخاطبه بلغة رسمية ام لا ؟ |

|  |  |
|--|--|
| What language do you use, and do you generally use formal or informal communications, and why?"  |  |
| 3. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | - في اعتقادك ما هي اهم العوامل التي تساعد على المحافظة على العلاقات التجارية مع الشريك ؟   |
| 4. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"   | - هل تتوقع حدوث اي شيء يؤدي إلى وقف العلاقات التجارية في هذه المرحلة ؟   |
| 5. "Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?"  | - هل لديك أمثلة حدثت مؤخرا تساعد على المحافظة على علاقات ناجحة مع الشريك ؟   |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | - كما تعلم عند هذه المرحلة يوجد تفاهم متبادل و تقارب آراء من الناحية الثقافية ، هناك حاجة للحفاظ على المستوى الحالي من الثقة و الالتزام و تعزيز الخبرة لتؤدي الى علاقات تجارية ناجحة ..من وجهة نظرك هل تجد هذا الأمر منطقياً ؟ |

| General Questions   |  |
|---|--|
| Questions (English)   | Questions (Arabic)   |
| 1. "In which countries are most of your business partners based"  | - اغلب شركائك من اي دول ؟  |
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya?                | - ما هي العوامل التي تأخذها الشركات الأجنبية بعين الاعتبار عند تأسيس علاقات تجارية مع الشركات في ليبيا ؟ |
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | - ما هي العوامل التي تأخذها الشركات الليبية بعين الاعتبار عند تأسيس علاقات تجارية مع شركات أجنبية ؟      |
| 4. What is important steps can you take to carry on building good relationships between you and your partner?                               | - ما هي الخطوات المهمة التي تتبناها لبناء علاقات تجارية مثينة مع الشريك ؟                                |
| 5. "What recommendations would you give to a foreign company seeking to develop business relationships with Libyan companies?"              | - بماذا تنصح الشركات الأجنبية التي ترغب في بناء و تطوير العلاقات التجارية مع الشركات الليبية ؟           |

## **Abbreviations**

- BRD: Business Relationship Development.
- BR: Business Research.
- IBRD: International Business Relationships Development.
- GDP: Gross Domestic Product.
- IMP: International Marketing Partner.
- PR: Public Relations.
- UK: United Kingdom.
- RB: Relationship Building.

## **Abstract**

The study was designed to explore the social variables that exist in the development and maintenance of business relationships with Libyan companies. It involves an investigation of the stages in the development of business relationships, and the mechanisms required to ensure these relationships are sustained.

The variables and stages associated with business relationship development are essential features to be considered by all international businesses. International Business Relationship Development (IBRD) has attracted wide investigation by researchers over the last three decades. In this study of the issue, the interview method is employed with 17 Libyan companies in relationships with foreign companies in the context of the tourism industry. The researcher initially collected demographic information and then proceeded to gain in-depth data through the use of open-ended questions.

After analysing the data gathered from the 17 Libyan companies and bearing in mind the suggested stages and variables connected with IBRD provided by a number of authors in the Literature Review, the researcher proposes a list of four factors (stages) and four variables associated with business relationships that are considered significant in the development of cross-cultural business relationships with Libyan companies. These factors and variables are useful to international companies seeking to do business with Libyan companies, and hence, make a contribution to the literature in the field. The four stages are identified as being: (1) pre-searching stage, (2) first contact stage, (3) development stage, and (4) end/ extension stage; and the four variables are: (1) cultural empathy, (2) job experience and trust, (3) obligation and commitment, and (4) job quality and communication.

The study finds that it is very difficult for one party to end a relationship with another party that actually does a good job for it. The secret of partnership loyalty is doing what may be considered inconsequential things, but which are nonetheless, actually seen as major support in the eyes of the partnership. Such



behaviour goes beyond the partnership's expectation and, as a result, makes a big impact. Businesses need to have the imagination to find a continual stream of new and different initiatives.

## **Chapter 1: Introduction**

### **1.1 Introduction**

The development of business relationships is vitally important to the growth of an organisation. According to Zineldin (2007), a great deal of attention has been paid to the shifting business environment throughout the world; this shift has led to an increase in the emphasis placed on business relationships. The development of such relationships enhances the ability of businesses to operate more efficiently. For instance, relationships with suppliers are extremely important, and maintaining these connections ensures that the supplies will arrive at the agreed time and that the quality of the products will be of the agreed value.

The building of business relationships is also essential for transnational corporations, which depend heavily upon their ability to expand globally, and consequently, the presence of certain relationships becomes vitally important. These relationships must be developed with sellers, buyers and even governments. The development of each of these relationships helps the company to operate in a manner that is efficient and profitable.

Whilst the development of such relationships is essential, it can also be difficult to achieve. The purpose of this research is to focus on the various ways in which business relationships can be developed, and it begins with a brief history of relationship development within the business environment. The research also focuses on the variables in a business relationship, the stages of development of that relationship, and the objectives associated with the business relationship development.

Libya is classified as a developing country (AMS, 2012), and although it has long had relationships with the West, it has been subject to UN sanctions for many years, essentially because of its foreign policy (BBC, 2004), which caused a rather volatile relationship with the United States and many other countries. Whilst Libya was not at war with any of these countries, neither was it at peace, and there was suspicion and discomfort on both sides. However, all that occurred under the previous political regime headed by Gaddafi, which has now

fallen, and with that in mind it is important to re-assess what Libya has to offer and how successful international business relationships can be established and maintained between it and the rest of the world in the future. However, simply saying what the issues are and then ignoring what can be done to move toward the establishment of business relationships, does not solve the problems, but we should critically investigate the current state of the IBRD literature and then try to explore the characteristics that determine sustainable international business relationships within any business context (Schmitz, 1997; Viotti and Kauppi, 2006).

This study addresses the issue of which factors underpin successful business relationships and the stages in the development of such relationships. It examines the extent to which these can be applied in the current Libyan context and explores the process from the Libyan point of view. This is done by analysing the impact of such variables and establishing their potential for use as a yardstick to measure business challenges within Libya in its new phase of national development.

## **1.2 Research Background**

Libya is located in North Africa bordering Egypt to the east, Tunisia and Algeria to the west, and Chad, Niger and Sudan to the south. It has a population of 5,323,000 inhabitants, and covers a total area of 1,759,540 square kilometres (CIA, 2006). The Libyan economy is dominated by hydrocarbons (oil) and the total GDP for 2009 was US\$ 99.673 billion (Global Finance, 2011).

In previous regime Libya's economy was centrally planned, yet in recent years the government began to introduce market-oriented reforms, such as reducing subsidies and privatising many government-owned companies (Global Finance, 2011). As part of this wide reformation, encouragements were given to develop a tourism industry, which is gradually growing, with international tourism arrivals in Libya being reported as 39,000 in 2008, 57,000 in 2009, and 79,000 in 2010 (Alwatan Libya, 2012).

**Figure 1.1: Economy and GDP Information of Libya**

## Economy of Libya



|   |  |
|---|--|
| <b>Rank</b>   | 69   |
| <b>Currency</b>   | <a href="#">Libyan dinar</a> (LD)  |
| <b><u>Fiscal year</u></b>   | calendar year  |
| <b>Trade organisations</b>  | <a href="#">OPEC</a> , <a href="#">Common Market for Eastern and Southern Africa</a>   |
| <b>Statistics</b>   |  |
| <b><u>GDP</u></b>   | \$80.442 billion (2010), \$36.874 billion (2011), \$79.691 (2012, projected) <sup>[1]</sup>  |
| <b>GDP growth</b>   | 2.5% (2010), -61.0% (2011), 76.3% (2012, projected) <sup>[1]</sup>   |
| <b>GDP per capita</b>   | \$12,285 (2010), \$5,691 (2011), \$12,059 (2012, projected) <sup>[1]</sup>   |
| <b>GDP by sector</b>  | agriculture (7.6%), industry (49.9%), services (42.5%)   |
| <b><u>Inflation</u> (CPI)</b>   | 2.5% (2010), 14.1% (2011), 1.9% (2012, projected)  |
| <b>Population</b>   | 7.6% (2006 est.)   |
| <b>below <u>poverty line</u></b>  |  |
| <b>Labour force</b>   | 1.64 million (includes unemployed) (2005)  |
| <b>Labour force by occupation</b>   | agriculture 17%, industry 23%, services and government 59% (2004 est.)   |
| <b>Unemployment</b>   | 10% (2009)   |
| <b>Main industries</b>  | <a href="#">petroleum</a> , <a href="#">steel</a> , <a href="#">iron</a> , <a href="#">food processing</a> , <a href="#">textiles</a> , <a href="#">cement</a>               |
| <b>External</b>   |  |
| <b>Exports</b>  | \$44.89 billion (f.o.b., 2010 est)   |
| <b>Export goods</b>   | <a href="#">crude oil</a> , refined petroleum products, <a href="#">natural gas</a> , chemicals  |
| <b>Main export partners</b>   | <a href="#">Italy</a> 37.65%, <a href="#">Germany</a> 10.11%, <a href="#">France</a> 8.44%, <a href="#">Spain</a> 7.94%, <a href="#">Switzerland</a> 5.93%, USA 5.27% (2009) |
| <b>Imports</b>  | \$24.47 billion (f.o.b., 2010 est)   |
| <b>Import goods</b>   | machinery, transport equipment, semi-finished goods, food, consumer products   |
| <b>Main import partners</b>   | Italy 18.9%, China 10.54%, Turkey 9.92%, Germany 9.78%, France 5.63%, Tunisia 5.25%, South Korea 4.02% (2009)  |
| <b><u>FDI</u> stock</b>   | \$18.64 billion (31 December 2010 est.)  |
| <b>Gross external debt</b>  | \$6.378 billion (31 December 2010 est.)  |
| <b>Public finances</b>  |  |
| <b>Public debt</b>  | \$4.267 billion (2005)   |
| <b>Revenues</b>   | ▲\$25.34 billion   |
| <b>Expenses</b>   | \$15.47 billion, including capital expenditures of \$5.6 billion (2005)  |
| <b>Economic aid</b>   | recipient <a href="#">ODA</a> \$4.4 million (2002)   |
| <b><u>Main data source:</u></b>   | <a href="#">CIA</a> <a href="#">World Fact Book</a>  |
| <i>All values, unless otherwise stated, are in <a href="#">US dollars</a></i> |  |

Source: Alwatan Libya, 2012

However, it remains the case that much of Libya's industry is still controlled by the state and state-run machinery. Most companies are based on a hierarchical structure in which decisions are generally made by individuals at the top of the ladder, rather than on the appropriateness of certain individuals to participate in the decision-making (Wallace and Wilkinson, 2004).

This type of organisational structure is the outcome of Libyan culture, in which the two most influential values are religion, and deeply-rooted family ties. In fact, these are characteristics that Libya shares with other Arab countries. Islam has been the predominant religion historically that has affected the social, political and economic life of the people, with Christianity being the next most popular religion. Thus, as ordained by religion and cultural practices, Libyan society has a very strong sense of community and familial loyalty, which can be observed in all aspects of daily life including the workplace. Libyan society is divided into a class system incorporating the Arabs, Berbers and Tuareg, the Arabs being the dominant group. Classifying Libyan families into groups we can see that they clearly fall into certain categories, each possessing some unique cultural trait that they exhibit in their personal life. Essentially, these categories are: the Bedouin family (desert dwellers), the rural family, the urban family, the transitional family, and the Libyan family with its international background (Al-Teer *et al.*, 1992; Agnaia, 1996).

For Libyans, tribal loyalty takes precedence over commitment to the ideals of the organisation and the jobs in which people are employed. Consequently, employees often disregard departmental rules and procedures to accommodate other people's requests (Agnaia, 1996). For example, at the management level, research has indicated that managers are more loyal to their communities than to the job (Gannous *et al.*, 1990). Administrative and managerial decisions are made on the basis of tribal loyalties, and ideological cohesion tied up with sectarian considerations, rather than on objective evaluations (Al-Teer *et al.*, 1992; Agnaia, 1997). People with strong connections and tribal familiarity are able to avail themselves of public administrative facilities while others regularly face bureaucratic hurdles. In the workplace, socialising between employees

during work hours is considered an acceptable activity, despite the known fact that it leads to extended work hours and reduced productivity.

The Libyan government and some private organisations and universities have introduced special education programmes to improve the quality of workers and managers, but, most have been ineffective. This is because firstly, they have not targeted the root of the problem, that being as just indicated, the societal culture that has given birth to such habits (Farley, 1971). Secondly, most of the programmes that have been implemented are theoretical in nature, and do not promote any change in practice (Adwebi, 1992).

If there is to be a successful attempt to revamp the indigenous work ethic in Libya, it must take into consideration the cultural values that have developed over time. Such values will not disappear overnight, but now, there is a window of opportunity for this change to occur since modernisation and globalisation have affected Libya, and Libyan society is slowly transitioning. For example, traditional family groups such as the Bedouin (desert dwellers) have begun to take part in the economic life of the country, by taking up paid work in sectors such as education, nursing, and administration (Gannous *et al.*, 1990; Libyan Central Bank, 1975-2002).

However, there are some serious challenges to this potential for genuine change such as increased population, local economic, neighbors merchant and increased of private sectors, not least by the political ideology proposed by Colonel Gaddafi after the 1969 revolution. The Third Universal Theory developed by Gaddafi as a social philosophy for the country, rejected foreign intervention and values, such as democracy and capitalism, and has made it difficult to adopt western work ethics. However, it has become imperative for Libya to inculcate some of these values in its culture and hence, in its business environment if it seriously wants to create a dynamic work environment. The end of the civil war brings the possibility of such change to the fore, as Libya seems to be on the verge of a drastic overhaul of its political and social ideology as it prepares for the next elections (Alwatan, 2012).

In terms of work culture, Libya resembles the countries of Asia and Africa (especially in the north of Africa) more than those in Europe, or the USA, in as much as planning is short term and not pragmatic. Only when it comes to large-scale projects does strategic thinking dominate. As previously stated, the economy is completely underpinned by the hydrocarbons sector which accounts for over one-third of national output and generates over 95% of total foreign exchange earnings. The sector provides employment for just 2% of the population and the contribution of agriculture remains negligible. The exploitation of oil and gas reserves has funded the development of most other sectors (Global Finance, 2011).

### **1.3 The Need for the Research**

There are two main factors that make this area of study a valuable one to investigate, these being:

- The dearth of research on business relationship development in Libya, and
- Poor Libyan global experience in business relationship development.

In respect of the first factor, it is true that studies showing variables and stages in business relationships are not in short supply, and include those by Jüttner and Wehrli (1994), Dion *et al.* (1995), Dawar *et al.* (1996), Holm *et al.* (1996), Selnes (1998), Ali and Birley (1998), Conway and Swift (2000), Wright (2004), Powers and Reagan (2007), and Brooks (2008). However, such studies are generally undertaken in developed countries, and Libya is classified as a developing country. Despite extensive research, nothing has been found on business relationship development in the Libyan context, and consequently, there is a need for some intelligence in this matter.

In respect of the second factor, the evidence that Libya has poor Libyan global experience in business relationship development is sufficient to warrant the type of investigation undertaken in this study, since the need is for Libya to enhance its capability in the international business field. Libya's poor experience in this connection has arisen because of several historical events.

As already mentioned, Libya was subject to sanctions from the USA and UN for many years, and this situation arrested its development. Moreover, recently there has been civil war in many cities in Libya (BBC, 2011), and the establishment and maintenance of business relationships has not been at the forefront of people's minds. However, in the aftermath of the civil war, the atmosphere is calmer, and the interim government has established a new plan for Libya, which included interim elections that took place in July 2012 (Alwatan, 2012). Nowadays the Libyan Government is establishing and building up the structure of a new Government (Alwatan, 2013).

Nonetheless, despite the new forward-looking interim government's plans, most Libyan companies lack experience of trading internationally. This is a problem given the government drive for internationalisation, and the fact that there are many international firms trying to invest in Libya, especially in oil, communications, tourism, and the food industry (Libya Alhurrea, 2011). Consequently, Libyan companies find themselves with a need to improve their knowledge and experience, to allow them to participate in international business more successfully. At the same time, foreign companies wishing to invest in Libya need to be aware of the prevailing business environment, the national culture, and the expectations of foreign investors, so that they can develop their strategies in line with these factors.

Given what has been said so far about Libya's absence from international trade for many years, it is expected that the results of this study will show that culture and a lack of experience are the largest problem when it comes to overcoming the issues that are causing strained international business relations with Libya.

Therefore, the researcher has interviewed 17 Libyan companies in the tourism sector as they all fulfilled the criteria of being involved in the tourism sector and hence being active internationally. Moreover, these companies were located throughout Libya. Obviously, the tourism sector is one of the sectors that is naturally involved with companies outside Libya (active globally) also does not effected by government rules in terms of its own decisions when dealing with global organisations, and that seeks to do as much business as



possible, given the efforts to diversify the Libyan economy in order to reduce the reliance on the oil and gas sector. In choosing all companies contacted, the researcher used a number of criteria, these being: company size, reputation, power and position in the market, and international specialty. To identify and fill the gaps in the literature, and the interviews have given a clear picture on the current poor literature relating to the development and maintenance of business relationships with Libya, in the same time those results given a practical value to international businesses that interested to develop relationships with Libyan companies. That means that, this study provides evidence for stages and variables of the business relationships that Libyan companies go through when they go global.

## **1.4 Research Outline**

### **1.4.1 Aim of the Study**

The aim of the study is to conduct an exploration of the social variables involved in the development and maintenance of business relationships with Libyan Companies. This implies an investigation of the stages within the development of business relationships and the mechanisms required to ensure these relationships are sustained.

### **1.4.2 Objectives**

In order to achieve the above aim, three specific objectives are identified as follows:

1. To critically examine the current state of the international business relationship development literature.
2. To explore the characteristics that determines sustainable international business relationships from the Libyan point of view.
3. To create a model based on the findings from the two investigations in the above objectives. This model will serve two main functions, these being: it will help to fill the gap in the current literature relating to the development and maintenance of business relationships with Libya, and it will be of practical value to foreign businesses wishing to develop relationships with Libyan

companies. Additionally, the model may be useful for testing with a larger sample of companies at a later date.

### **1.4.3 Research Questions**

Three research questions are formulated as a means of pursuing the above objectives, these being:

- What are the major steps/stages and variables at each of these stages that Libyans go through when establishing business relationships?
- Why are these stages and variables so important for Libyan organisations?
- How can foreign organisations establish/maintain sustainable international business relationships with Libya?

### **1.4.4 Contribution to Knowledge**

There is a lack of empirical studies relating to business relationships in developing economies (Thiagaragan *et al.*, 2001; Alexander *et al.*, 2002). Wallace and Wilkinson (2004) observed that a gap in the knowledge and understanding of the implementation of business relationship development practices exists in various regions of the world, in particular Africa, Middle East, and Latin America. This study will contribute towards narrowing that gap.

Libyan companies lack concrete experience of global business relations, and this cannot be remedied by reference to research on business relationships development in the Libyan context, since no such research exists. Both of these shortcomings are the result of the economic sanctions and political isolation that were imposed upon Libya for many years (Alwatan, 2012). The new political regime and outlook provides the opportunity to attempt to discover a new understanding of the practices employed by Libyan companies, and hence to improve the level of knowledge in this respect.

In seeking to collect data from 17 companies in Libya, the study tries to make a substantial contribution to the literature, since it will have potential for generalisation, and therefore, for strengthening any claims made by it. With such strengths, the results can also be valuable for global organisations that are

seeking to do business with Libyan companies, and hence, there will be a practical contribution as well.

From the review of the literature and the particular influences that are discussed in connection with variables and stages of business relationships, the study makes an original contribution to knowledge through its provision of insight relating to factors that affect business relationships in Libya. The possible identification of unique cultural factors that influence the variables and stages in the development of business relationships with Libyan companies will also be of interest to other countries sharing similar backgrounds to Libya, and therefore, make a contribution to knowledge about business in Arab countries.

## **1.5 Review of the Chapters**

### **1.5.1 Chapter 2: Literature Review**

The literature review provides a comprehensive analysis regarding the aspects that are pivotal to the development and maintenance of business relationships. This begins with the reasons and causes that determine why the business relationship plays an integral part in long-term associations.

The literature review also provides an in-depth analysis of the stages in the development of business relationships (that incorporate pre-contact, initial interaction, development, and maturity), which it is equally important to understand as the social variables, as a knowledge of these stages helps to sustain relationships over a long term.

### **1.5.2 Chapter 3: Research Methodology**

Chapter 3 provides details of the research design and methodology that has been used in the study. It explains the approach to the study as being qualitative, and that the phenomenological paradigm has been adopted as the underlying research philosophy. It also shows that an inductive technique is used, with semi-structured, face-to-face interviews as the appropriate means of gathering information from managers, supervisors, and other experts from 17 companies in Libya's tourism sector. The chapter also discusses the considerations

regarding language during the research, and the fact that a pre-matching strategy is used for the data analysis. It emphasises that the selection of all these methods is the logical way forward for a social study that seeks to gain personal perspectives and interpretations, which are important in developing fruitful solutions to the problem identified.

### **1.5.3 Chapter 4: Research Findings**

Due to the nature of the tourism industry which is active globally and has an relaxed access to collect data, in the same time some other private sectors such as fast-food and car hold-sellers industries were not able to participate as there was unrest and similarly some other public sectors such as oil & gas and agricultural industries were affected by government decisions and therefore were not able to participate to the current study. The results of the semi-structured interviews are presented, from which it is shown that similar opinions were shared among all the study participants with respect to the stages that are essential in building a business relationship. The chapter shows that the search for a partner is acknowledged as potentially being the most important stage for all the participants since in this search they have to ensure they find a partner whom they can trust, and who demonstrates a sense of cultural awareness with commitment, goodwill, job quality, and communication. Stage two in the process is shown to involve communication or interaction (sharing, transmitting information and working in collaboration) and this is observed as a time when the skills associated with this element are very much needed as communication is recognised as being crucial to the development of the relationship. It is demonstrated in this chapter that all interviewees stressed the requirement for trust, cultural awareness, commitment, and job quality which are demanded as the most significant aspects in the third and fourth stages (developing, improving and maintaining the relationships), as these characteristics encourage sustainability of the relationships.

### **1.5.4 Chapter 5: Research Discussion**

Chapter 5 provides a detailed discussion of the findings in the light of the literature relating to the social variables that play an integral role in developing and maintaining business relationships. As identified in Chapters 2 and 4, building, maintaining and sustaining business relationships internationally has

become key for business success, and as also identified in these chapters, the social variables such as cultural affinity, trust, commitment, communication experience, and satisfaction, are the common and widespread aspects of such relationships that facilitate their development and sustenance. These social variables and their impact are discussed in detail in this chapter, thereby showing how Libyan companies can seize opportunities to maintain healthy relationships over the entire cycle of their business dealings.

#### **1.5.5 Chapter 6: Conclusion and Recommendation**

In Chapter 6 a conclusion is drawn to the study, and the model developed by the researcher is put forward, offering a clear direction for international companies and enterprises to follow in respect of the social variables that are known to impact upon the development and maintenance of business relationships with Libyan companies.

## **Chapter 2: Literature Review**

### **2.1 Introduction**

In a world that is increasingly global there are considerations that must be taken into account by companies wishing to have access to a market that is truly international. One such consideration refers to the concerted efforts required by a business to ensure that it is able to build and sustain relationships with suppliers, consumers, and other stakeholders.

The process of relationship building and management is, therefore, one in which the business tries to build long-term, trusting, 'win-win' relationships with customers, distributors, dealers and suppliers. Positive relationships with customers, with suppliers and with employees, are the basic requirements for any business wanting to grow at a sustainable pace, and it is necessary for a business to continuously expand and improve its network and quality of relationships. In the absence of positive relationships it becomes extremely difficult for a business to grow.

There is an obvious need for some businesses to rely more on relationship building (such as management consultants, lawyers, and accountants) than other businesses (self-service petrol stations, direct marketing firms, etc.). At the same time however, it is essential to remember that relationships with others are important to every business. Likewise, it is important to understand that relationship building happens between people, within organisations, and not between the organisations themselves.

There are a number of industries that depend on their relationships with stakeholders – customers, employees, as well as those with suppliers and partners, investors and market analysts, and even control and government regulators, trade associations and other entities that influence the general business climate. Ford *et al.* (2003) point out that the management of relationships among all business stakeholders has become the critical task on which a company's very existence stands or falls.

An increasing number of companies and businesses have benefited from establishing and nurturing ongoing relationships with their stakeholders or investors (Ford *et al.*, 2003). Additionally, there are many in the process of change who have begun to switch their emphasis from discrete transactions, toward shaping longer-term, mutually beneficial exchange relationships (Claycomb and Martin, 2001). Indeed, it is noted that the capital and wealth embedded in relationships is now more important than the capital and wealth contained in the land, factories, buildings, goods and even bank accounts (Galbreath, 2002).

The most common cause for entering into a business relationship is to gain mutual advantages that can be derived from such a connection. Such advantages can be seen through reduced costs resulting from entering into a long term understanding with suppliers, or increased value of the business through developing shared knowledge or technology. Hence, organisations usually have well defined objectives for entering into such an association, and these objectives generally involve strategic considerations regarding resource allocation, risk sharing, etc. Organisations operating abroad may also decide to enter into such an arrangement with local organisations as a means of improving their level of cultural affinity (Wright, 2004). These considerations motivate people to convert short term market relationships into longer business associations (Archer and Yuan, 2000). Businesses may also decide to enter into such a bond to enhance their reputation (Powers and Reagan, 2007).

There is extensive research on the factors that contribute towards the success of a business relationship. Authors include Anderson and Narus (1990), Morgan and Hunt (1994), Mohr and Spekman (1994), Ganesan (1994), Garbarino and Johnson (1999), Adobor and McMullen (2002), Heffernan (2004), Wright (2004), Gounaris (2005), Castro *et al.* (2005), Lages *et al.* (2005), Gittell (2006), Cheng (2006), Powers and Reagan (2007), Gil-Saura *et al.* (2009), etc. According to Rauyruen and Miller (2007), a successful business relationship is defined in terms of its quality. Some factors that improve this quality are discussed below:

- Communication has been identified as an important factor. Greater person-to-person contact or higher frequency of contact and positive experiences tend to build a longer lasting relationship (Nielson, 1998). Galbreath (2002) has taken this research a step further and has shown how electronic contact is more effective than other forms of communication in building stronger business relationships.
- The individual skill and personalities of business representatives or negotiators is also an important factor (Cheng, 2006). This is because negotiators who are amenable are able not only to conclude a business arrangement, but also to increase its depth over time due to the ease that both parties feel with each other.
- The belief system also plays an important part in developing these associations. The stakeholders must believe that their interdependence is the most effective way of conducting business so that they work towards building stronger relationships (Cohen, 2006). Failure to comprehend the main goals when entering into a business relationship may result in a very weak association that either withers over time or does not deepen because the parties do not see any utility in it.

Despite the amount of research on business relationships there are still some unexplored areas. Firstly, whilst it is acknowledged that relationships are constantly evolving, there is a lack of research on which factors are more effective than others at a particular stage of evolution. For example should communication be the most important strategy from the start until the maturation of the association or are there other competing factors that should take precedence? Secondly, business relationships take various forms such as that between a customer and a manager, a manufacturer and a supplier etc. It is still unclear whether factors contributing towards stronger ties in one particular exchange are universal for all types of business associations or specific to some exchanges. Thirdly, it is still unclear which of these factors have the most effect on economic gains for a company which makes the need for a business relationship even more viable for the stakeholders.



## **2.2 Reasons for Business to Business (B2B) Relationships**

The B2B relationship is a process where two or more firms form strong and extensive social, economic, service, and technical ties over time. There are various reasons to establish B2B relationships. According to Castro *et al.* (2005), such relationships represent a valuable resource, essential for economic performance. Gummesson (1999) notes that businesses in relationships are able to leverage knowledge about customers and other market actors (e.g. employees, partners, providers, investors) that enables them to transform their products and services into memorable experiences that create unique value. Buttle (2008) points out five reasons for creating and maintaining B2B relationships, as follows:

- (1) Product complexity
- (2) Product strategic significance
- (3) Service requirements
- (4) Financial risk
- (5) Reciprocity

Hedaa and Ritter (2005) note that the development of B2B relationships has had different orientations, these being:

- (1) Production/competence
- (2) Product/offering
- (3) Marketing orientation/solution
- (4) Customer orientation/problem
- (5) Networks

It is suggested by Biggemann and Buttle (2004) that a significant reason for companies wanting to build relationships is the value that such connections generate. And on the same matter, Eisingerich and Bell (2008) indicate three reasons which impel B2B service providers to form relationships, the first being that long-term exchanges between firms are important in a services marketing context since services are intangibles, and therefore, business customers find it difficult to evaluate service quality. As relational exchange transpires over time, exchange partners may benefit from reduced uncertainty, exchange efficiency and effective collaboration. Secondly, most service providers currently face

intense competition and incur substantial costs in their development of new services. The relationships with other actors that provide highly specialised activities can facilitate profitable de-integration of value chains and increase innovation by facilitating greater specialisation of both inputs and outputs. In other words, this 'flexible specialisation' may lead to improved efficiency, reduced input prices, and greater speed to market. Thirdly, in a B2B service context, the networks can be especially important because strong business linkages between firms can result in complementarities with respect to resources, which can facilitate the provision of integrated solutions. Moreover, openness to new and diverse exchange partners facilitates access to new technologies and service know-how.

### **2.3 Type and Format of B2B Relationships**

The differing reasons for entering B2B relationships influences the character of the relationships, which can appear as partnerships, joint ventures, strategic alliances (Donaldson and O'Toole, 2007), trade associations, interlocking directorates, and networks (Barringer and Harrison, 2000). Today traditional markets are being replaced by networks (Moller and Halinen, 1999).

Organisations orientated to networks should have the skills to manage these relationships. According to Ritter and Gemunden (2003) and Ritter *et al* 2004), these skills might be considered as 'network competence' that is determined by such factors as access to resources, network orientation of human resource management, integration-organisational communication, and openness of corporate culture. Networks of value-creating relationships minimise transaction costs and provide access to valuable group resources and capabilities. In addition, internal markets may permit firms to transfer financial resources so as to reduce risk, and ensure network survival. These advantages may be more pronounced in emerging markets, where external markets are less efficient (Estrin *et al.*, 2009). Lay and Moore (2009) distinguish between two types of business networks - the collaborative network, and the co-ordinated network. A collaborative network might be characterised by high complexity, outgrowth of project teams and focus on expertise, innovation and market development. Such a network is organised around the orchestrator and is relationship-oriented.

On the other hand, a co-ordinated network is transaction-oriented, has high volume, is organised around a concentrator and its outgrowth is value chains. Relationship management in business networks is complex because the co-operation and joint involvement are relationships. Johnston and Clark (2008) suggest two main formats of business and customer relationships. The first is the relationship that advocates a multiplicity of contacts and formats based on the portfolio of service products frequently found in higher volume operations, whilst the second is the personal relationship created between an individual customer and an employee, particularly prevalent in low-volume professional organisations. Donaldson and O'Toole (2007) also cover temporary relationships, recognising the transactional, one-off nature of many services. They distinguish four types of relationships: close, dominant partner, recurrent, and discrete, pointing out that each one of these types differs in terms of the contributed assets, communication, type of co-operation, trust, time horizon, flexibility, information-sharing and norms. In the field of professional services, Dawson (2005) differentiates six formats for relationships according to the following criteria: 1) service scope (focused or broad), 2) supplier diversity (single incumbent or many suppliers), 3) engagement duration (brief engagement or long-term contract), 4) transaction frequency (many small or infrequent large), 5) range of client contact (individual/department or entire organisation), and 6) interaction style (online or frequent face-to-face).

## **2.4 Notion and Success Factors in Business Relationships**

The amount of business attributed to both parties (objective measure), and the satisfaction experienced by parties with their business relationships (affective measure), have been indicated as critical success factors in respect of those relationships (Tuten and Urban, 2001). In terms of relationship management, Medina-Muanoz and Garcia-Falcoan (2000) also point to two critical success factors, the first being associated with the overall levels of satisfaction and the second goodwill achieved by the partner through the aegis of the relationship. In this respect, satisfaction has to be understood in terms of the optimistic practices that have taken place within an organisation due to the existence of the relationship.

In general, B2B relationships might be considered as successful according to the extent to which their goals have been satisfied. One could, therefore, state with some confidence that the success or the failure of the business relationship could be defined in most instances in terms of whether or not the parties involved have been allowed to achieve more by way of development and creativity that has subsequently brought value for the firm, and for its employees by allowing them to develop their core competencies, and letting others do things that they can do better.

Brooks (2008) pointed out that relationship development has increased in terms of importance over the past three decades as a result of globalisation, which has brought increased fragmentation of markets that are characterised by consumers who are increasingly more demanding and want increasingly more value for their money. Over these decades, various types of approach to business relationship development have emerged as being effective, but these approaches are often dependent upon the situation of the business. These approaches are now discussed.

#### **2.4.1 Buyer-Seller Approach**

The buyer-seller approach focuses on the relationship between the company that purchases supplies or services, and the business selling the same supplies or services. According to Schurr (2007), within the context of business marketing, buyers and sellers are involved in both social and economic exchanges, which encourage working relationships. In addition, the social aspect of the relationship is important because it can compensate for flawed legal contracts. The author explains that if the commercial relationship between the buyer and the seller is to last, adjustments may have to be made so that commercial exchange can occur in the midst of changing situations. In this respect, legal contracts can be problematic because changing circumstances cannot always be anticipated. Therefore, having business relationships becomes vitally important because companies can then negotiate with one another to ensure that the needs of all parties are met (Schurr, 2007). According to Parsons (2002), in today's environment, businesses are increasingly dependent on the relationships they have with their suppliers and are demanding that they adhere to high standards. It is important that buyers have strong relationships with their suppliers to stay

ahead of the competition. The establishment, development, and maintenance of relationships between exchange partners is crucial to achieving success (Morgan and Hunt, 1994). Indeed, there are many advantages for firms that enter into productive relationships with their suppliers such as lower risk, access to technology, more co-operation, increased knowledge, and information sharing (Ellram, 1995). In recognition of these potential benefits, researchers have begun to investigate what determines the success or failure of relationships between exchange partners by looking at both seller characteristics and the nature of interactions between buyers and sellers (Crosby *et al.*, 1990; Morgan and Hunt, 1994).

#### **2.4.2 Interaction Approach**

The interaction approach to relationship development in business has also been a popular approach for organisations. According to Turnbull *et al.* (1996), the interaction amongst businesses is a repository for the experience of those engaged in the relationship. This relationship is composed of the learned norms and rules of the behaviours of those who interact with one another. In addition, the relationship “provides the atmosphere within which individual episodes take place. These episodes include negotiations, payments, deliveries and social contacts etc. Each episode in turn is affected by and affects the overall relationship. Furthermore, relationships evolve over time and can be considered to traverse a series of stages characterised by increasing mutual adaptation, reduced ‘distance’ and increasing commitment” (Turnbull *et al.*, 1996:44).

The interaction approach examines the totality of the relationships as opposed to simply examining individual transactions that occur amongst those in a relationship. As such, this approach concerns itself with the examination of the behaviours of all participants in the relationship; in addition, it places considerable emphasis on the parallels that exist between the marketing and purchasing tasks. Furthermore, relationships are believed to be predictors of transaction behaviours.

#### **2.4.3 Relationship Marketing**

Relationship marketing is defined as “attracting, maintaining and - in multi-service organisations - enhancing customer relationships” (Morgan and Hunt,

1994:20). In addition, relationship marketing is divided into two spheres, these being: discrete transactions and relational exchange. Discrete transactions involve the presence of “distinct beginning, short duration, and sharp ending by performance” (Morgan and Hunt, 1994:20). On the other hand, the relational exchange traces previous agreements and is longer in duration, reflecting an ongoing process (Morgan and Hunt, 1994). Once both of these elements are understood, relationship marketing can proceed.

Barry *et al.* (2008) assert that relationship marketing is vitally important as it leads to the retention of customers. According to authors such as Morgan and Hunt (1994) and Barry *et al.* (2008), businesses gain greater profitability from the retention of old customers than by gaining new customers. Unlike other types of business relationship development, relationship marketing emphasises the importance of customer retention as necessary to ensuring the business remains profitable.

#### **2.4.4 Networking**

Networking is probably the most well-known form of relationship development within the context of business, and is also one of the most popular approaches to relationship building. This popularity exists because networking is easy to engage in as a result of technology and it is also quite effective. Networking allows people with different skill sets to come together and collaborate. Such collaborations in the context of a business are important because they improve the quality of the products and services being offered.

The concept of a network is derived from the idea that businesses function within the context of a small number of organisational entities or actors. These actors are in continual relationship with the business. Because this is the case, each individual party exerts considerable influence on the organisation. This situation is encountered most often by companies operating in business markets which include a limited number of suppliers, competitors and customers. However, some more extensive empirical studies such as those of Håkansson and Snehota (2006), Brooks (2008) and Barry *et al.* (2008) suggest that this type of situation may be the rule rather than the exception for a wider population of business organisations in general. The propositions of the network model refer

to situations and cases in which the environment of the organisations is of a concentrated and structured kind, i.e. it is constituted by a set of other active organisations (Håkansson and Snehota, 2006). These organisations work together to make the realisation of all of their individual goals possible. This is accomplished through the exchange of ideas and even the exchange of workers with specialised skill sets.

## **2.5 Objectives**

There are several objectives associated with the development of business relationships. One of the primary objectives is to secure a competitive advantage. Business to business relationships can improve the competitive advantage of a company because such a relationship can provide a company with leverage, which can then be used to negotiate lower prices for supplies needed in the manufacturing of products. If a company can obtain supplies (parts, components) at a lower price than competitors, it will also have the option to charge the consumer less for the product.

Another objective of the development of business relationships is quality assurance. When B2B are established and sustained, all parties involved are aware of the type of products that are going to be produced and the quality that is expected. Once a relationship has been established, companies can work together to ensure that the quality of the products remains high and consistent. This also assists in ensuring that the company remains competitive.

The suppliers also benefit greatly from the development of relationships. This is particularly true if the buying company is well respected. The objective of the supplier in the scenario is to receive as many purchases as possible to increase profitability. The increase in business often occurs because the supplier has created a good product and other businesses want to access these products. In short, having good relationships with buyers increases the brand recognition of the supplier, and this translates to an increase in profitability.

The final objective is concerned with the globalisation and expansion of multinational corporations. The building of relationships is important to

multinational corporations because it allows them to function outside their domestic market. Multinational companies benefit greatly from the presence of support from suppliers and vendors. These companies depend on such support so that they can function in a manner that is efficient.

It is a well-known fact that people across nations and cultures think, behave and believe differently (Zineldin, 2007), (Brooks, 2008) and (Kaizen, 2012). Nations and cultures differ in terms of how they define specific phenomena, act and react; phenomena include behaviour, regulations, language and institutions. Zineldin (2007) pointed out that in the global business environment, in controlling for industry- and firm-specific characteristics, researchers have long reported on the dominant role of national culture as a determinant of management practices/strategies in the context of cross-border investments. Thus, managing change in another culture involves understanding how objects or events are defined in other cultures (Zineldin, 2007). These cultural and behavioural differences solidify the need for companies to have allies in host countries; and the allies allow the companies to expand and become profitable in new markets.

## **2.6 Why Business Relationships are Important**

Relationships are based on a two-way process, and are usually based on the mutual interest and understanding of both parties. Business relationships are not established overnight, but are built gradually over time, and have certain prerequisites that must be satisfied in order to develop the relationship. This suggests that businesses are not only concerned with gaining monetary benefits, but with accruing a range of other advantages that come from solid relationships (i.e. mutual support).

Consequently, understanding the power of relationships in business is one of the keys to growing business effectively (Kaizen, 2012). Such relationships are built on the confidence possessed by all those involved, and the recognition that professionalism lies at the heart of successful business interactions. However, they do not come naturally, and as observed by Darren (2011), they require



effort to maintain, and must be mutually beneficial, which implies that each party must be willing to give, share and support, and not merely take or receive.

Maintaining good business relationships is as important as establishing them. In business, the aim is to connect and create a bond with mentors, colleagues, clients, customers, and management, and to achieve these objectives, the various parties must possess the required skills, and invest time and energy. The key is to acknowledge that the relationship will need to be nurtured, and in this respect, there are strategies that can be followed. For example, parties to the relationship must strive not to inconvenience others, nor to be a burden or a distraction to them since the outcome is likely to be damaging. Similarly, parties should be patient when it comes to exchanging information, in acknowledgement that the other party may have other business pressures. At the same time, it is also important to learn how to follow up promptly. According to some schools of thought, businesses tend to be more successful and flourish when they are proficient and competent at building as well as maintaining enduring business relationships. Besides, these businesses are more effective and efficient in comparison to the businesses that overlook or disregard with this ability.

Placing value on the people involved in business relationships signals that the business itself is held in high regard, since the desired outcome is trust and loyalty. In order to achieve these feelings among the parties, it is also essential to deal with the relationship in a reciprocal manner, that is to say, something beneficial from the connection should be reimbursed by contributing something positive. These fundamental attitudes towards all relationship building and maintenance must always be at the forefront of businesses.

## **2.7 Social Variables in the Development of Business Relationships**

Studies have indicated that apart from the business-specific variables mentioned above, the environment in which business actors operate and the social variables such as trust, commitment, and interdependence also affect the longevity and strength of business relationships. They do so by creating a context in which actors are comfortable and willing to develop mutual understandings or relationships. Thus, it is safe to say that despite all economic considerations, a

business relationship may not come to pass in the absence of these social variables. Major work on social variables has been conducted by Jüttner and Wehrli (1994), Dion *et al.* (1995), Dawar *et al.* (1996), Holm *et al.* (1996), Selnes (1998), Ali and Birley (1998), Wright (2004), Powers and Reagan (2007), and Brooks (2008) among others.

A long list of these variables such as commitment, trust, co-operation, mutual goals, interdependence/power imbalance, performance satisfaction, comparison level of alternatives, adaptation, non-retrievable investments, shared technology, summative constructs, structural bonds, and social bonds has been identified by Wilson (2005) who believes that relevant variables may be added or subtracted from this list depending on the situation at hand. In case of cross-cultural business relationships prior studies have identified the following variables (Conway and Swift, 2000):

### **2.7.1 Cultural Affinity**

Cultural affinity can be understood in terms of likeness or similarity between cultures. It is defined in terms of resemblance in a number of areas such as language, legal environment, work ethics etc. (Hallén and Wiedersheim-Paul, 1984:18). Research indicates that it is easier to build stronger ties between countries with similar cultures as it makes is easier to understand the other party (Holden and Burgess, 1994). In fact cultural affinity has been correlated with high levels of mutual trust and psychic closeness, which are corner stones for a good business relationship. Empirical studies have also proven this hypothesis as culturally similar businesses are more likely to succeed in developing long lasting relationships as compared to others (Scott, *et. al*, 2008). While those with dissimilarities do not only find it difficult to come to a mutually agreed settlement but also find it difficult to sustain trade relationships between them at times.

Some authors have also interpreted cultural affinity in terms of empathy or the ability to place oneself in other people's shoes and understand their perspective. Empathy refers to the ability to understand someone else's view point but does not necessarily mean that you like the opinions expressed. It allows the producer

to appreciate the factors that a buyer takes into consideration while making purchasing choices (Phillips *et al.*, 1994). Thus, it is important for successful cross-cultural business relationships. This is because from a business perspective, a well-informed producer is in a better position to pre-empt the need of consumers, and this which may give him/her an edge over competitors.

Cultural affinity, whether defined in terms of likeness between cultures or empathy, improves the negotiating process between organisations, since a greater understanding of each other (whether based on similarity or respect) makes it easier for the negotiators to develop an interpersonal attraction or liking. It allows negotiators to leave a long lasting impact on each other which can mean an improvement in the depth of the relationship in the future as well. This improves the probability of developing a business relationship (Turnbull and Cunningham, 1981; Aronson, 1969; Adler and Graham, 1989). There are, however, some authors who disregard the importance of empathy, referring to this as a 'naïve exercise' (Usunier, 1993), but this opinion is not widely shared.

Cultural affinity is also important because it facilitates other factors such as trust, mutual experiences, and social bonding, all of which reduce the psychic distance between the stakeholders. Organisations are more comfortable to enter into an arrangement with each other when they understand the values that the other party holds. There is less confusion about the objectives of the other firms and that places negotiators at ease in concluding a mutual agreement. Thus, cultural affinity not only leads to the development of business relationships but also improves the quality of such an arrangement.

### **2.7.2 Trust**

Trust measures the willingness of one party to be vulnerable to the actions of the other (Heh and Ali, 2006). It is important because not all aspects of a relationship between stakeholders are legalised. Thus, relationships must be based on mutual trust (Ford, 1980). Trust also affects the expectations that people develop about one another. These expectations are fundamental to the growth of business relationships. For example, positive expectations contribute towards a strengthened and longer-lasting relationship, while negative expectations may weaken such ties.

Almost all authors agree that trust is a pivotal factor in developing business relationships at each stage (infancy to maturation) of the interaction, and should be given priority attention (Dwyer *et al.*, 1987; Dion *et al.*, 1995). Some have gone even as far as to suggest that it is the most important building block for a business exchange (Wilson, 1995; Conway and Swift, 2000). For example, in research conducted by Dion *et al.* (1995) amongst US buyers and sellers, it was concluded that trust is the fundamental force behind the development of trade relationships and should, therefore, be on the priority list of sales and purchasing managers. Some researchers however, believe that there are other important emotions involved in a buyer seller relationship and that trust should not necessarily be considered the most important factor (Anderson and Kumar, 2006). However, it is safe to say that trust may well be the most important factor facilitating a business relationship in its initial stages, and that once it has been established; it becomes the cornerstone on which all subsequent transactions are undertaken.

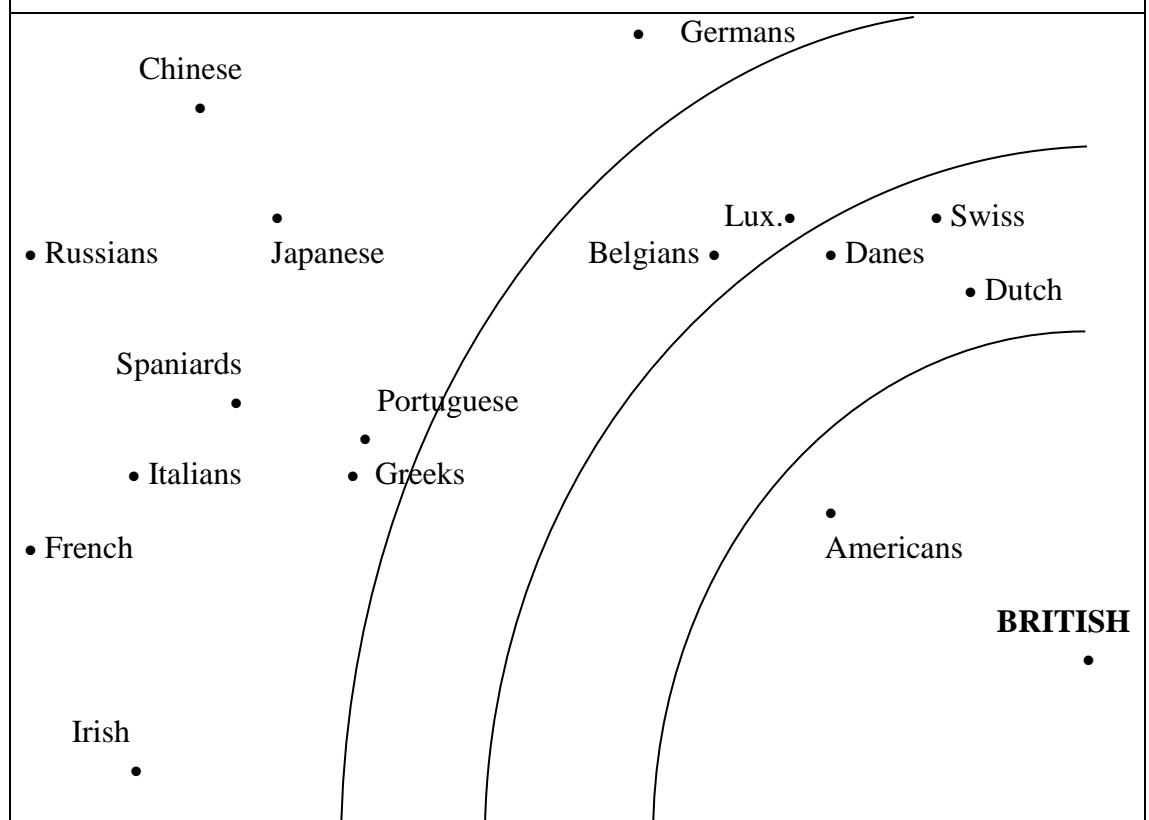
Trust can be built in a number of ways. Iterative interaction is one way of developing trust between business parties (Ford, 1989). This means that as parties interact with one another they start forming a better picture of the trustworthiness of the other party. Constant contact enables perceptions of trustworthiness to be gained quickly, thus leading to speedier development of business association. External sources such as media reports, and word of mouth testimony also contribute towards its development because such evidence enables people to form ideas about the trustworthiness of the potential partner on a broad spectrum.

Developing trust in a cross-cultural context is more difficult as people usually have preconceived notions about the trustworthiness of other cultures. And if there has been no contact whatsoever between the proposed parties to a relationship, those involved rely exclusively on others' opinions, media sources, and history to form perceptions about a culturally different party. Such social stereotyping on the basis of history, geography or cultural likeness may hinder

attempts at building a business relationship as it may contain prejudicial information that subsequently undermines the development of a partnership.

Iglehart (1991:155), in commenting on how such stereotypes are created, believed that states perceived to be culturally alike are given an equivalent trust rating in people's perception. Thus, cultural affinity tends to affect the trustworthiness of countries as well. On the basis of this conclusion, the concept of 'psychogeography' has emerged, which places states/countries at a distance relative to the level of trust between them. The example in Figure 2.1 demonstrates how 'trustworthy' different nationalities are perceived to be from the British perspective. For example, America has close language and culture of UK but China and Russians are not. Those that are closest to the British are regarded as being the most trustworthy, whilst those are furthest away, the least trustworthy:

**Figure : 2.1 The Psychogeography of Selected Nations: as Seen by the British**



Source: adapted from Inglehart (1991: 163)

According to some schools of thought, satisfaction and experience are preconditions of trust. A high level of trust stimulates a more constructive attitude, which eventually escalates the level of customer satisfaction.

Conversely, low trust levels are likely to be reinforced by negative customer experiences or satisfaction (Saunders *et al.*, 2010).

The existence of uncertainty (that varies from time to time) in a business relationship is a component that cannot be ignored. In this regard, trust is a principal element in developing the business relationship because it is a technique with which one party (individual or organisation) can deal with uncertain future transactions and dealings with other parties (Bagdoniene and Zilione, 2009). This denotes that the behaviour and attitude of one party decides how the other party is likely to develop the expectations, which means that party is given some guidance as to how much trust to place in the partner.

Trust is the factor that develops when one party produces valuable outcomes for the other party, in accordance with that party's competence and goals. Trust also develops as a result of previous behaviour, actions and activities that lead to the expectations concerning future behaviour. Through the knowledge that a party has behaved honourably and productively in the past, business relationships are encouraged and enhanced (Bagdoniene and Zilione, 2009).

Transparency is another term that is closely associated with trust since transparency allows for all parties to be certain that there are no dealings of an inappropriate or unfair nature. Hence, one of the keys to a successful business relationship is the ability to build a transparent environment in which all parties can be assured that dealings are all above board (Bagdoniene and Zilione, 2009).

Much research, such as that of Ford (1984), Wilson (1995) and Bagdoniene and Zilione (2009), has indicated that business partners are inclined to trust one another when they recognise that the other party is constantly struggling to alleviate uncertainty that might cause inefficiency. Indeed, this recognition leads to improvements and enhancements in the effectiveness of business relationships as it signals that the parties are striving to achieve mutual benefit. Studies have also repeatedly claimed that trust is an antecedent of commitment, as well being an indispensable characteristic in fostering long-term relationships (Bagdoniene and Zilione, 2009).

Generally, trust signifies the existence of positive perceptions of the relationship by all parties involved in the business relationship development cycle. And if one of the parties involved believes that the other side is providing and sharing useful information then the relationship is likely to develop a higher level of trust.

Ford (1984) pointed out that the experts and sociologists define trust through two principal types: characteristic-based trust, and process-based trust. Characteristic-based trust is typically attributable to social similarity between the interacting partners during the relationship development process. This means that cultural affinity, empathy and similarity all play an integral role in the exchange process, because social and cultural norms that are similar to each other lead to satisfactory exchange. On the other hand, process-based trust is perhaps a more reasonable and realistic form of trust, where existing performance and relationships act as the basis for assessment. Indeed, process-based trust is further improved and fortified by various other factors as well.

Ford (1984) and Brooks (2008) also suggested that when developing their business relationships, partners tend to employ two components of trust: cognitive and behavioural. The cognitive component of trust is classically obtained and originated from the level of confidence that is developed amongst the partners due to the consequence of dependability, reliability and trustworthiness. However, the behavioural component emanates from the level of confidence that comes from the intentions, motivations, honesty and generosity of the business partners.

From the analyses of the social variable of trust, it would appear that trust acts as the contributing factor to the risk-reducing mechanism and increases stability within the business relationships.

### **2.7.3 Commitment**

The level of commitment plays a key role in the success of business relationships (Powers, 2007). Commitment has to be understood in the context of the levels of investment within a given relationship. Each partner expects the other to be committed to the goal of the well-being and development of a business, and if such commitment is absent, there can be no relations at all. In this respect, commitment has many different degrees and levels, as does trust. In general, the greater the level of trust between partners, the greater level of commitment, but this is not always the case (Swift, 2008). It is possible to show full commitment to a relationship at the organisational level, but at the same time to be wary of the particular individuals involved; hence, it can be understood that commitment does not have to be absolute between the people themselves (Swift, 2008).

However, considering the relationship at the organisational level, the level of commitment that is felt on both sides determines the strength of the bonding. In fact, commitment is considered as one of the most frequent variables that helps maintain the relationships between buyer and seller. Furthermore, successful business relationships often perceive commitment as the vital and essential tool, as it greatly facilitates the decision to remain in a relationship. Experts such as Dwyer *et al.* (1987), and Williams (1998), perceive commitment as an intention or motive on which the activity, action or decision is based. Additionally, commitment is viewed as the aspiration to sustain the business relationship through ongoing activities such as investments that are likely to build and sustain that connection. The element of satisfaction is closely associated with commitment. This means that higher levels of satisfaction in accordance with large investments lead to stronger commitment.

Empirical studies have also highlighted the fact that social bonding plays an influential role on the level of commitment. The extent to which two parties have personal connections and acquaintances is certainly known to have a dominant and leading effect on the development of commitment where business relationships are concerned. This suggests that buyers and sellers who have strong associations on a personal basis are more likely to have strong



commitment to each other in business relationships in comparison to partners who do not have personal or social bonds (Woodside, 2010).

Moreover, there is evidence from studies such as those by Dwyer *et al.* (1987), Williams, (1998), and Bagdoniene and Zilione (2009), that commitment is highly influenced by the size of the investment in the business relationship, because this is usually the outcome of the affiliation resulting from the pre-existing social network or connection. Troy (2004) has suggested that manufacturers are more likely to be committed to their relationships with distributors in cases when the level of investment by the manufacturer is greater in the relationship.

The social variables have a great connectivity with one another such that trust is another prerequisite for increased levels of commitment that in turn maintain the business relationship. In this respect, studies have implied that business professionals use commitment and loyalty in their efforts to deepen, expand and mature their relationships, as these factors assure success.

A few of the empirical studies, such as those by Dwyer *et al.* (1987), and Williams (1998), have argued that eventually commitment results in customers experiencing more closeness in relationships with providers, thereby ultimately bringing about higher level of confidence in those relationships. This signifies the fact that a close relationship is usually determined by the degree of interdependence between the interacting parties that develops. Undoubtedly, higher levels of commitment result from closeness in the business relationship. And as studies have highlighted, commitment reduces uncertainty, thereby encouraging effort and boosting effectiveness, the outcome being enhanced performance and profitability, and greater satisfaction for both parties.

Business relationships must be supported and nurtured if the type of commitment described is to be evident. Indeed, the maintenance of business relationships is as important as the development of those relationships because the stronger the association between the interacting parties, the greater the commitment and the longer the relationship will endure. In fact, research has frequently suggested that the level of commitment by interacting parties

represents those parties' intentions to continue and sustain the business relationship and its activities. The level of commitment is also seen to accelerate when both business partners achieve a high degree of satisfaction from each other (Bagdoniene and Zilione, 2009).

When levels of commitment are limited and constrained, business relationships become fragile, and may come to an end relatively swiftly (Bagdoniene and Zilione, 2009) as the amount of confidence parties have in the relationship is diminished. Hence, commitment has become a necessary component in the effort to sustain relationships. That said, studies demonstrate that before commitment can be generated, both the interacting partners must develop the feeling that a certain level of honesty, dependability, consistency, responsibility and trustworthiness is present in their relationship. It can, therefore, be understood that commitment is perceived as the long-standing belief that it is possible to count on the other party in the business relationship. It involves having faith in the partner such that negative events can be tolerated in the expectation that long-term benefits are being gained through the partnership.

#### **2.7.4 Experiences**

Experiences are developed over a long term and are an amalgamation of opinions, perceptions and feelings that arise between the parties after a number of interactions. They are not created by one contact alone but rather emerge as a result of interaction through various channels, possibly simultaneously, or at consecutive points in time. This demonstrates that the creation of a positive experience can be difficult as it relies on more than one input. Nonetheless, the positive experience is an important ingredient in business relationship development.

Moreover, such experience is essential for the sustenance of a business relationship, since the decision to continue within an arrangement is dependent on satisfaction with past experiences. Brooks (2008) has shown that experiences contribute equally towards the improvement and deterioration in the quality of a business association as the feeling derived from these determine the actor's

future course of action and attitude towards other parties. For example, a satisfying experience for a customer will result in a positive shared experience

for both parties. This is because on one hand the customer will have his/her needs met, while on the other hand, positive feedback will be created for the company that will enhance customer loyalty and PR generated from the word of mouth advertising of a satisfied customer. This loyalty in turn, will result in a longer and improved relationship between the parties, as the customer will prefer to use this organisation, increasing revenue. Similarly for an organisation, a negative experience in a particular country will affect its decision to continue or expand its operation. It will also develop a generalised perception about the people of a particular country that will contribute as an external source to the development of perceptions about the type of experience to expect (Ford, 1984). Thus, there is a strong positive relationship between the continuation of a business relationship and good experiences.

Obviously, therefore, it is important to know how good experiences and perceptions are formed. In this respect, it can be seen that sometimes people develop their perceptions through first hand participation in foreign assignments. Such assignments are undertaken by organisations in an attempt to promote cultural affinity by exposing their staff to the indigenous values of their customers. Indeed, in a study of 407 executives, some of which were posted on foreign assignments, it was found that such positions enable greater cultural understanding among the staff (Turnbull and Welham, 1985).

Opinions can also be formed, however, without any direct contact. If experiences are created through interaction then logic would suggest that a lack of interaction should result in zero experiences, but in fact that is not the case because despite the absence of interaction, perceptions about experiences are formed through second hand information such as that gained from television, radio or from another person. Andersen (2001) and Dawson (2005) have suggested that nowadays, word of mouth and social media are the most effective tools for gauging consumer experiences because they provide a wide platform

for consumers to express their opinions in a manner which makes them easily available to most people. Thus, the presence of social media has increased the need for organisations to create positive experiences for consumers because of the ripple effect that a negative or positive experience can have on the sales or revenue of the company, should those experiences be posted on social media sites.

Another important question to be asked is whether experiences can be improved, and in this respect, studies indicate that people remember their most recent experience (recency effect) over previous experiences. What this means is that there is an equal opportunity or risk of changing a person's opinion with the most recent transaction. Andersen (2001) and Dawson (2005) demonstrate that one good experience can significantly alter negative perceptions, thereby showing that there is always a window for improvement in stakeholder opinions. And, despite the fact that often, and especially in the face of external reports, a firm may find it difficult to control consumer perceptions of the experiences it provides, the firm does have internal tools that it can utilise to create positive experiences. Certain steps that it can take to improve experiences are:

- Developing communication channels, feedback, and sharing of information with other parties. These are all ways that improve experiences and augment trust. This is because all the parties feel equally involved in the business relationship and are more receptive to its continuation and strengthening.
- Paying greater attention to, or having closer contact with, the customer and his/her needs.

Positive experiences have also been found to positively correlate with higher levels of trust and understanding (Bagdoniene and Zilione, 2009). Thus, all these factors can individually and collectively develop and improve business relationships.

### **2.7.5 Satisfaction**

Satisfaction is an outcome of experience; it relates to the manner in which business dealings have had positive results, or in terms of personal requests, the manner in which these have been dealt with. In order to maintain and sustain long-standing business relationships, mutual satisfaction is essential, and is only gained through positive experiences. This suggests that satisfaction and experience are interconnected as satisfaction is the process that is determined through the assessment of experience where expectations are evaluated. Furthermore, trust and commitment are also developed and enhanced through high levels of satisfaction, vital for healthy business relationships, and helpful in retaining consumers, and increasing profitability.

Some studies such as those undertaken by Ford *et al.* (2003), Dawson (2005), Kirk (2007), and Brooks (2008), have brought to the forefront the fact that satisfaction within the business relationship is crucial as it leads to successful B2B relationships. Business relationships are highly induced by satisfaction as well as commitment (Newlands and Hooper, 2009). The higher the level of satisfaction, the more durable the relationship. Moreover, it is also suggested that satisfaction in association with trust and commitment, compose a strong business relationship quality, and this enhanced quality prompts increased sales and loyalties between the parties. In the client-provider relationship, repeated consumption is also likely to result.

The extensive research in this area includes studies by Ford *et al.* (2003), Dawson (2005), Kirk (2007), Brooks (2008), and Newlands and Hooper (2009), which all suggest that in the past few decades, the corporate community has experienced substantial advancement and innovation in its way of doing business as a result of the acceleration of globalisation, which has created a more complex business environment. This increased complexity has brought the need for stronger and deeper business relationships. In fact, the ability of businesses to monitor the strength of their business relationships with increased sophistication has also been a new requirement. All this is possible if business partners experience high levels of satisfaction within their relationships with one another.

Experts such as Ford *et al.* (2003), Dawson (2005), Kirk (2007), Brooks (2008), Newlands and Hooper (2009), and Woodside (2010), have explained that the formal measurement of satisfaction levels leads to increased levels of loyalty within a business relationship. Moreover, both the interacting parties are willing to continue and prolong their business relationship because both are satisfied with each other's contribution towards it. Satisfaction within the business relationship also leads to pleasure and happiness, the presence of which tends to deepen and reinforce the relationship. High values in terms of elevated market and profit shares are also common outcomes of satisfaction in business relationships.

In short, various studies have concluded that satisfaction measurement is the prime technique used by businesses to evaluate the health of their business relationships. The measurement of the amount of satisfaction enjoyed is vital because this is the basis of the decision to continue or abandon the relationship.

#### **2.7.6 Communication**

Communication in the context of business has to be understood as not merely the act of speaking, writing or gesticulating, but also the action of transmitting information, so the other party involved in the process is able to effectively receive the message. This demands a good rapport with clients, partners and employees; it is vital to communicate with the market in order to know market needs and translate them into business opportunities. In this sense, 'communication' is a two-way conversation between an organisation and its market or partners; it depends for its effectiveness on the establishment of a good relationship between all parties concerned. Consequently, the establishment and communication of a relationship with the target market should be the key objectives of all companies.

These ideas are supported by more recent scholars. Byer (2003) for example, points out that communication is one of the most important contributing factors to the success of any business, and Swift (2008) observes that the encoding and decoding process must work within the same cultural context or framework,

otherwise the differences in cultural environments can create ‘noise’ in the communications channel.

According to Swift (2008), and Brooks (2008), communication and interaction in a business relationship motivates social interactions. Therefore, socialisation between the parties is increased as both the parties transmit and transfer tacit knowledge through shared experience. Clearly, the social relationship is a channel which allows the business relationship to be enhanced. As noted by Donaldson and O’Toole (2007) communication helps in establishing the shared perceptions, and hence the degree of commonness, that connect both the sender and the receiver, thus enhancing the business relationship.

Numerous studies such as those of Wilson (1995), Williams (1998), Ford *et al*, (2003), Dawson (2005), Kirk (2007) and Brooks (2008) have all confirmed communication as a fundamental and crucial component in the establishment and maintenance of business relationships (Donaldson and O’Toole, 2007). However, even though its importance has been highlighted in various studies, communication remains a variable that is often overlooked as an element within the development of the relationship. This is a serious shortcoming in any attempt to encourage a relationship because without effective communication, the potential interacting parties are unable to experience what each other has to offer and bring to their association.

From the perspective of business relationships, both the sending and receiving of communications are equally important because failure of either prevents the smooth-running of the relationship. Furthermore, effective relationships, partnerships, alliances and co-ordination are all dependent upon how the communication takes place between the parties.

From studies such as those by Wilson (1995), Williams (1998), Kirk (2007), and Brooks (2008), it appears that the nature of the communication process is largely shaped and outlined by the leadership styles and overall company culture. Hence, in business relationships, the partners concerned must trust the other’s culture, norms, and values. In this respect, it is important to note that the

studies indicate that when both the parties trust each other's culture, the communication process is improved.

Writers such as Williams (1998), Kirk (2007), and Brooks (2008), have repeatedly suggested that business is about building and maintaining relationships, and how the information necessary to those relationships is transferred, processed or shared. The extent to which the flow of information is processed determines the amount of trust that is developed, and as already discussed, trust is essential to the relationship development and maintenance. The only common factor that correlates and joins all these chains is communication, which must be efficient and effective between all the business partners involved whether they be local or international. Research by Dawson (2005), Kirk (2007), Brooks (2008), Newlands and Hooper (2009) and Woodside (2010), has indicated that in worldwide and transnational business relationships, the cultural differences can be an impediment to effective communication, thereby hindering overall progress in the business relationship.

## **2.8 Stages in the Development of a Business Relationship**

It has been stated by writers such as Ford (1980, 1984), Dwyer *et al.* (1987), Wilson (1995), Williams (1998), Ford *et al.* (2003), Dawson (2005), Kirk (2007), and Brooks (2008), that in order to develop a business relationship it is first necessary for the business to be ready to give so that trust can be established, and credibility built within a given market scenario. Both trust and credibility are essential components from the beginning, especially when the parties to the relationship envisage a long-lasting association. Certainly in the scenario where a buyer has to be persuaded to make a switch from a product s/he has been using for many years, to a new one, the new supplier must be persistent and offer a perceived incentive. It is argued that the decision to adopt a new supplier is often made on emotion, and then justified rationally (Wilson, 1995). In fact, a new supplier may only initially receive part of a new customer's business, essentially being placed 'on trial' until the experience has proved itself to be a good one. Basically, the supplier has to earn more business over time. That said, it is not uncommon for customers to do business with several suppliers to stimulate competition, especially on price, but also as a hedge against the deterioration of quality (Brooks, 2008).



Ford (1980, 1984) has proposed a five-step model which can be applied to the dynamic analysis of a business relationship, which involves the following phases:

1. Pre-relationship phase
2. Exploratory phase
3. Developing phase
4. Stable phase
5. Final stage

Hallén and Wiedersheim-Paul (1984), suggest four broad stages or phases, these being:

1. Pre-Contact
2. Initial Interaction
3. Development
4. Mature Relationship

Dwyer *et al.* (1987) have also suggested five stages in the development of a relationship, which are:

1. Exploration
2. Awareness
3. Expansion
4. Commitment
5. Dissolution

Likewise, Wilson (1995) perceives business relationship development as occurring through five stages, but his focus is slightly different, reflecting the need for:

1. Search and selection
2. Defining purpose
3. Setting boundaries
4. Value creation
5. Hybrid stability

Williams (1998) also suggested the following five stages:

1. Awareness
2. Exploration
3. Expansion
4. Commitment
5. Dissolution

However, Andersen (2001) perceives the process as having only three stages:

1. Pre-Relationship Stage
2. Early Stage
3. Development Stage

Ford *et al.* (2003) have also suggested four stages:

1. Pre-Relationship
2. Exploratory
3. Developing
4. Stable

Furthermore, Dawson (2005) identified four stages:

1. Engaging
2. Aligning
3. Deepening
4. Partnering

As did, Kirk (2007):

1. Awareness
2. Knowledge
3. Liking
4. Trusting

Brooks (2008) has suggested four stages, these being:

1. Emerging - getting to know each other with a few test transactions (both financial and non-financial)

2. Growth - increases in size and/or volume of transactions
3. Maturity - steady state: stable size and/or volume of transactions
4. Declining - decreases in size and/or volume of transactions

In an effort to make the process simple and avoid the possible dissolution of a relationship, Scanzoni (1997) suggested just three stages: exploration, expansion, and commitment. According to Håkansson (1982:15), there are two developmental stages for relationships, the first being the ‘Episode’ stage and the second, ‘Adaptations and institutionalisation’. In the first stage, companies exchange products, services, and/or information etc., while the second stage involves relationship development, and mutual expectations. In order for these expectations to form part of the traditional way of operating they are ‘institutionalised’ at the end of it all.

According to Scanzoni’s (1997) analysis, the steps in building a business relationship are: (1) getting to know each other for the sake of a transaction, (2) the growth of the relationship in terms of the transaction actually taking place, (3) the future of the relationship in terms of the development of trust and the growth of a business contact.

Table 2.1 provides a synthesis of all these scholars’ ideas in business relationship development.

| <b>Table 2.1: Stages in the Development of a Business Relationship</b> |                        |                     |                    |                     |                  |
|--|------------------------|---------------------|--------------------|---------------------|------------------|
| <b>Stages</b>  | <b>1</b>               | <b>2</b>            | <b>3</b>           | <b>4</b>            | <b>5</b>         |
| <b>Authors</b>   |                        |                     |                    |                     |                  |
| Ford (1980,1984)   | Pre-relationship Phase | Exploratory phase   | Developing phase   | Stable phase        | Final stage      |
| Hallén and Wiedersheim-Paul (1984)                                     | Pre-contact            | Initial Interaction | Development        | Mature Relationship |                  |
| Dwyer <i>et al.</i> (1987)   | Awareness              | Exploration         | Expansion          | Commitment          | Dissolution      |
| Wilson (1995)  | Search and selection   | Defining purpose    | Setting boundaries | Value creation      | Hybrid stability |

|                           |                  |             |                   |            |             |
|---------------------------|------------------|-------------|-------------------|------------|-------------|
| Williams (1998)           | Awareness        | Exploration | Expansion         | Commitment | Dissolution |
| Andersen (2001)           | Pre-Relationship | Early Stage | Development Stage |            |             |
| Ford <i>et al.</i> (2003) | Pre-Relationship | Exploratory | Developing        | Stable     |             |
| Dawson (2005)             | Engaging         | Aligning    | Deepening         | Partnering |             |
| Kirk (2007)               | Awareness        | Knowledge   | Liking            | Trusting   |             |
| Brooks (2008)             | Emerging         | Growth      | Maturity          | Declining  |             |

Swift (2008) points out that it would serve little to examine all the suggested permutations of business relationship development, and that possibly, the best summary is that provided by Hallén and Wiedersheim-Paul (1984), who suggest the following, four broad stages or phases:

### **2.8.1 Pre-contact**

Given that at this stage of BRD, the parties have not been in contact, the perceptions on both sides rely on the second hand appreciations of the whole nation, and thus, the initiation of the process is the cultural affinity which is considered a starting variable (Hallén and Wiedersheim-Paul, 1984).

At the initial stage that is the pre-contact stage, the interacting parties have no experience of each other which means that psychic distance is probably at the medium level. This is particularly because without any personal experience of one another, the decision to build the relationship is founded entirely on the attitudes that are influenced through indirect exposure such as through word of mouth, reports written by others, and so forth.

The principal aim of the pre-contact stage is to create awareness about the potential partners that can be of mutual benefit to them, and hence, the stage is developed through the collection and assimilation of information. Based on the data gathered, the primary businesses evaluate the other party according to certain important factors that include their prior experience, level of uncertainty within their working styles, and psychic distance (the cultural affinity, similarity and empathy).

Consistent with Inglehart's (1991) assertion, a predetermined level of trust is possible based on secondary information, and this level of trust can significantly influence the subsequent relationship. The 'feedback' aspect of communication is significant since it enhances the reinforcement of positive aspects of the relationship at each and every level. Conway and Swift (2000:1406) point out that the development of "cultural awareness and empathy or affinity within the organisation" with respect to partners is the main role of communication; the overall argument at this stage is that there are minimal chances of any other variables being involved in relationship development; hence, the remainder only become relevant after making the first contact.

During the pre-contact stage, the business parties should consider dissimilarities and variances in values. This should help to develop mutual understanding, which is imperative in order to respect each other's values and principles. The business culture should facilitate the development of empathy on the part of both partners since if parties understand each other's situation, they should be in a much better position to appreciate and constraints, and hence, work more effectively together. In addition, the interacting parties should ideally develop the trust basis at this stage so that they can progress to the next level of the business relationship development cycle.

### **2.8.2 Initial Interaction**

Prior to conducting any further or critical steps the prospective partners must engage with each other through a meeting or a series of meetings. This initial interaction is similar to the 'exploration' stage referred to by Dwyer *et al.* (1987), and continues for an undefined period, but generally between 1-12 months, dependent on the frequency of the contacts made.

Since the business relationship is a mutual process of give and take, it is imperative to create the impression of mutual benefit during the initial engagement because the first impression is the key determinant of the decision to proceed in the business relationship. Therefore, the communication and interaction at this point must be done with confidence.

The initial contact phase provides for both parties to sit on a common platform and discuss various elements with respect to their business activities that can help them in making decisions about whether the business relationship is likely to be effective and valuable. Such elements include initial inputs, both parties' priorities, the communication process, mutual goals and objectives, and various other aspects. However, even after such initial discussions, in-depth though they might be, this is usually a fragile stage in the entire process, particularly because of the lack of experience and shared understanding. In addition, the differences between the business relationships tend to be high at this stage because of the lack of familiarity and relatively high levels of uncertainty. Nonetheless, the relationship is moved on to the next stage by working on the common goals of building positive experiences and raising commitment such that the distance and uncertainty felt at this point is gradually reduced and, in due course, eliminated.

Interestingly, at this stage - where the initial interaction has just occurred – it can be that the psychic distance is higher than in the pre-contact stage because, unknown information about both parties may have emerged which was unexpected by the other. However, if efforts to reduce any such psychic difference are successful (for example, through time and experience), there is every opportunity for the relationship to develop. The likelihood of this is enhanced if the levels of trust and satisfaction are high since these nurture the relationship, bringing a positive experience, and a reduction in the psychic distance.

Psychic distance is generally the result of cultural differences, so efforts must be made to focus on the particular differences that cause the problems. If these can be properly managed, the relationship can flourish and in the later stages, cultural variations in practice and or ideology may not present themselves as an issue.

Communication is clearly important in helping to develop cultural affinity. In fact, as already indicated, communication acts as the originator of the relationship development. Hence, it can be understood that this must be successful, especially because this stage of initial interaction is the most risk-

loaded, leading either to the development of a relationship or the termination of any efforts to collaborate.

### **2.8.3 Development**

The relationship is developing at this stage, having progressed beyond the initial interaction. At this point, the emergence of problems is more likely, as the 'honeymoon' period has come to an end and the focus of the partners moves from relationship development to the core objectives of the business.

Many studies, including those by Dawson (2005), Kirk (2007), Brooks (2008), Newlands and Hooper, (2009) and Woodside (2010), have indicated that if the relationship is continued (which means it has not collapsed or failed) the level of psychic distance becomes comparatively low. This means that both parties have changed their attitudes to some extent and become closer to each other as a result of their increased mutual understanding and likeness. At this stage, communication strengthens the relationship with positive experiences, on which greater commitment and trust between the parties are based.

From the analysis of the literature, it would appear that this is the most stable phase of the entire relationship development cycle, where both the interacting business partners tend to leverage the maximum benefits from one another. The levels of trust, commitment, satisfaction and experience are at their highest. At the same time, as observed by Williams (1998), Conway and Swift (2000), Dawson (2005), and Brooks (2008), the interdependence of the partners has increased meaning that any uncertainty and psychic distance have been reduced to minimum levels. The flow of information is also developing at this stage. However, there is always the possibility that a relationship will not progress beyond this phase, and consequently, the parties continue to assess the performance and actions of each other, since this is the key to whether the relationship will flourish and be sustained.

#### **2.8.4 Maturity**

Reaching the mature stage is an indicator that the partners are sufficiently familiar with each other to the extent of being able to anticipate the other's needs and wants. Synonymous with partners in marriage, the partners in a business relationship should be comfortable with each other, work towards a common understanding of what their mutual expectations are, and accept the operational parameters of the relationship.

Any psychic distance that remains from earlier stages in the relationship is likely to either reduce significantly or disappear completely when the relationship reaches maturity. This is characteristically because mutual awareness, knowledge, cultural affinity and understanding are at a peak. Again, communication is the vital determinant of whether a relationship is sustained since the amount of trust and commitment must be continually conveyed to the other party, with the aim of ensuring positive experiences that can boost the current satisfaction levels.

Trust and commitment remain as the most valuable ingredients in the maintenance of business relationships and are still measured at this stage, but they are only measured in as much as they underpin the satisfaction levels experienced by the partners since reaching maturity suggests that each party has full confidence in the other as a result of many positive experiences.

Brooks (2008) has suggested that in order to continue the relationship to a permanent basis, the business partners might need to develop or modify their business strategies and actions that can make them remain competitive, as these are pivotal to the sustenance of a healthy relationship.

#### **2.9 Summary**

This chapter has critically examined the current state of literature in developed countries because as mentioned in the need for the research on section 1.3 that there is dearth of research on BRD in Libya, also there is no literature on BRD from point of Libyan companies, therefore, the researcher uses this literature to



fill the gap for a Libyan context. This chapter provides in table 2.1 stages and variables of business relationships development from developed countries; however on findings chapter researcher provides stages and variables of business relationship from Libyan point of view which are founded from 17 Libyan companies by researcher, to allow foreigner companies to best develop relationships with Libya.

## **Chapter 3: Research Methodology**

### **3.1. Introduction**

There is agreement that research must be systematic, using appropriate methods to collect and analyse the data, and must address a specific problem or issue, sometimes referred to as the research problem (Hussey and Hussey, 1997). Collis and Hussey (2009:3) state that “research is a process of enquiry and investigation; it is systematic and methodical and research increases knowledge”. Hence, it can be appreciated that all research has the potential to make a contribution to existing knowledge. However, research can be undertaken in a variety of ways, and can result in academically rigorous results, from which some generalisations can be made, or can be conducted in a manner such that the findings are not verifiable. Consequently, research design is an important matter and should be given careful consideration to ensure that a study is both reliable and valid.

In this chapter, details of the research design and methodology used in this study are presented. The aims, objectives, and research questions associated with the study are stated in sections 1.4.1, 1.4.2, and 1.4.3 respectively, and essentially require an investigation of the critical success factors required for sustainable business relationships with Libyan organisations. Such an investigation requires the collection of data from a variety of sources, and therefore, it is necessary to clarify the approaches and methods used in this respect.

Consequently, the chapter considers issues relating to the research philosophy, research approach, research strategy and data collection, translation of the interviews, data analysis, ethical approval, research administration, and piloting. Additionally, it indicates the chosen overall path for this particular study, and at the same time, offers a strong justification for choices made.

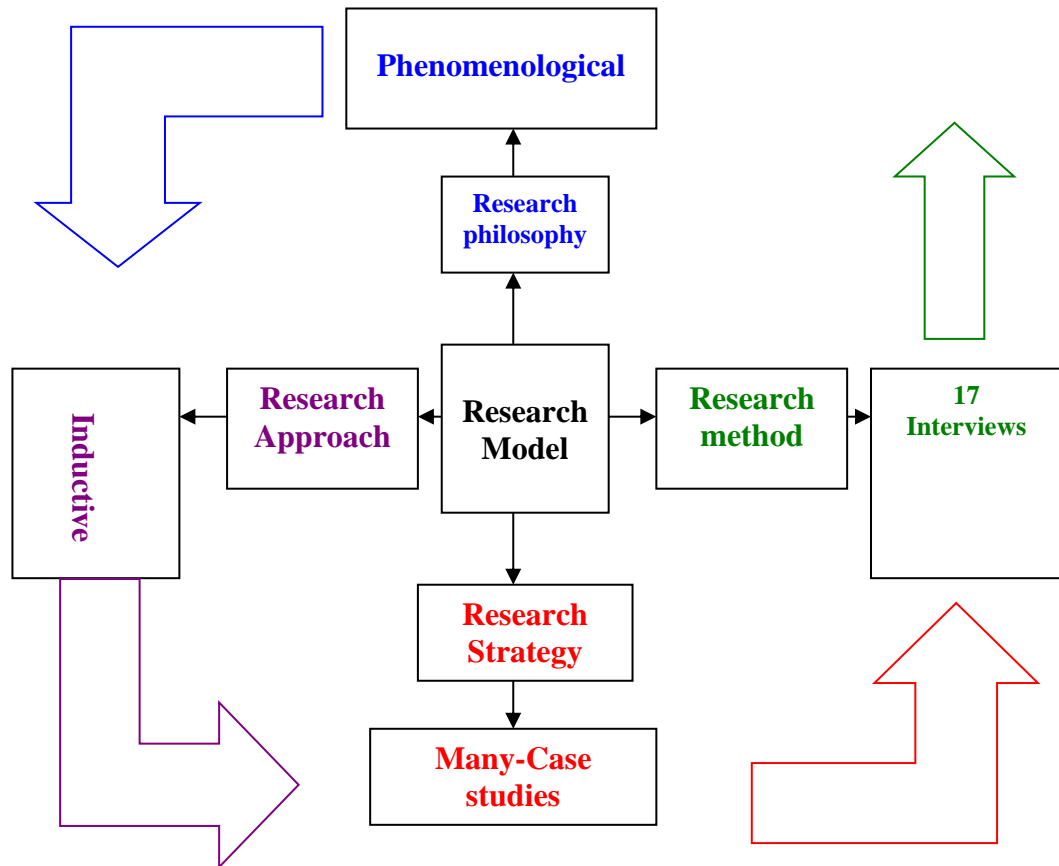
### **3.2 Definition of Research Methodology**

Many different definitions of the concept of research methodology have been given, one being that provided by Saunders *et al.* (2009) who define it as something that people undertake in order to find out things in a systematic way, thereby increasing their knowledge. Likewise, Kruger (2001) defines it as the application of various systematic methods and techniques to create scientifically obtained knowledge. Thus, research methodology is the systematic way a researcher works using the appropriate methods to collect and analyse data and to properly identify issues to be discussed, as well as the objectives of the study under investigation.

### **3.3 Research Design**

This section explains the phases of the research process, beginning with the research philosophy, the research approach, the research strategy, the data collection, and data analysis methods. Justifications are provided for the various choices made. Figure 3.1 depicts the research design, demonstrating the entire process involved. From this it can be seen that a phenomenological approach is chosen, that inductive methods are used, that the approach is to use several case studies, and that data collection is done through holding interviews. Saunders *et al.* (2009) suggest this set of considerations as representing the main logical phases of any research study.

**Figure 3.1: The Research Methodology Process**



Adapted from Saunders *et al.* (2009)

### 3.4 Research Philosophy

The research philosophy (or paradigm) refers to the scientific practice based on assumptions about the world and the nature of knowledge (Collis and Hussey, 2003). Saunders *et al.* (2007) state that the research philosophy reflects the way the researcher thinks about the development of knowledge, which in turn affects the way they undertake the research. In fact, there has been a long-standing debate among social researchers and philosophers concerning the perfect research paradigm, with philosophers from opposing positions arguing the relative value of their stances. However, it is generally agreed that the different paradigms do different things, and that the choice of which to adopt is dependent upon the objectives and context of the research.

Two main research philosophies in the social sciences have emerged from the ongoing debate; these are generally referred to as positivist and phenomenological (Easterby-Smith *et al.*, 1991; Collis and Hussey, 2008). These two differing paradigms are often thought of as being diametrically opposed to each other; indeed, there are substantial variations in the approaches. In the former, the emphasis is on the use of quantitative and experimental methods to test hypothetical-deductive generalisations, with the intention of providing causal explanations and fundamental laws (Easterby-Smith, 1991; Remenyi *et al.*, 1998; Amaratunga *et al.*, 2002). There is a need for total independence of the observer from the subject being observed, and for the formulation of hypotheses that can be subsequently verified (Amaratunga *et al.*, 2002).

Phenomenological enquiry on the other hand, adopts qualitative naturalistic approaches to research with a view to understanding human experience in a holistic way, and in its specific context. It is not interested in generating fundamental laws or even external causes, but rather in providing an explanation for a particular phenomenon, and in trying to understand it (Easterby Smith, 1991; Remenyi *et al.*, 1998, Amaratunga *et al.*, 2002).

In their comments on the two paradigms, Collis and Hussey (2008) note that a positivist paradigm includes terms such as Quantitative, Objectivist, Scientific, Experimentalist, and Traditionalist, whereas the phenomenological paradigm uses terms such as Qualitative, Subjectivist, Humanistic, and Interpretive. Their summary of these alternative terms appears in Table 3.1.

| <b>Table 3.1: Philosophical Stances in Research</b> |                                  |
|---|----------------------------------|
| <b>Positivistic Paradigm</b>                        | <b>Phenomenological Paradigm</b> |
| Quantitative  | Qualitative                      |
| Objectivist   | Subjectivist                     |
| Scientific  | Humanistic                       |
| Experimentalist                                     | Interpretivist                   |
| Traditionalist                                      |                                  |

Source: Collis and Hussey (2009:47)

It can be seen that a major difference lies in the type of data collected, the distinction between quantitative and qualitative approaches, being at the top of the list. In quantitative research, the data is generally in the form of numbers, and the focus is on empiricism (Keith, 2005). Collis and Hussey (2003) note that this type of research attempts to measure variables by counting the frequency with which they occur. Typically, survey methods, laboratory experiments, numerical methods such as mathematical modelling, and other formal methods are adopted, and as also noted by Collis and Hussey (2003), the approach is considered as being objective in character with the use of statistics helping to contribute towards such objectivity.

In qualitative research, on the other hand, the data are not in the form of numbers (Keith, 2005), and as argued by Creswell (2003:198), the researcher “is the primary instrument in data collection rather than some inanimate mechanism”. Consequently, the researcher is highly involved in the actual experiences of the research participants (Creswell, 2003), and this allows for the development of a deeper and fuller appreciation of the phenomenon being studied (Collis and Hussey, 2008). Generally, qualitative researchers favour interviews and direct observation.

Hussey and Hussey (1997) divided the features of qualitative and quantitative research as shown in Table 3.2.

| <b>Table 3.2: Features of Qualitative and Quantitative Research</b> |                                       |
|---|---------------------------------------|
| <b>Qualitative</b>  | <b>Quantitative</b>                   |
| Uses small samples  | Uses large samples                    |
| Concerned with generating theories                                  | Concerned with hypotheses             |
| Data is rich and subjective   | Data is highly specific and precise   |
| The location is natural   | The location is artificial            |
| Reliability is low  | Reliability is high                   |
| Validity is high  | Validity is low                       |
| Generalises from one setting to other                               | Generalises from sample to population |

Source: Hussey and Hussey (1997:47)

There is no definitive rule as to which philosophy to select when conducting research, as it depends on the nature and scope of the study, the source of the data, the research questions and hypotheses or proposal, and any constraints that may exist (Yin, 2009), in addition to the overall research aim.

According to a positivist philosophy, knowledge in science can only be gained from direct experience and observation (Robson, 2002). Easterby-Smith *et al.* (2004:28) view the positivist approach as important because “the social world exists externally, and ... its properties should be measured through objective methods, rather than being inferred subjectively through sensation, reflection or intuition”. They note, however, that phenomenology is a newer paradigm and stems from the view that ‘reality’ is not objective and exterior but is socially constructed and given meaning by people (Easterby-Smith *et al.*, 2004).

A number of authors (Easterby-Smith *et al.*, 1991; Sounders *et al.*, 2000; Collis and Hussey, 2008) have highlighted the main elements of this choice involving research philosophy. In particular, Easterby-Smith *et al.* (2008:30) summarise the distinction between positivist and phenomenological philosophies as shown in Table 3.3.

| <b>Table 3.3: Positivism vs. Phenomenology</b> |   |  |
|--|---|--|
|  | <b>Positivism</b>                                       | <b>Phenomenology</b>                                   |
| The observer                                   | Must be independent                                     | Is part of what is being observed                      |
| Human interests                                | Should be irrelevant                                    | Are the main drivers of science                        |
| Explanations                                   | Must demonstrate causality                              | Aim to increase general understanding of the situation |
| Research progress through                      | Hypotheses and deduction                                | Gathering rich data from which ideas are induced       |
| Concepts                                       | Need to be operationalised so that they can be measured | Should incorporate stakeholder perspective             |
| Units of analysis                              | Should be reduced to simple terms                       | May include the complexity of ‘whole’ situations       |
| Generalisation through                         | Statistical probability                                 | Theoretical abstraction                                |
| Sampling requires                              | Large numbers selected randomly                         | Small numbers of cases chosen for specific reason      |

Source: Easterby-Smith *et al.*, (2008:30)

### **3.4.1 Justification for Choosing Phenomenology as the Research Philosophy**

Lester (1999), and Robert (2011), highlighted that epistemologically, phenomenological approaches are based in a paradigm of personal knowledge and subjectivity, and emphasise the importance of personal perspective and interpretation. As such, they are powerful for understanding subjective experience, gaining insights into people's motivations and actions, and cutting through the clutter of taken-for-granted assumptions and conventional wisdom.

Given the exploratory nature of this research study, an approach that will allow insights into the attitudes and motivations of individuals in Libyan businesses is essential. Indeed, the choice of a phenomenological approach for this current study is based on the advice offered by many other authors including Saunders *et al.* (2007), and Collis and Hussey (2008), who suggest that phenomenology is the appropriate philosophy for studies that deal with the exchange of experience between companies. It is also relevant that the researcher is involved in the context of the research, which refers to the subjective aspects of human and firm activity, taking as examples the change of culture and top management involvement. This research tries to explore variables and stages of business relationship between companies through people, and as Easterby-Smith *et al.* (2004) have pointed out, phenomenology focuses on the ways that people make sense of the world, especially through sharing their experiences with others via the medium of language. A phenomenological approach, therefore, lends itself to establishing the reality of relational activities.

Easterby-Smith *et al.* (2008) have also observed that since the early 1980s, a trend from positivism towards phenomenology has been evident since it is generally believed that the latter facilitates the collection of rich data and does not suffer from the rigidity associated with the former. Given the characteristics of both these two major philosophical stances (as shown in Table 3.3), it is clear that the aim and objectives of this study that require the collection of rich data, and at the same time demand an approach that will adapt to the reality of the fieldwork, will be met by a phenomenological approach. Clearly, the study is social in nature; it is concerned with establishing people's beliefs, views of the



world, attitudes and experience in a particular environment, and with the way in which these ideas are exchanged between people. The research questions are concerned with the *what*, *why* and *how* of the particular situation being explored, and consequently, the phenomenological paradigm will facilitate answers much better than the positivist approach might.

The essential point to grasp in connection with the study is that it is concerned with a very specific context – the business world in both Libya, and the wider international environment, and that all data will come from people who may perceive that specific context differently. Amaratunga *et al.* (2002) highlight the fact that phenomenology emphasises understanding human experiences in context-specific settings, and Easterby-Smith *et al.* (2008) stress that reality is not objective and external, but rather, is socially constructed and given meaning by people. Hence, further justifications for the choice of philosophical paradigm are provided.

### **3.5 Research Approach**

There are two main research approaches, the deductive and inductive. In the deductive approach the researcher develops a theory, a hypothesis, and then designs a research strategy to test that hypothesis (Saunders *et al.*, 2007). Deduction is characterised by the testing of theory through empirical observation, and the method is referred to as moving from the general to the particular, in what can be described as a ‘top-down’ approach (Collis and Hussey, 2008).

This is in stark contrast to the inductive approach, in which the researcher collects data and develops a theory based on the analysis of the data (Saunders *et al.*, 2007). The theory is generated from observing reality, and consequently, particular examples are used to infer generalities (Collis and Hussey, 2008). Moving from specific observations to broader generalisations presents a ‘bottom up’ approach, in which patterns and regularities are noted and used to formulate some tentative hypotheses that can be explored before eventually arriving at some general conclusions or theories (Trochim, 2006). Inductive reasoning, by its very nature, is more open-ended and exploratory, especially at the beginning. Easterby-Smith *et al.* (2008) argue that the inductive approach encourages

researchers to work with qualitative data, and to use a variety of methods to collect the data needed.

### 3.5.1 Choice of Research Approach and Justification

The researcher has chosen the inductive approach to achieve the aim and objectives of the study since whilst there is existing theory concerning the development and sustainability of business relationships, there is no such theory relating to the very specific context of Libya, as both an Arab and a developing country. Consequently, in this study, the findings from the fieldwork will be incorporated into the existing theory, thereby demonstrating the ‘bottom up’ effect. That said, Saunders *et al.* (2007) make the point that it is quite possible for a researcher to combine the two approaches in one study in order to gain the advantages of both.

### 3.6 Research Strategy

There are many research strategies in social science research (Velde *et al.*, 2004; Yin, 2008), which include: experiments, surveys, histories, analysis of archival information, and case studies. Yin (2008) identified three conditions which can be used to select the appropriate strategy for research:

- a) the type of research question posed;
- b) the extent of control an investigator has over actual behavioural events; and
- c) the degree of focus on contemporary as opposed to historical events.

Table 3.4 shows these three conditions

| <b>Table 3.4: Conditions for the Selection of Research Strategy</b> |                                       |  |                                      |
|---|---------------------------------------|--|--------------------------------------|
| <b>Strategy</b>   | <b>Form of Research Question</b>      | <b>Requires control of Behavioural Events?</b> | <b>Focus on Contemporary Events?</b> |
| Experiment  | How, Why?                             | Yes  | Yes                                  |
| Survey  | Who, What, Where, How many, How much? | No   | Yes                                  |
| Archival analysis   | Who, What, Where, How many, How much? | No   | Yes/No                               |
| History   | How, Why?                             | No   | No                                   |
| Case study  | How, Why                              | No   | Yes                                  |

Source: Yin (2003:5)

### **3.6.1 Case Study, and Justification for Choosing this as the Research Strategy**

Yin defines a case study as “an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (2003:13). Table 3.4 indicates that the case study is an appropriate strategy when ‘how’ or ‘why’ questions are being posed, because the methods available within the case study approach allow the researcher to determine not only *what* happened but also *why* it happened. Yin (2003) also recommends the case study as a useful option when the study is of current rather than historic events, and when the researcher is unable to control them. Referring back to the nature of the research questions posed in the current study (how, why, and what), and taking into account the fact that the focus is on contemporary events, and that the researcher has no control over behaviour, the case study strategy would appear to presents itself as a suitable vehicle with which to undertake the research.

Velde (2004) suggests that a case study strategy is an appropriate one to adopt if the aim of the research is to conduct an intensive study of a phenomenon within its total surroundings. It is particularly useful when the focus is on understanding a process (Saunders, 2009). The specific need of the current study is to question certain individuals (through interview); these people will have the expertise gained by working in particular companies or sectors, to provide an understanding of the process of business relationship building.

Consequently, the researcher has chosen the case study strategy as this will facilitate the collection of data from a wide perspective. Interviews with managers, supervisors and other people who are experts in the field will provide in-depth understanding of the information necessary to investigate and explore culture-related factors that affect business relationships with Libyan organisations.

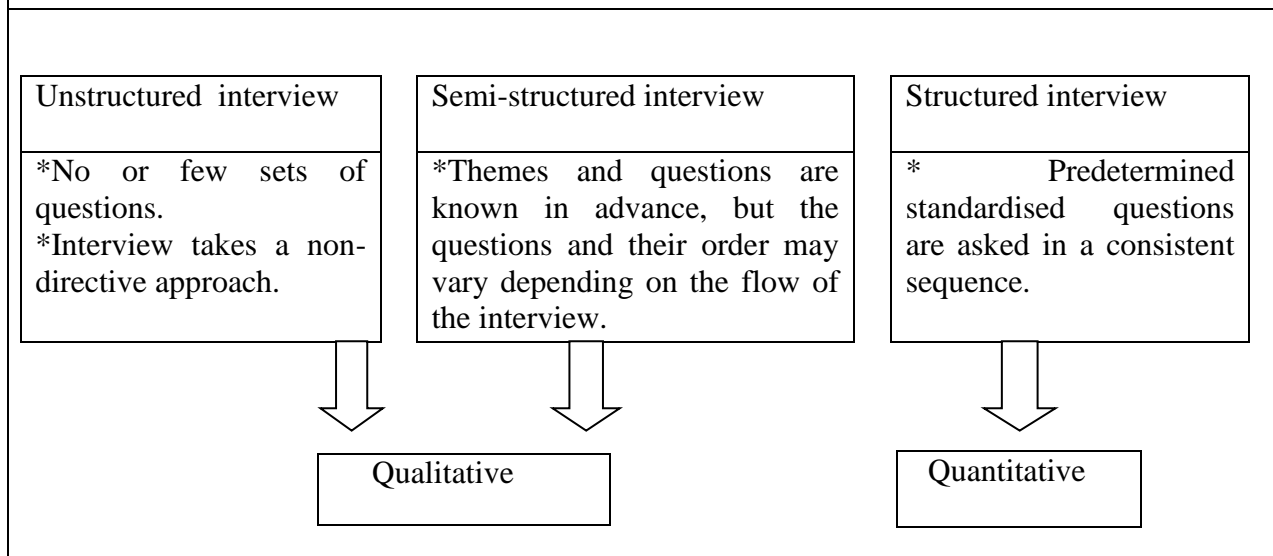
### **3.7 Data Collection Methods (Interviews)**

Interviewing is a research method that involves interaction between a researcher and an interviewee, with the intention of gaining information from the interviewee (Robson, 2002). Sekaran (2003) makes the point that interviewing is conducted to obtain information on the issue of interest. Hence, it follows that in order to be able to provide information, the interviewee must be knowledgeable in the area of interest to the researcher. On the same issue, Yin (2011) notes that the interview is one of the most powerful ways available of understanding others, providing a good means of accessing people's perceptions, meanings, definitions of situations, and constructions of reality.

According to Saunders *et al.* (2007), and Fontana and Frey (2000), there are three types of interview, namely structured, semi-structured, and unstructured. These types have been identified by other scholars, although with some variation in their titles. For example, Patton (2002) used the terminology of the informal conversational interview, the general interview guide approach, and the standardised open-ended interview; and other researchers (Healey, 1991; Healey and Rawlinson, 1993, 1994; Bryman, and Bell, 2007) differentiate between standardised and non-standardised interviews. In considering these various types of encounter, it can be seen that semi-structured and unstructured (in-depth) interviews are qualitative in nature, whilst structured (standardised) interviews are quantitative in nature, mainly following a questionnaire that does not allow for contribution other than that asked for by the particular questions on the schedule (Yin, 2011).

Anderson (2009) explains that the key issue (when choosing to adopt interviews as the method of data gathering), is to determine the type of interview that is most suitable for collecting the information. He adds that each different type of interview has implications for the approach that will be taken to questioning and also to recording data and subsequently to analysis. Figure 3.2 indicates the character of each of the three types of research interview:

**Figure 3.2: Types of Research Interview**



Source: Anderson (2009)

Concentrating particularly on the semi-structured interview, Mason (2002) states that this is characterised by three main features:

- i. A relatively informal discussion rather than a formal question and answer format.
- ii. There is no need for the researcher to have a structured list of questions. Rather, s/he has a range of topics, themes or issues to cover.
- iii. The data are generated via the interaction.

In their consideration of interviews, Easterby-Smith *et al.* (2008) mention that the main reason for conducting qualitative interviews is to understand how individuals construct the reality of their situation from their complex personal frameworks of beliefs and values developed over time through their experience of the world. Qualitative interviews therefore, are designed to yield in-depth data and can be very useful in practical social research projects, since they can provide data which gives fuller expression to the informant's views (Hall and Hall, 1996). Indeed, Yin (2009) argues that interviews represent a valuable technique for obtaining data, and also claims that they are one of the most vital sources of information in case studies, and in particular where the overall approach is qualitative in nature.

Having already stated that this study is placed within the phenomenological paradigm, and that the emphasis is on the collection of qualitative data, the choice of interview type is logical and accurate; a semi-structured format was chosen. This will allow for the themes and questions to be known in advance, but for the questions to be open and to be asked as the interview flows, rather than being asked in a rigid sequence.

However, interviews are not the only means of collecting research data. There are a number of techniques available to do this, but as noted by Collis and Hussey (2009), if a study uses a qualitative methodology, the researcher will emphasise meaning and experience related to the phenomena, whereas, if a quantitative methodology is used, the researcher will attempt to measure a variable or to count occurrences of a particular phenomenon. Such data can be obtained directly from research participants, or from material already published (official statistics, other researchers' published results, etc.), and the distinction is made between these two types of data, with the former being referred to as primary data, and the latter as secondary data. Saunders *et al.* (2007) indicate that primary data refers to the collection of data through interviews, direct observation, focus groups, and questionnaires. Secondary data refers to information that already exists, such as archival records, company documentation, publications, and annual reports (Collis and Hussey, 2009).

When adopting the case study approach, the researcher can use six major sources of evidence: documentation, archival records, interviews, direct observations, participant observation, and physical artefacts, as noted by Yin (2009:86) and indicated in Table 3.5.

| <b>Table 3.5: Six Sources of Evidence in a Qualitative Approach and Case Study</b> |  |   |
|--|--|---|
| <b>Source of evidence</b>  | <b>Strengths</b>   | <b>Weakness</b>   |
| <b>Documentation</b>   | <ul style="list-style-type: none"> <li>- Stable: can be reviewed repeatedly.</li> <li>- Unobtrusive: not created as a result of the case study.</li> <li>- Exact: contains exact names, references and details.</li> </ul> | <ul style="list-style-type: none"> <li>- Retrievability or loopback: can be low.</li> <li>- Biased selectivity, if collection is incomplete.</li> <li>- Reporting bias: reflects bias of the author.</li> <li>- Access: may be deliberately blocked.</li> </ul> |
| <b>Archival Records</b>  | <ul style="list-style-type: none"> <li>- Same as above.</li> <li>- Precise and quantitative.</li> </ul>  | <ul style="list-style-type: none"> <li>- Same as above.</li> <li>- Accessibility may be limited for privacy reasons.</li> </ul>   |
| <b>Interviews</b>  | <ul style="list-style-type: none"> <li>- Targeted: focuses directly on case studies.</li> <li>- Insightful: provides perceived causal inferences.</li> </ul>   | <ul style="list-style-type: none"> <li>- Bias due to poorly constructed questions.</li> <li>- Response bias.</li> <li>- Inaccuracies: interviewees say what they think. Interviewer wants to hear.</li> </ul>   |
| <b>Direct observation</b>  | <ul style="list-style-type: none"> <li>- Reality: covers events in real time.</li> <li>- Contextual: covers context of event.</li> </ul>   | <ul style="list-style-type: none"> <li>- Time consuming.</li> <li>- Selectivity: poor, unless board coverage.</li> <li>- Reflexivity: events may be processed differently.</li> </ul>   |
| <b>Participation direct observation.</b>   | <ul style="list-style-type: none"> <li>- Same as for direct observation.</li> <li>- Insightful into interpersonal behaviour and motives.</li> </ul>  | <ul style="list-style-type: none"> <li>- Same as for direct observation.</li> <li>- Bias due to investigator is manipulation of events.</li> </ul>  |
| <b>Physical Artefacts</b>  | <ul style="list-style-type: none"> <li>- Insightful into cultural features.</li> <li>- Insightful into technical operations.</li> </ul>  | <ul style="list-style-type: none"> <li>- Selectivity.</li> <li>- Availability.</li> </ul>   |

Source: Yin (2009:102)

No single source of data has a complete advantage over the others. Indeed, Yin (2009) regards the combination of multiple sources of evidence as being helpful in clarifying the real meaning of the phenomenon being observed; multiple sources might be complementary and could be applied for the purposes of triangulation. However, the point is also made by Yin (2003) that interviews are one of the most important sources of case study information since they may corroborate information obtained from other sources that in themselves, may not be easily verifiable. For example, documents can be misinterpreted by inexperienced researchers, and archival records may themselves not present an

accurate history of what has taken place, so again the researcher must be careful to evaluate the accuracy of such records before using them (Yin, 2003).

Additionally, case studies are considered to be more robust if more than one case is considered in the study. Yin (2003:53) observes that “even if you can only do a ‘two-case’ case study, your chance of doing a good case study will be better than using a single-case design. More important the analytic benefits from having two (or more) cases may be substantial”. Obviously, evidence from several case studies is regarded as more compelling, and the chances of greater generalisation are substantially increased; hence, it is helpful if a researcher can consider several cases within one sector. In this study, one sector (that of the tourism industry) is being explored, but within that, a number of different tourism companies (17 companies) are involved, in literature many studies had used between 15 to 25 interviewees, that is supported by many authors included Velde, (2004), Trochim, (2006) and Easterby-Smith *et al.* (2008). Therefore, the 17 interview presenting smaller cases which will give a strong prediction of how the rest of the tourism industry behaves in the matter of developing and sustaining business relationships.

### **3.7.1 Justification for Choosing the Semi-structured Interview as the Data Collection Methods**

As the main aim of this research is to investigate and explore the variables involved in the different stages of business relationship development and maintenance, semi-structured face-to-face interviewees via Skype and Yahoo messenger were considered appropriate for this study. An important advantage of this approach was the fact that it allows the researcher to reassure participants about the confidentiality of the process which does not require them to commit any of their opinions to paper. In the context of Libyan society, it is a genuine concern among participants that they should not be held accountable for their contributions. Consequently, the interview process conducted in this manner offers a comfortable means of obtaining information.

Saunders *et al.* (2009:349) pointed out that: “this method may allow you to make contact with participants with whom it would be impractical to conduct an interview on a face-to-face basis because of the distance and prohibitive costs



involved and time required. Even where ‘long-distance’ access is not an issue, conducting interviews by telephone may still offer advantages associated with speed of data collection and lower cost. In other words, this approach may be seen as more convenient”.

Additionally, the semi-structured interview method as part of a qualitative approach and a case study strategy is supported by many, including Ghauri *et al.* (2005), Patton (2002), and Sekaran (2003). Specifically focussing on qualitative research in business and management, Maylor and Blackmon (2005) have pointed out that this deals not only with organisations but also with the people who work in them. Hence, it is people who should be questioned and involved, in the most productive way possible. As noted by Easterby-Smith *et al.* (2008:30), “human interests are the main drivers of science” and consequently, a general understanding of any situation can be gained by the involvement of people. Such an understanding can be facilitated by aiming to gather primary, rather than, or in addition to, secondary data, and as reported by Saunders *et al.* (2007), and Collis and Hussey (2009), primary data is secured through the involvement of people via interviews, direct observation, focus groups, and questionnaires.

For the current study qualitative interviews are required, since these will lead to an understanding of how individual managers create the reality of their circumstances from their complex personal frameworks of beliefs, values and experience developed over time through their work periods, wherever in the world, they might have been. However, as pointed out by Saunders *et al.* (2007), semi-structured interviews not only reveal answers to the ‘what’ and ‘how’ questions, but also place more emphasis on securing answers to the ‘why’ of a particular phenomenon. As the research questions are *what*, *how* and *why*, this type of interview is a logical choice for attempting to establish interviewees’ ideas and opinions (and hence, the Libyan perspective) with regard to the development of business relationships with other companies.

### **3.8 Translation of the Interview Protocol**

Given that the researcher is studying in the UK, all questions on the interview schedule were written initially in English. However, because the research was undertaken with Libyan companies, in which the official language is Arabic, it was necessary for the questions to be translated into Arabic, and this was done by the researcher and some expert professionals who spoke perfect English and Arabic; the questions were then back translated into English to check for accuracy. After the completion of the interviews, the researcher transcribed the material obtained, and then translated the transcripts into English. They were then back translated into Arabic once again to check for accuracy.

### **3.9 Data Analysis**

As observed by Saunders *et al.* (2003:379). “there is not a standardised approach to the analysis of qualitative data”. Indeed, there are many approaches to qualitative research as already indicated, and consequently, there are different strategies to deal with data collected (Miles and Huberman, 1994; Karnieli-Miller *et al.*, 2009; Yin, 2011). Tesch (1990) groups these strategies into four categories:

1. Understanding the characteristics of languages;
2. Discovering regularities;
3. Comprehending the meaning of text or action;
4. Reflection (Saunders *et al.*, 2003:379).

The essential point to remember with qualitative data is that the hope is for a pattern to emerge from the analysis of complex behaviours, needs, systems, and cultural issues (Miles and Huberman, 2002). In the last two decades, there has been a notable growth in the use of qualitative methods for applied social policy research, and now these methods are being used to explore and understand a diversity of social and public policy issues, either as an independent research strategy or in combination with some form of statistical inquiry. The wider use of qualitative methods has emerged for a number of reasons but is underpinned

by the persistent requirement in social policy fields to appreciate the complexities of human interaction. Flick (2007) has pointed out that the objective of qualitative data analysis is to identify, examine, compare and interpret patterns and themes. Qualitative data are non-numerical data, analysed through the use of conceptualisation.

Miles and Huberman (1994) suggest an analytic manipulation methodology for analysing data which includes the following activities:

1. Putting information into different categories.
2. Making a matrix of categories and placing the evidence within such categories.
3. Creating data display.
4. Tabulating the frequency of different events.
5. Examining the complexity of such tabulations and their relationships by calculating second-order numbers such as means and variances.
6. Putting information in chronological order or using some other temporal scheme.

Qualitative analysis generally involves the development of data categories, allocating units of the researcher's original data to appropriate categories, recognising relationships within and between categories of data, and developing propositions to produce well-grounded conclusions (Saunders *et al.*, 2007). However, Saunders *et al.* (2007), and Bryman (2004), add that due to its nature, there is no fixed rule or standardised approach to the analysis of qualitative data. Indeed, many techniques have been suggested by, for instance, Riessman (2004), Collis and Hussey (2009), Yin (2009), De Vaus (2001), and Miles and Huberman, (2002), and among these are the following:

\* Pattern matching: This involves comparing an empirically-based pattern with the predicted one, or with several alternative predictions. If the case matches the predicted pattern then the case supports the theory; if not then the theory requires modification and needs further research.

\* Time series analysis: This compares the set of events in the case study with the predicted one. If they match it will support the theory; if not, it requires modification and further research.

\* Programme logic analysis: This is a combination of pattern matching and time series analysis covering independent and dependent variables. It is useful when doing case study evaluations. In this procedure the events are staged in repeated cause-effect-cause-effect patterns.

\* Explanation building: This is a special type of pattern matching, in which the goal is to analyse the case study data by building an explanation of the case in narrative form. It is, therefore, a process of building theory from data.

Among these strategies, pattern-matching is considered as one of the most desirable strategies for data analysis (Trochim, 1989; Collis and Hussey, 2009; Yin, 2009). Together with explanation-building, it is used in this study, since the data collected from 17 companies in the same industrial sector, and of course there are important criteria that made the researcher chosen 17 interviewees those are, the position of the person in the company and length of period working in this field. Also, there are important criteria of chosen this tourism sector these being: company size, reputation, power and position in the market, and international specialty, meaning that similarities are expected to arise in the comments made by participants. Pattern-matching is valuable for comparing an empirically-based pattern with experience and understanding in all environments, and explanation-building is useful since unpredicted patterns may emerge during the data collection process, and these need to be understood and assimilated into the theoretical framework being developed.

### **3.10 Ethical Approval**

Saunders *et al.* (2009) refer to ethics in the context of a research study as the appropriateness of the researcher's behaviour in relation to the individuals on whom the research is focused. This point was made by Anderson (2009), who stated that research ethics is about "adherence to a code of behaviour in relation to those who become the subject of your work or are affected by it". In considering what constitutes an ethical approach to research, Anderson (2009) states two principles that underpin such an approach, the first being that the interests of all participants must be safeguarded, and the second that individuals from whom data is obtained should be no worse off at the end of the process than at the beginning.

It is essential that all potential harm be considered before any research study is begun, and therefore, it is necessary for all studies to be subject to scrutiny, so that ethical approval is obtained before starting to collect any data. The University of Salford's Ethics Policy obliges researchers to apply for ethical approval before conducting any fieldwork, and consequently, a request for such approval was obtained before embarking on the field study. In conducting the empirical work, all interviewees were informed of the general purpose of the research before their participation was sought, and the interviews were arranged at the most convenient time for the interviewees. Also, once having agreed to take part, all individuals were informed they could withdraw at any time without giving a reason for so doing.

### **3.11 Research Administration and Pilot Study**

The researcher contacted 25 companies in the tourism sector and 17 of these agreed to help and participate in this study. After discussion between the researcher and his supervisor, it was decided to proceed with these 17 companies as they all fulfilled the criteria of being involved in the tourism sector and hence being active internationally. Additionally, these companies were located throughout Libya. Clearly, the tourism sector is one that is naturally involved with companies outside Libya, and that seeks to do as much business as possible, given the efforts to diversify the Libyan economy in order to reduce the reliance on the oil and gas sector. In choosing all companies contacted, the researcher used a number of criteria, these being: company size, reputation, power and position in the market, and international specialty.

The researcher contacted those companies via telephone and email to arrange an interview via internet facilities such as Yahoo Messenger and Skype. Face-to-face interviews in Libya were discounted given the political unrest, the prevailing no-fly zone, and the evident risk involved in entering and travelling about the country. Despite the drawbacks of not being able to conduct interviews on Libyan soil, however, there are benefits to using computer-aided meetings, as noted by Ghauri *et al.* (2005), and Sekaran (2003), who both indicate savings in time and money. Additionally, cancelled appointments are much easier to re-arrange since the researcher is not bound by travelling constraints. The fact that the researcher and all interviewees spoke the same

language and had the same cultural background was also a facilitating factor, since it was easy to clarify any point of confusion.

Prior to conducting interviews, however, it was important to establish the likely success of the exercise in obtaining the desired information. This involved the researcher in a pre-test, or a pilot study. Such a study is needed to validate and improve the questions to be asked, in terms of format, sequencing, wording, and overall content (Yusof and Aspinwall, 1999). Saunders *et al.* (2007:606) define such a study as a: “small-scale study to test a questionnaire, interview checklist or observation schedule, to minimise the likelihood of respondents having problems in answering the questions and of data recording problems as well as to allow some assessment of the questions’ validity and the reliability of the data that will be collected”.

Essentially, a pilot study represents a trial run, that enables the researcher to test the proposed instrument for acceptability, recognition, familiarity and relevance among the intended participants (Bell, 1999), and as noted by Remenyi *et al.* (2005), it provides some indication of the likely time it will take to administer the instrument, and to determine whether questions on vital issues have been omitted. In order to establish whether vital issues have been neglected in the interview schedule, it is important to ensure that the number of participants in a pilot should be reflective of the general population and any variations in that population (Collis and Hussey, 2008). Furthermore, Mason (2004) has emphasised the need not only to conduct a pilot study before the real one, but also to analyse and review the findings and to make decisions about the study on the basis of such analysis. It is only after completing an analysis of the pilot-study findings that the issue of whether all appropriate questions have been asked can be settled. Clearly, if the findings do not provide answers to the research questions, the instrument has not been designed to properly address those questions, and alterations are required. Hence, there is sometimes a need to conduct more than one pilot study in the process of refining a questionnaire or interview schedule.

Because of these recommendations in the literature, a pilot study was conducted with three interviewees from Libyan companies (representing the tourism, oil

and gas, and fast food sectors). This strategy was recommended by the researcher's supervisor, on the grounds that these companies would be fairly representative of Libyan businesses involved in international activity. The aim of the pilot study was to ensure that the intended questions were properly understood by the interviewees and sufficiently comprehensive to cover the research problem (Yusof and Aspinwall, 1999). Additionally, it was used to estimate the duration of the interviews so that a realistic time could be indicated when trying to arrange the appointments for the real case study interviews. Furthermore, testing the technology (telephone and internet) was required to ensure that all potential technical hitches were known in advance. In the actual event, each of these three companies was contacted by telephone for permission to arrange an internet interview (via Skype or Yahoo Messenger), and after making these arrangements, the three interviews were held, the first lasting 91 minutes, the second 85 minutes, and the third 60 minutes.

Whilst there were no technological problems, and all the interviewees understood the questions completely, it was apparent from the pilot that the process was taking too long, and that the participants would be in danger of becoming bored. Moreover, it was believed likely that some potential participants would be deterred by the knowledge that the proposed interview might take as long as one and a half hours. Consequently, some questions were removed to reduce the length of the interview, whilst others were amended slightly to improve the focus of the responses.

After the pilot study, the study proper was undertaken with the 17 tourism companies, the majority of which had their head offices in Tripoli but also had numerous branches in other Libyan cities, and in some cases, outside Libya. None of the three companies that participated in the pilot study featured in the final study. The participants of the 17 companies were nominated by the head offices; hence, the researcher had no control over the gender composition of interviewees. In the event, all were male, and when asked by the researcher if they had any objections to being named in the findings, all said "no" and agreed that their company name could be used in this respect. However, in view of the delicate political situation; it was decided not to include such information as to allow identification of individuals; although their positions within their

companies are indicated to give some idea of their seniority in the business. Each interview lasted on average 50 minutes (the shortest was 45 minutes and the longest 65 minutes), and each one was recorded so that the researcher could go back and experience the responses again as required.

### **3.12 Evaluating the Research Outcomes**

The value of the analysis of qualitative data depends on the quality of the researcher's interpretation (Collis and Hussey, 2009). The final step in analysing qualitative data is to evaluate the analysis (Collis and Hussey, 2009). Various criteria can be used to evaluate a phenomenological study and the quality of the analysis. Guba and Lincoln (1989) propose four such criteria as follows:

**1. Credibility:** demonstrates that the research was conducted in such a manner that the subject of the enquiry was correctly identified and described. Credibility can be improved by the researcher involving himself in the study for a prolonged period of time, by persistent observation of the subject under study to obtain depth of understanding, by triangulation by using different sources of evidence, and by peer debriefing by colleagues on a continuous basis. Among those techniques, the credibility of this study was enhanced by interviews and other evidence collected from different sources within 17 companies from different cities in Libya.

**2. Transferability:** this is concerned with whether the findings can be generalised to another situation.

**3. Dependability:** this illustrates that the research process is systematic, rigorous, and well documented.

**4. Conformability:** this should be used as a criterion where the study has described the research process fully and it is possible to assess whether the findings flow from the data.

To support the value of this research, the researcher often participated in formal seminars aimed to improve the research quality, especially those concerned with the methodological approach followed in this particular study. Furthermore, other informal meetings were conducted on a weekly basis within Salford University during which the aim was to revise and evaluate the methodologies adopted by different PhD candidates from different schools.



### **3.13 Summary**

As already indicated, the research methodology is a crucial aspect of any study since this testifies to the academic rigour of the process undertaken, and the methodology adopted should be clear to any person trying to make use of the findings achieved. In this chapter that has presented the methodological approach taken in this study, the researcher has clarified the philosophical underpinnings of the study and confirmed that a phenomenological approach was chosen. The different strategies and methods involved in conducting qualitative research have been introduced, and a rationale has been provided for choosing the case study method, and specifically for undertaking interviews with the intended research population. The issue of respect for research participants has also been considered in the section on research ethics, and an indication of how the research was actually conducted, including details of the pilot study, have been given. From all this information, it is apparent that sound research guidelines have been followed to date.

## **Chapter 4: Research Findings**

### **4.1 Introduction**

The purpose of this chapter is to consider the second objective of this study which is: to explore the characteristics that determine sustainable international business relationships from the Libyan point of view. The chapter begins with a short reminder of what authors from developed countries have published in the literature relating to the key stages and variables in the development of business relationships. It then presents the demographic data for each company in the research sample, and proceeds to explore the key stages and variables in those companies' development of business relationships, showing what the companies have named the various stages, and why.

### **4.2 Social Stages and Variables in Business Relations**

For any business relationship to be a success, a number of components must exist. Various relationship components have been suggested by a number of writers, each component being identified with its level of importance, which is dependent on the stage of the relationship. Appendix 1 shows some of findings from studies between 1980 and 2008, and from these findings, a clear picture of the stages through which companies can go when establishing business relationships in developed countries, can be gained.

As already has been mentioned that, Libya was subject to sanctions from the UN and USA for many years, and this situation arrested its development. Moreover, recently there has been civil war in many cities in Libya (BBC, 2011), and the establishment and maintenance of business relationships has not been at the forefront of people's minds. Furthermore, in respect of the second factor of the need for this research on section 1.3, the evidence that there is dearth of research in BRD in Libyan context, Alwatan (2012) pointed out that nothing has been found on business relationship development in the Libyan context, and there are some researches in developing countries in literature such as John Gray (2013), Mohammad Irfan (2011) and Robert F. *et al* (2009) but those were not enough related to this study. Furthermore, there is lack of studies on emerging countries in several areas such as CIVETS. Eduardo Cárdenas (2011) points out that all of CIVETS countries share the fact that they

have a great variety of businesses but in the same time they have dearth of research on BRD in their regions.

This is a short reminder of what authors from developed countries have published in the literature relating to the key stages and variables in IBRD, start with Wilson (1995) identified the greatest number of variables in the development of business relationships, these being; commitment, trust, co-operation, mutual goals, interdependence/power imbalance, performance satisfaction, comparison level of the alternative, adaptation, non-retrievable investments, shared technology, summative constructs, structural bonds, and social bonds. However, even though he provides this extensive list of variables, he goes further to suggest that “[g]iven situational factors, one might add or delete from the list to capture the relationship situation” (1995:337). Other researchers have also undertaken major studies of the variables in the development of business relationships, among them being Jüttner and Wehrli (1994), Dion *et al.* (1995), Möller and Wilson (1995), Dawar *et al.* (1996), Holm *et al.* (1996), Selnes (1998), Ali and Birley (1998), Lin and Germain (1998), and Zhu *et al.* (2005). However, Conway and Swift (2000) add to the knowledge by providing a list containing six key variables associated with cross-cultural relationships development, which is identified as: 1) cultural affinity, 2) trust, 3) commitment, 4) experience, 5) satisfaction, and 6) communication.

### **4.3 The Demographic Data**

Table 4.1 provides the demographic data concerning the participants in the study, from which it can be seen that 17 companies were involved, and that all interviewees were in the age range 31-50 years, with the exception of two who were over 50 years. Additionally, all participants held either a Bachelor’s or Master’s degree, irrespective of their position. As already indicated, there was no gender split, since all participants were male.

| <b>Table 4.1</b> |                                    |                                       |                     |                                 |
|------------------|------------------------------------|---------------------------------------|---------------------|---------------------------------|
| <b>Company</b>   |                                    | <b>Participants' Personal Details</b> |                     |                                 |
| No.              | Name                               | Age Group                             | Position            | Highest Academic Qualifications |
| 1.               | Kasm Tours and Ttravel             | 31-40                                 | Office Manager      | BSc                             |
| 2.               | Al Rayahen Tourism Service Company | 41-50                                 | Owner and Executive | BSc                             |
| 3.               | Raki Tours Libya                   | 31-40                                 | Owner               | BSc                             |
| 4.               | AJMI Tours Agency                  | 41-50                                 | Support Manager     | BSc                             |
| 5.               | Sonali Travels                     | 31-40                                 | Secretary           | BSc                             |
| 6.               | Albarouni for Tourist Services     | 31-40                                 | Manager             | BSc                             |
| 7.               | Abaydaa Libya Tour                 | 22-30                                 | Support Manager     | BSc                             |
| 8.               | Adrar Tour For Travel Service      | 50+                                   | Owner and Manager   | MSc                             |
| 9.               | Elmansoury                         | 41-50                                 | Executive Manager   | MSc                             |
| 10.              | African Travel And Tourism         | 22-30                                 | Support Manager     | BSc                             |
| 11.              | Al-Hourouj                         | 31-40                                 | Support Manager     | BSc                             |
| 12.              | Participatory Almassa              | 41-50                                 | Manager             | BSc                             |
| 13.              | Libra Tours                        | 50+                                   | Owner               | MSc                             |
| 14.              | Arkno Tours                        | 41-50                                 | Supervisor          | MSc                             |
| 15.              | Sabrata Travel                     | 31-40                                 | Manager             | BSc                             |
| 16.              | Friday for Travelling              | 31-40                                 | Support Manager     | BSc                             |
| 17.              | Vestigial Tours                    | 41-50                                 | Owner               | BSc                             |

Before presenting the findings section, it is appropriate to re-iterate that businesses must begin to rely more on relationship building, because in a global market the idea of this is understood to be an important element for success. At the same time, it is equally important to consider that relationship building happens between people, within organisations, and not between the organisations themselves (Rudoren, 2009); hence, people themselves are the main providers of data. Consequently, in order to explore and investigate the salient features of successful international business relationships, interviews were constructed and held, as a means of collecting data from experts (managers and supervisors) within the chosen case study companies. As already outlined, interviewees from 17 Libyan companies in the tourism sector participated in the research via an internet facility. All appropriate measures were taken by the researcher to ensure that the proper permissions were granted by the companies concerned and that the supporting technology was fully operational and did not malfunction, and thus cause an interruption to the interviewing process.

#### **4.4 Findings (Stage Name) of Stages of BRD from Libyan Companies' Viewpoints**

Each company named the BRD stages according to the way they behaved internationally. In the following sub-sections each company's stages and objectives are reported.

##### **4.4.1 Stage One and Objectives**

Some companies referred to stage one as the search stage, others called it the finding or pre-contact stage, and yet others were in agreement with the way this was represented by some authors who have been referred to in the literature review. The individual findings are now discussed.

##### **➤ Companies one, five and seven**

These companies named this stage as the search stage because at this point they were searching for a new partner. Wilson (1995) also used this term, calling it the search and selection stage.

##### **➤ Companies two and four**

These companies called this stage the finding stage because during this phase they wanted to find a new partner with new business ideas.

➤ **Company three**

Company three referred to this stage in looser terms, considering it as the time when they created a new project. The company viewed it as an exploratory time when they made an effort to see whether they might obtain a new partner in a different area.

➤ **Companies six and eight**

These companies referred to this period as the pre-contact stage, meaning that it included the time when they actually found a new partner. This title was the same as that used by Hallen and Weidershiem-Paul (1984).

➤ **Company nine**

This company perceived this stage to be when they had a great new business idea, and simply explored to see whether there was any chance of conducting new business in a different area.

➤ **Company ten**

Company ten called this stage the searching process because it was a time when it wanted to explore a new area.

➤ **Company eleven**

This company called this stage the inception of search. In fact this term has a similar meaning as searching but this company called it the inception of search, and intended this to mean that it was the time when it looked for a new partner.

➤ **Company twelve**

This company used the term exploration stage to describe the period when it was searching for a new business relationship.

➤ **Companies thirteen and sixteen**

Both of these companies named this stage as the pre-relationship stage because at that point they had not developed a business relationship and were in the process of finding suitable partners. This term was in common with other researchers, such as Ford (1980, 1984), Andersen (2001), and Ford *et al.* (2003).

➤ **Company fourteen**

This company referred to this stage as the searching and finding stage – searching to discover whether there was chance to find a new business partner.

➤ **Company fifteen**

This company referred to this stage as the one when they were searching for a new business idea, again simply exploring whether there was any chance to create a new business venture.

➤ **Company seventeen**

This company called this stage the pre-searching stage because it was only contemplating the prospect of finding a new partner with a new business in a different area.

#### **4.4.2. Stage Two and Objectives**

Again there were variations, with some companies referring to this stage as the initial interaction stage and others calling it the contact stage, or stage for arranging meetings. Each company's results are as follows:

➤ **Companies one and seven**

These companies named this stage the initial interaction stage because it represented the first contact with the new partner. Hallen and Weidershiem-Paul (1984) also used this terminology for this stage.

➤ **Companies two, three, four, five, six, eight, eleven and seventeen**

Company two named this stage as the contact and arranging stage; companies three and five called it arranging for meeting, company six called it contact stage, company eight named it first contact stage, company eleven named it as making the business strategy, and company seventeen referred to it as the meeting stage. Clearly, there are differences in the exact words used to describe this stage but all of those companies had a common objective for this stage, that being to contact a new partner purely to establish and prepare for a first meeting.

➤ **Company nine**

This company referred to this stage as finding the right partner because it was at this point when they searched for a suitable partner for the project in mind. Several researchers, including Ford (1980, 1984), Dwyer *et al.* (1987), Williams (1998), and Ford *et al.* (2003) also indicated this as being the stage in the relationship building when a company explored the market to find a new partner.

➤ **Company ten**

This company called this stage as the starting processes because it was at this point when it tried to create a new strategy with a new partner. Wilson (1995) said this stage was about defining purpose, and Brooks (2008) considers it as a stage of growth because this is the starting point of the business relationship.

➤ **Company eleven**

This company perceived this stage as one where the business goals were determined once the new partner had been found.

➤ **Companies thirteen, fourteen and sixteen**

These companies called this stage the communication stage because they considered this to be a time when then were making preparations for meeting with their new partners and formulating their future business plans.

➤ **Company fifteen**

This company referred to this stage as finding a partner. Having created the new business idea, it is necessary to find the right partner and this stage is perceived as the one when attention focuses on that goal. Essentially, this equates with what was said by Company nine, and with the ideas of certain authors such as Dwyer *et al.* (1987), Williams (1998), and Ford *et al.* (2003), who referred to this as the exploration stage in which companies search for new partners.

#### **4.4.3 Stage Three and Objectives**

Companies three and four only identified three stages in their business relationship development cycle because their opinion was that the business relationship can begin and develop or indeed end through those stages. Some of the other companies referred to this particular stage as one where they improved the relationship, and others considered it to be the satisfaction stage. The various companies reported as follows

➤ **Companies one, two, three, four, seven, thirteen, fourteen and sixteen**

Each of these companies had common ways of describing this stage. Company one and seven called it improving the relationship, companies



two, three, thirteen, and fourteen called it the development stage, company four named it building and improving relations, and company sixteen named it the maintenance stage. Whilst the names were slightly different, essentially they all meant that this was the time when they hoped to see an improvement in the depth of the relationship. Some authors, including Ford (1980, 1984), Andersen, (2001) and Ford *et al.* (2003), named this stage as the development stage, and others called it the developing phase, and it can be seen that these companies were all in agreement with those ideas because basically they all believed that at this stage, the business relationship should be developed and improved.

➤ **Company five**

This company called this stage satisfaction and improvement as an indication that it simply wanted to develop the business relationship.

➤ **Companies six and eight**

Both companies used different terms to describe this stage but their meaning was the same. Company six used the term business plan because this was the logical outcome of the first meeting designed to explore what was possible in the relationship, whilst Company eight used the term commence relationship which means starting the actual collaboration with the new partner.

➤ **Companies nine and fifteen**

Both these companies called this the contact stage on the grounds that the previous stage involved finding the new partner, and this one involved contacting that party as a preparation for the first meeting.

➤ **Companies ten and eleven**

Company ten referred to this stage as improving processes, while Company eleven called it developing the outcomes of the plan but both these names describe the same thing, which is improving the business relationship.

➤ **Company twelve**

This company perceived the second stage as the growth stage because it saw it as being the time when it wanted to develop the business relationship and make the association healthier.

➤ **Company seventeen**

This company named this stage the business plan because it believed that at the first meeting both parties should create a business plan indicating how the business relationship would unfold. Wilson (1995) called this the stage of setting boundaries, considering that at this point the parties meet, talk about the business plan, and what boundaries exist in these matters.

#### **4.4.4 Stage Four and Objectives**

As mentioned already, Companies three and four considered there were only three stages in their relationship development process. The rest believed that the process was ongoing, however, and some companies called this stage the maturity stage whilst others referred to it as the extending, or final stage.

➤ **Companies one and seven**

Both these companies referred to this point in the developmental process as the maturity stage because they believed that by this time, the business relationship would have strengthened and would continue, or a decision would be taken that as much benefit as was possible had already been gained, and therefore it was time to end the association.

➤ **Companies two, five and fourteen**

These companies named this stage as the extending stage, perceiving it as the time when they wanted to improve the relationship and widen its scope in terms of the business to be conducted between them.

➤ **Companies six, nine, fifteen and seventeen**

Company six referred to this stage as the development and satisfaction stage, Companies nine and fifteen called it the business plan stage, and Company seventeen named it the satisfaction stage. However, they all believed these descriptions to cover the same thing, that is to say, building and improving the plan for collaboration that they created at their first meeting.

➤ **Companies eight and thirteen**

Company eight called this stage the improved and satisfied relationship stage, and Company thirteen named it the maintenance stage but in their descriptions of what occurred at this point, both companies meant the

same thing, that being that the relationship was continually evolving and improving, bringing increased levels of satisfaction with the association. In fact, this is in line with the description by Hallen and Weidershiem-Paul (1984) that this is the mature stage of the relationship, characterised by a deepening of the business relationship.

➤ **Company ten**

This company referred to this stage as the declining stage, believing this to signal the end of the relationship. Brooks (2008) also used this term on the grounds that there is no room for the relationship to proceed, and therefore, it would logically finish.

➤ **Companies eleven and sixteen**

Company eleven also saw this as a stage where the relationship could be terminated, and called it the ending or extension of business relations, perceiving it as a turning point. Company sixteen also recognised that this might be a time when the relationship might fail, and called it the survival stage. It can be seen that both of these companies were in slight agreement with Companies one and seven because they acknowledged that the potential existed at this stage in the relationship for either or both partners to consider the benefits of remaining in collaboration or bringing it to an end, and that much depended upon the amount of success experienced.

➤ **Company twelve**

This company referred to this stage as the outcome stage because at this point the levels of satisfaction were clear and on the basis of the outcomes, the relationship could be enhanced or finished.

#### **4.4.5 Stage Five and Objectives**

Companies three and four do not appear in this analysis since as indicated previously, they considered only three stages to exist in the business relationship development process. Additionally, Companies one, two, five, seven, ten, fourteen and sixteen believed that there were four stages in the process. Hence, there were only seven companies that considered a further stage to exist. Some of these remaining companies referred to this stage as the extension/maturity stage, while others called it the final stage:

➤ **Companies six, thirteen and seventeen**

Both Companies six and seventeen referred to this stage as the extension stage because this signalled a point at which they engaged in further discussions to decide whether to extend the relationship or terminate it, and the criterion for continuation was clearly previous success. Company thirteen indicated exactly the same process at this stage but called it the survival stage. However, it did indicate that if it was possible to continue doing business, it would prefer that route.

➤ **Company eight**

Company eight named this stage the maturity stage, believing that by this time it was possible to determine whether the business relationship was healthy or otherwise.

➤ **Company nine**

This company used the term improvement stage for this phase, since they used it to try to increase the satisfaction levels within the relationship.

➤ **Company twelve**

This company used the word final to describe this stage, as it believes this was the point at which the business relationship ended. This terminology and meaning is in line with that of Ford (1980, 1984).

➤ **Company fifteen**

This company referred to this stage as one where it stopped or continued the business. This was an indication that a new business plan was required at this stage.

#### **4.4.6 Stage Six and Objectives**

Only one company identified six stages, that being Company nine, and for that company the sixth stage was entitled the maturity stage. By that term, the company meant to convey the idea that the business relationship had reached a point where it was very healthy and if there were other possibilities to collaborate, it would do. If there were not such opportunities, then the relationship would be dissolved.

#### **4.5 Stages of BRD and Variables from the Individual Libyan Companies' Viewpoints**

As discussed in the literature many authors have shown stages of BRD (see Table 2.1). Also Libyan interviewees have shown a number of stages and variables in Table 5.1 and each interviewee have different view of those stages and variables, those are presented in Tables 5.2 until 5.7. This is compared and discussed in the next chapter.

Each interviewee answered several questions relating to BRD, and each one confirmed that at each stage in the development of the relationship, certain variables came into play. All the questions asked and a summary of respondents' answers are reported in Appendix Two. At this point the variables identified for each stage by each company, are documented.

➤ **Company one**

This company identified its process of BRD as being: the search stage, the initial interaction stage, the improvement of the relationship stage, and finally the maturity stage. During this last stage several variables are important, these being convergence culture, reliability, commitment, job quality, and connecting.

➤ **Company two**

For Company two the stages are: finding stage, contact and arranging stage, development stage, and extending stage. The variables identified as being important were cultural affinity, surety, pledge, experience, good relations.

➤ **Company three**

For Company three the stages are: creating a new project stage, arranging for a meeting stage, and then the development stage. All of these stages depend upon the presence of certain variables, these being cultural affinity, trust and reliability, commitment, goodwill, and communication.

➤ **Company four**

Company four identified three stages, these being: identifying the company, making the contact, and building and improving relations. The variables involved were seen as cultural affinity, reliability, meeting obligations, job quality, and communication.

➤ **Company five**

This company identified its stages in the process as: the searching stage, the meeting and discussion stage, the satisfaction stage, and the extending stage. The important variables were indicated as being cultural affinity, trust, commitment, job quality, and good relations.

➤ **Company six**

With Company six, there were five identifiable stages, these being: the pre-contact stage, the contact stage, the business plan stage, the development stage, and finally the extension stage. The variables associated with progression from one to another were stated as being cultural affinity, trust, adherence, skills and satisfaction, and communication.

➤ **Company seven**

Four stages were identified by Company seven, which were: the searching stage, the initial interaction stage, the improving the relationship stage, and the maturity stage. Again, the important variables were seen as being cultural affinity, trust, commitment, goodwill, and the connection between the two parties.

➤ **Company eight**

Company eight perceived five stages in its BRD process, these being: the pre-contact stage, the contact stage, the nurturing of the relationship stage, the improvement and satisfaction with the relationship stage, and finally the maturity stage. Once again, the variables of cultural affinity, reliability, commitment, favourable experience, satisfaction, and good communication were all cited as being essential for the effectiveness of the collaboration.

➤ **Company nine**

Company nine actually identified six stages, these being: creating a new business idea, finding the right partner, making contact with that partner, collaborating on a business plan, improving the relationship, and finally reaching maturity in the relationships. The variables perceived as relevant to the success of the venture were cultural affinity, credibility, commitment, job quality, and good communication.

➤ **Company ten**

In Company ten, there were four identifiable stages, which were: searching for a partner, commencing the collaboration, improving the relationship, and bringing the association to an end. The variables involved in supporting the process were seen as cultural affinity, trust, commitment, job satisfaction, and effective communication.

➤ **Company eleven**

Four stages comprised the BRD process in Company eleven, these being: the inception of the search, the determination of business goals, developing the outcomes of the plan, and finally making the decision to extend or abandon the relationship, depending on the experiences of the collaboration. The variables involved in developing the relationship were identified as mutual liking, trust, commitment, experience, satisfaction, and good communication.

➤ **Company twelve**

Company twelve had a BRD process with five stages, these being: the exploration stage, the business strategy-making stage, the growth stage, the outcomes stage, and the final stage. Again, the same variables were important to this company, and included cultural affinity, trust, commitment, job satisfaction, and effective communication.

➤ **Company thirteen**

For Company thirteen, the stages were identified as: pre-relationship, communication, development, maintenance, and survival. Not surprisingly, the variables of importance were seen as cultural similarity, trust, commitment, job satisfaction, and effective communication.

➤ **Company fourteen**

Four stages were identified in the process by Company fourteen. These were: the searching stage, the communication and arranging stage, the development stage, and finally the extending stage. Again, it was indicated that factors like cultural affinity, trust, commitment, goodwill, and connecting were all important to encourage and sustain the relationship.

➤ **Company fifteen**

Company fifteen had four stages in its BRD process. Their process involved: searching for a new business idea, finding a partner, contacting the partner, developing the business plan, and finally deciding to continue or abandon the relationship on the basis of the outcome. The company identified cultural convergence, trust and reliability, and good connections as essential variables to support the relationship.

➤ **Company sixteen**

Company sixteen also had four stages in the relationship building process, beginning with the pre-relationship stage, then the contact stage, then the maintenance stage, and finally the stage where the business either survived or finished. Cultural similarity, reliability and credibility, job quality, and good communication were all identified as essential ingredients of the relationship.

➤ **Company seventeen**

This company identified five stages in its BRD process, these being: pre-searching, meeting, developing the business plan, assessing the level of satisfaction, and finally extending the relationship. Reliability and credibility, job quality, satisfaction, and effective communication were indicated as the important variables in supporting the collaboration..



## **Chapter 5: Research Discussion**

### **5.1 Introduction**

The previous chapter has presented the results obtained from the empirical work in respect of Objective number two of this study (see Appendix 3). In this chapter, those results are discussed. On the basis of that discussion, Objective number three which is to create a model based on the findings from data provided by Libyan companies will be completed in the chapter which follows.

This chapter begins with a summary of the stages and objectives in RB, and then each stage is discussed individually, before discussing the characteristics that determine how to create sustainable international business relationships in the Libyan context.

### **5.2 Summary of the Stages in Relationship Building**

Given the review of the literature already considered, the questions asked of the interviewees were designed in the knowledge that creating positive relationships with customers, suppliers, and employees, is a fundamental requirement of every business (Rudoren, 2009). All interviewees were in agreement that for any business to grow at a sustainable pace, it must continuously expand and improve its network of relationships and enhance the quality of those relationships. Conversely, in the absence of positive relationships it becomes extremely difficult for a business to demonstrate productive growth. Libya is attempting to become a major player in the global market and the business owners inside the country are looking to establish key partnerships globally (Oxford Business Group, 2010). Therefore, the 17 businesses in the research sample were asked a variety of questions as shown in Appendix 2, concerning the key strategies to follow in the search to find a suitable business partner, and the main ingredients of a successful and sustainable business relationship.

In this respect, a major question related to what the participants considered to be the stages in finding a compatible partner, and the short responses to this question appear in Table 5.1.

| <b>Table 5.1: Summary of Number of Stages and Objectives</b> |   |
|--|---|
| <b>Company</b>   | <b>Stages (and Objectives)</b>  |
| 1.   | 1.Search (searching for a new partner)<br>2.Initial interaction (first contact with partner<br>3.Improving relationship (improve the level of business relationship)<br>4.Maturity (carry on work together)   |
| 2.   | 1.Finding (find a new partner and business ideas)<br>2.Contact and Arranging Stage (contact partner and prepare for meeting)<br>3.Development (improve this relation)<br>4.Extending (improve and widen the ideas of business)  |
| 3.   | 1.Create a new project (see whether can have new partner)<br>2.Arrange for meeting (to see if there is a chance to be active in new area)<br>3.Development and satisfaction of relationship (improve our relations)   |
| 4.   | 1.Finding (search for new partner)<br>2.First contact (arranging for discussion)<br>3.Building and improving relations (develop and push the relation forward)  |
| 5.   | 1.Searching (find new partner)<br>2.Arranging for meeting and discussion (building new relation)<br>3.Satisfaction of improvement (develop business relationship)<br>4.Extending (carry on improving relation)  |
| 6.   | 1.Pre-contact (search to find new partner)<br>2.Contact (arrange for meeting)<br>3.Business plan (make a plan)<br>4.Development and satisfaction (improve the plan)<br>5.Extension (extend or widen the project if necessary)   |
| 7.   | 1.Searching (find a new partner)<br>2.Initial interaction (first contact with partner)<br>3.Improving Relationship (improve the business)<br>4.Maturity (carry on work together)  |
| 8.   | 1.Pre-contact (find new partner)<br>2.First contact (to have a first meeting)<br>3.Commence relationship (start doing business together)<br>4.Improved and satisfied relationship (development of relationship)<br>5.Maturity (keep improving business)   |
| 9.   | 1.Great new business idea (see whether there is chance to do new business)<br>2.Finding right partner (search for a good partner for that new project)<br>3.Contact (prepare for meeting)<br>4.Make business plan (build a plan)<br>5.Improvement (satisfy relation)<br>6.Maturity (Keep developing relationship) |
| 10.  | 1.Searching processes (explore new area)<br>2.Starting processes (prepare a strategy)   |

|     |   |
|-----|---|
|     | 3.Improving processes (results of relationship)<br>4.Declining (final stage)  |
| 11. | 1.Inception of search (looking for new partner)<br>2.Determine business goals (great future plan)<br>3.Developing the outcomes of plan (improve the results of business relation)<br>4.Ending or extension business relation (Finish or carry on business depends on level of successful)                                       |
| 12. | 1.Exploration (search for new business relationship)<br>2.Make business strategy (Have a meeting)<br>3.Growth (developing the relation)<br>4.Outcomes (level of satisfaction)<br>5.Final stage (the end of partnership)   |
| 13. | 1. Pre-relationship stage (find new business relation)<br>2. Communications stage (manage and prepare a future plan)<br>3. Development stage (develop business relation)<br>4. Maintenance stage (keep or improve the level of business relationship)<br>5. Survival stage (trying to carry on doing business if that possible) |
| 14. | 1. Searching and finding (find a new business partner relationship)<br>2. Communications and arranging Stage (contact partner and prepare for meeting)<br>3. Development (improve business relationship)<br>4. Extending (improve and extend the ideas of business)   |
| 15. | 1. Searching for new business idea (is there chance to do new business)<br>2. Finding partner (search for a new partner)<br>3. Contact (prepare for meeting )<br>4. Business plan (make a plan)<br>5. Stop or continue our business (make another plan or end it)   |
| 16. | 1. Pre-relationship stage (find new relation)<br>2. Contact stage (manage and prepare a future plan)<br>3. Maintenance stage (keep or improve the level of business relationship)<br>4. Survival stage (trying to carry on doing business if that possible)   |
| 17. | 1. Pre-searching (find to find new partner)<br>2. Meeting (contact for meeting)<br>3. Business plan (make a plan)<br>4. Satisfaction (improve the plan)<br>5. Extension (extent or wide the project if necessary)   |

As Table 5.1 shows, each of the interviewees was able to understand the question, and although they used different words and identified different components of the stages, they all confirmed a process in which each stage depends on the previous one and opens up more opportunities for organisations

through their business contacts. The analogy of rungs on a ladder is helpful here, although the amount of effort to move from one rung to another is not necessarily the same. The first stage needs a simple effort, and then that effort must be increased to reach the second stage and so on, with the last step implying that the final big effort depends on all the various stages that have gone before. Hence, it can be appreciated that building a successful business relationship takes much effort and time.

From the data it is readily apparent that the process of finding a business partner requires a multitude of stages. Eight of the interviewees believed it was a four stage process; six came to the conclusion that it was a five-step process, two mentioned three steps, and one pointed to a six-step process.

The first stage that all 17 interviewees described in one way or another was that of searching for a partner. All the participants agreed that after this initial stage was completed, a communication process was the next step. During the third stage the 17 businesses mentioned the concepts of planning, developing a business plan, and growth in the partnership. The fourth, fifth, and sixth stages were dedicated to improving, extending, or ending the relationship. The 17 organisations may have different stages in the efforts to find a suitable business partner, but these stages are closely related in the events occurring throughout them and the sequence in which they occur.

### **5.3 Discussion of Stages**

#### **5.3.1 Stage One**

According to writers such as Hallén and Wiedersheim-Paul (1984), Dwyer *et al.* (1987), Wilson (1995), and Brooks (2008), in order to develop a business relationship, it is essential that the business is ready to share so that the trust-quotient can be proved, and credibility built within a given market scenario. Given that the parties involved have not been in communication, the perceptions on both sides rely on the second-hand information of the whole nation; thus, some degree of cultural affinity is considered to be the starting variable (Hallén and Wiedersheim-Paul, 1984).

When searching for a business partner, many corporations are looking to find international partners to aid in their attempts to grow internationally. International partnerships are based on reliability and trust in one another. As a corporation searches for a partner, it often considers where a potential company is located because politics plays a major role in developing partnerships. Indeed, in the global market, businesses tend to look for politically stable countries in which to find suitable partners. Libya has undergone long periods of political instability in the past with the result that international business has been discouraged from considering Libyan companies as serious business partners. However, more recently with the change in Libyan foreign policy, the lifting of sanctions, and the encouragement to private enterprise to become involved in Libya, that situation has changed, and Libyan companies are trying to earn a high level of reliability and trust in the international community. That said, the political unrest in 2011 brought much international, and even domestic business, to standstill, and such suspensions of business still remain. Commenting on this situation, Interviewee 8 said:

*“... we are still communicating with our partners but our business just in Libya has been suspended because of unrest nowadays ... we looking forward to commence our business soon with our partners as the situation in Libya is becoming more and more calmly”.*

Moreover, Interviewee 10 pointed out that:

*“... our partners and we are planning to restart our business very soon because our business was not active for a while .... the business relationship is still in good health just we need time to carry on building healthy business relationships”.*

Likewise, Interviewee 13 said that:

*“... our company had decided to suspend our business with our partners just for a while just to see whether the current situation is not to going last longer or not .... we are thinking of resuming our business soon because the unrest will be okay in couple of weeks”.*

All 17 interviewees reported that during the first stage of finding a business partner, there was much ongoing research. They described this stage as the point in which they conduct a search or a pre-contact stage. In this connection Interviewee 2 said:

*“... this stage is the most important stage because we are searching to find the suitable partner for our business”.*

And Interviewee 4 pointed out that:

*“... this time of finding our partners is very important as we should find the partner that has a good reputation for success in the market”.*

Likewise Interviewee 7 said that:

*“... this is a critical time of finding a partner because when you want to build healthy business relationships you should find the most appropriate, suitable and right partner that both of you can see a clear picture on your business plan”.*

Moreover, Interviewee 12 mentioned that:

*“... it is very important to make very good start with the right partner because this stage will show in somehow the success of the business relationship if we found the proper partner”.*

In this regard many authors including Ford (1980-1984), Hallén and Wiedersheim-Paul (1984), Wilson (1995) and Brooks (2008) pointed out that the meaning of pre-contact stage (or pre-relationship phase) is to try to find the right and suitable partner before applying to the first contact stage. In fact when answering questions about key ideals, all of the 17 interviewees indicated that their companies were looking for partners they felt they could trust and that were from a similar culture, in preference to those with experience, success, communication expertise, and a reputation for job quality. Hence, it can be understood that most organisations are looking to do business with partners whom they deem trustworthy and who have a keen sense of cultural awareness.

| <b>Table 5.2: Summary of Stage One and Variables</b> |                            |                  |   |
|--|----------------------------|------------------|---|
| <b>Company</b>                                       | <b>Named Stages</b>        | <b>Frequency</b> | <b>Named Variables</b>  |
| <b>1.</b>  | Search                     | 6                | Convergence Culture/Reliable/Commitment/Job Quality/Connecting              |
| <b>2.</b>  | Finding                    | 3                | Cultural Affinity/Surety/Pledge/Experience/Good Relations                   |
| <b>3.</b>  | Create a New Project       | 2                | Similar Culture/Trust and Reliable/Commitment/Goodwill/Communication        |
| <b>4.</b>  | Finding                    | 3                | Cultural Affinity/Reliable/Obligation/Job Quality/Communication             |
| <b>5.</b>  | Searching                  | 6                | Cultural Affinity/Trust/Commitment/Job Quality/Relations                    |
| <b>6.</b>  | Pre-Contact                | 2                | Similar Culture/Trust/Adherence/Skills and Satisfaction/Communication       |
| <b>7.</b>  | Searching                  | 6                | Cultural Affinity/Trust/Commitment/Goodwill/Connecting                      |
| <b>8.</b>  | Pre-Contact                | 2                | Cultural Affinity/Reliable/Commitment/Experience/Satisfaction/Communication |
| <b>9.</b>  | Create a new Business Idea | 2                | Cultural Affinity/Credibility/Commitment/Job Quality/Communication          |
| <b>10.</b>   | Searching Processes        | 6                | Resemblance Culture/Trust/Commitment/Job Satisfaction / Communication       |
| <b>11.</b>   | Inception of Search        | 3                | Liking/Trust/Commitment/Experience/Satisfaction/Communication               |
| <b>12.</b>   | Exploration                | 1                | Convergence Culture/Trust/Commitment/Job Satisfaction/Communication         |
| <b>13.</b>   | Pre-relationship           | 1                | Culture Similarity/Trust/Commitment/ Job Satisfaction /Communication        |
| <b>14.</b>   | Searching and Finding      | 6                | Cultural Affinity/Trust/Commitment/Goodwill/Connecting                      |
| <b>15.</b>   | Searching for New          | 6                | Convergence Culture/Trust and Reliable/Job Quality/Connecting               |

|     |                        |   |  |
|-----|------------------------|---|--|
|     | Business Idea          |   |  |
| 16. | Pre-Relationship Stage | 3 | Similarity/Reliable and Credibility/Job Quality/Communication          |
| 17. | Pre-Searching          | 3 | Liking/Reliable and Credibility/Job Quality/Satisfaction/Communication |

### 5.3.2 Stage Two

Before embarking on the more major steps, the potential partners must first have a meeting or a series of discussions, which can be said to be the initial interaction. This stage is similar to ‘exploration’ as referred to by Dwyer *et al.* (1987), and it continues for an undefined period, dependent on the frequency required by the contacts made. This stage was referred to by some of the interviewees, and particularly, Interviewee 4 pointed out that:

*“... the first contact stage is that stage when we can start building our relations with our partners”.*

Moreover, Interviewee 7 said that:

*“... we call this stage initial interaction because it is the step forward in building a good business relationship with our partner”.*

Likewise, Interviewee 14 pointed out that:

*“... it is the step that makes the business plan easy or hard ... depends on the intention of both of the companies, because this stage shows the treatment, processing and attitude of other party”.*

Many interviewee (include interviewee 4, 7, and 14) are agreed with many authors such as Ford (2003), Dawson (2005) and Brooks (2008) in relation to the second stage as shown on Table 2.1. This stage is that stage when partners meet and make first contact of business relationship. All authors and interviewee are agreed that communication is an important concept that businesses understand not just as the act of speaking, writing or gesticulating, but also the act of sharing information, so the other party involved in the process can receive the message and respond appropriately. Satisfaction varies from culture to culture, so the ability to communicate efficiently and effectively with



one another is a necessity for success in the new partnership. Libyan business owners believe a strong partnership requires there to be a good rapport between the partners and the employees because successful teams can communicate, share, and work well in collaboration with one another. All of the interviewees mentioned these requirements, but in particular, Interviewee 13 said:

*“... culture can make dialogue easy or hard – it depends on the other party’s culture”.*

Moreover, Interviewee 16 pointed out that:

*“... we prefer to find someone who has similarity with our culture and also the language is a very important factor that makes all communications very easy or hard between parties”.*

In the second stage many partners begin the process of interacting with each other. The data collected during the interview demonstrates that most Libyan organisations believe that this is the stage where the communication process begins to take place. Many of the 17 interviewees consider that initial contact is important in fostering a healthy partnership. Specifically, Interviewee 11 said:

*“... determining business goals is the beginning of building business relations”.*

And Interviewee 10 pointed out that:

*“... we should at this stage prepare a business plan and then discuss all our aims, wants, needs and all the points in the business plan that are necessary to build and make a good start in communicating with our new partner”.*

Arthur Kirk (2007) summarises that at this stage of BRD partners create clear picture of what will be in the future of BRD. Therefore, during the initial contact stage the business partners may discuss goals, objectives, plans, and commitment; and indeed the overall concept of their service and image of their companies. Many of the 17 interviewees indicated that throughout the interaction stage they look for a partner who is likeable, trustworthy, and who has a strong understanding of their culture. In particular Interviewee 13 mentioned that:

*“... during this stage we aim to make a good start especially with communications as we think sustainability in contacting each other is one of the key factors which makes strong business relationships”.*

**Table 5.3: Summary of Stage Two and Variables**

| <b>Company</b> | <b>Named Stages</b>                  | <b>Frequency</b> | <b>Named Variables</b>   |
|----------------|--------------------------------------|------------------|--|
| <b>1.</b>      | Initial Interaction                  | 9                | Convergence Culture/Reliable/Commitment/Job Quality/Connecting             |
| <b>2.</b>      | Contact and Arranging                | 9                | Cultural Affinity/Surety/Pledge/Experience/Good Relations                  |
| <b>3.</b>      | Arranging For Meeting                | 3                | Similar Culture/Trust and Reliable/Commitment/Goodwill/Communication       |
| <b>4.</b>      | First Contact                        | 9                | Cultural Affinity/Reliable/Obligation/Job Quality/Communication            |
| <b>5.</b>      | Arranging for Meeting and Discussion | 3                | Culture Affinity/Trust/Commitment/Job Quality/Relations                    |
| <b>6.</b>      | Contact                              | 9                | Similar Culture/Trust/Adherence/Skills and Satisfaction/Communication      |
| <b>7.</b>      | Initial Interaction                  | 9                | Cultural Affinity/Trust/Commitment/Goodwill/Connecting                     |
| <b>8.</b>      | First Contact                        | 9                | Culture Affinity/Reliable/Commitment/Experience/Satisfaction/Communication |
| <b>9.</b>      | Finding Right Partner                | 2                | Cultural Affinity/Credibility/Commitment/Job Quality/Communication         |
| <b>10.</b>     | Starting Processes                   | 1                | Resemblance Culture/Trust/Commitment/ Job Satisfactions /Communication     |
| <b>11.</b>     | Determine Business Goals             | 2                | Liking/Trust/Commitment/Experience/Satisfaction/Communication              |
| <b>12.</b>     | Make Business Strategy               | 2                | Convergence Culture/Trust/Commitment/Job Satisfactions/Communication       |
| <b>13.</b>     | Communications                       | 9                | Culture Similarity/Trust/Commitment/Job Satisfactions /                    |

|     |                              |   |   |
|-----|------------------------------|---|---|
|     |                              |   | Communication   |
| 14. | Communications and Arranging | 9 | Cultural Affinity/Trust/Commitment/Goodwill/Connecting                  |
| 15. | Finding partner              | 2 | Convergence Culture/Trust and Reliable/Job Quality/ Connecting          |
| 16. | Contact stage                | 9 | Similarity/Reliable and Credibility/Job Quality/ Communication          |
| 17. | Meeting                      | 3 | Liking/Reliable and Credibility/Job Quality/Satisfaction/ Communication |

### 5.3.3 Stage Three

The relationship is more advanced at this stage. The emergence of issues and problems is much more obvious, as it signifies the end of the ‘honeymoon’ period and the focus of both partners moves from development to the core objectives of the business. The decision to continue in a business relationship will be influenced by experiences thus far. Negative knowledge and experience can be a hindrance to the maintenance of a strong business relationship. The last experience is remembered best (the recent effect) and one positive experience may change the previous negative perceptions.

Many Libyan businesses have successful partnerships because they build and maintain strong relationships based on trust, cultural awareness, job quality, and past achievements. The overall level of happiness in a relationship is achieved when both the parties have highly positive and rewarding experiences. That is agreed with many authors including, for example, Waniss (2007) and Brooks (2008) who supports and points out that views the development of long-term relationships as something that comes about through the accumulation of satisfactory encounters such as active involvement with mutual disclosure and trust, and quality of job as the foundation, double bond creation both in economic and personal terms, and being psychologically loyal to the partner. Many interviewees supported these contentions, in particular Interviewee 11 who pointed out that:

*“... we work with our partners as we are working in one company because of sustainable long-term business relationship”.*

And Interviewee 14 said that:

*“... our company has many partners but some of them have already ended the business relationship ... but at the same time they are very ready to make or create another business plan if necessary ... and some other partners have decided to carry on or to extend the current business relation because we have been doing business for long time”.*

Furthermore, Interviewee 16 mentioned that:

*“... with some of our partners we have a fixed business plan but we all try to amend or improve it as we work in one company – what I meant was we have very good long-term business relationships”.*

During the third stage of the process to find a business partner, the concepts of improvement, development, and relationship building were mentioned by all the 17 interviewees also that was mentioned on the third stage by Ford (1980-1984), Hallén and Wiedersheim-Paul (1984), Anderson (2001) and Ford (2003). At the same time many of the interviewees continued to emphasise the factors of trust, cultural awareness, commitment, and quality of job. It might be thought that job quality would feature as the most important consideration, but in fact, in most of the 17 interviews, it was actually mentioned as the third or fourth item. Without doubt, the data revealed that it was more important to all the businesses in the research sample for business partners to be culturally aware, trustworthy and then to produce good quality work, than for any of the other variables to be satisfied. In particular Interviewee 16 pointed out that:

*“... at this stage we are trying to go further to improve our plan, since at this stage we should have a clear picture of strategies, that means that, as long as we are doing and going well with our business plan, the business relationship is in very good health”.*

| <b>Table 5.4: Summary of Stage Three and Variables</b> |  |                  |  |
|--|--|------------------|--|
| <b>Company</b>   | <b>Named Stages</b>                          | <b>Frequency</b> | <b>Named Variables</b>   |
| <b>1.</b>  | Improving relationship                       | 10               | Convergence Culture/Reliable/Commitment/Job Quality/Connecting             |
| <b>2.</b>  | Development                                  | 10               | Cultural Affinity/Surety/Pledge/Experience/Good Relations                  |
| <b>3.</b>  | Development and satisfaction of relationship | 10               | Similar Culture/Trust and Reliable/Commitment/Goodwill/Communication       |
| <b>4.</b>  | Building and improving relation              | 10               | Cultural Affinity/Reliable/Obligation/Job Quality/Communication            |
| <b>5.</b>  | Satisfaction of improvement                  | 10               | Cultural Affinity/Trust/Commitment/Job Quality/Relations                   |
| <b>6.</b>  | Business plan                                | 2                | Similar Culture/Trust/Adherence/Skills and Satisfaction/Communication      |
| <b>7.</b>  | Improving relation                           | 10               | Cultural Affinity/Trust/Commitment/Goodwill/Connecting                     |
| <b>8.</b>  | Commence relationship                        | 3                | Culture Affinity/Reliable/Commitment/Experience/Satisfaction/Communication |
| <b>9.</b>  | Contact                                      | 3                | Cultural Affinity/Credibility/Commitment/Job Quality/Communication         |
| <b>10.</b>   | Improving processes                          | 10               | Resemblance Culture/Trust/Commitment/Job Satisfaction / Communication      |
| <b>11.</b>   | Developing the outcomes of plan              | 10               | Liking/Trust/Commitment/Experience/Satisfaction/Communication              |
| <b>12.</b>   | Growth                                       | 10               | Convergence/Culture/Trust/Commitment/Job Satisfaction/Communication        |
| <b>13.</b>   | Development                                  | 10               | Culture Similarity/Trust/Commitment/Job Satisfaction / Communication       |
| <b>14.</b>   | Development                                  | 10               | Cultural Affinity/Trust/Commitment/Goodwill/Connecting                     |

|     |                   |   |  |
|-----|-------------------|---|--|
| 15. | Contact Stage     | 3 | Convergence Culture/Trust and Reliable/Job Quality/Connecting          |
| 16. | Maintenance stage | 1 | Similarity/Reliable and Credibility/Job Quality/Communication          |
| 17. | Business plan     | 2 | Liking/Reliable and Credibility/Job Quality/Satisfaction/Communication |

#### 5.3.4 Stage Four

During the fourth stage of finding a business partner, issues of maturity, improving the relationship, deriving satisfaction from it, and extending it to ensure its survival, were mentioned by the 17 interviewees. However, many of the interviewees still used the terms cultural awareness, trust, and job quality, thus implying the continued importance of these variables. The fact that a business relationship reaches the mature stage should, in itself, be a strong indicator that the partners involved are sufficiently familiar with each other that they can anticipate each other's needs and wants. This was mentioned by most of the interviewees, with Interviewee 11, in particular, pointing out that:

*“... this stage of the business relationship is that stage when we can see a clear picture of the strengths and weaknesses of our business relationships, and then we can make the decision as to whether to carry on or end the partnerships – it depends on the circumstances at that time”.*

Some authors have similar point of view with Libyan companies including Hallén and Wiedersheim-Paul (1984), Wilson (1995), Brooks (2008), Darren (2011) and Kaizen 2012) as they explained this stage as stable phase or mature relationship stage or maturity stage because they think BRD at this stage might be at its end or might be expanded. The partners in a business relationship should experience a high level of comfort with one another, and work in unity of understanding, accepting the strengths and weaknesses of the relationship. Many Libyan business owners or managers believe that cultural awareness, trust and quality of job are key ideals in maintaining a healthy partnership in a business relationship. This confirms the opinions of Brooks (2008), and Morgan

and Hunt (1994), who point out that these three variables encourage sustainability of the investment in building the relationship among marketers. They observe that they foster co-operation among partners, and hence, they classify these variables as key elements in a relationship.

Whilst at the first three stages, all the interviewees were able to identify and comment on the process, at the fourth stage, the picture was different, and only 85% of the interviewees had comments to make. A few of the businesses described satisfaction and the extension of partnerships as characterising this stage, and three discussed the decline or termination of the partnership.

| <b>Table 5.5: Summary of Stage Four and Variables</b> |  |                  |  |
|---|--|------------------|--|
| <b>Company</b>  | <b>Named Stages</b>                            | <b>Frequency</b> | <b>Named Variables</b>   |
| <b>1.</b>   | Maturity                                       | 3                | Convergence Culture/Reliable/Commitment/Job Quality/Connecting             |
| <b>2.</b>   | Extending                                      | 4                | Culture Affinity/Surety/Pledge/Experience/Good Relations                   |
| <b>3.</b>   | <i>Only considered/ mentioned three stages</i> |                  |  |
| <b>4.</b>   | <i>Only considered/ mentioned three stages</i> |                  |  |
| <b>5.</b>   | Extending                                      | 4                | Culture Affinity/Trust/Commitment/Job Quality/Relations                    |
| <b>6.</b>   | Development and satisfaction                   | 3                | Similar Culture/Trust/Adherence/Skills and Satisfaction/Communication      |
| <b>7.</b>   | Maturity                                       | 3                | Culture Affinity/Trust/Commitment/Goodwill/Connecting                      |
| <b>8.</b>   | Improving and satisfaction relationship        | 3                | Culture Affinity/Reliable/Commitment/Experience/Satisfaction/Communication |
| <b>9.</b>   | Make business plan                             | 2                | Culture Affinity/Credibility/Commitment/Job Quality/Communication          |
| <b>10.</b>  | Declining                                      | 1                | Resemblance Culture/Trust/Commitment/Job Satisfactions /Communication      |
| <b>11.</b>  | Ending or extension business relationship      | 4                | Liking/Trust/Commitment/Experience /Satisfaction/Communication             |

|     |                   |   |  |
|-----|-------------------|---|--|
| 12. | Outcomes          | 1 | Convergence Culture/Trust/<br>Commitment/Job Satisfactions/<br>Communication |
| 13. | Maintenance       | 3 | Culture Similarity/Trust/Commitment/<br>Job Satisfactions /Communication     |
| 14. | Extending         | 4 | Culture Affinity/Trust/<br>Commitment/Goodwill/Connecting                    |
| 15. | Business plan     | 2 | Convergence Culture/Trust<br>& Reliable/Job Quality/Connecting               |
| 16. | Survival<br>stage | 1 | Similarity/Reliable and Credibility/Job<br>Quality/Communication             |
| 17. | Satisfaction      | 3 | Liking/Reliable and Credibility/Job<br>Quality/Satisfaction/Communication    |

### 5.3.5 Stages Five and Six

Again, many business owners believe that awareness of the Libyan and the partner's culture, confidence and trust, and the quality of work, serve as the main criteria for a sound business partnership. These findings are in line with the observations made by Morgan and Hunt (1994), and Brooks (2008), who claim that these variables encourage preservation of relationship investment among marketers through exchange partners' co-operation, and thus classify them as key elements in a relationship. In particular Interviewee 6 pointed out that:

*"... business relationships will be healthy when we have good knowledge about our partner's culture, and there is credibility between both parties, commitment and job experience".*

Most of the interviewees agree that Stages Five and Six formed part of the maturation process of the relationship; as with Stage Four, if the relationship is a close one, the partners can predict the actions of each other, their expectations are appreciated, and they pull together to create mutual benefit.

Participation in respect of Stages Five and Six dwindled. In fact at Stage Five, only 36% of interviewees had comments to offer, and at Stage Six, that percentage dropped even further to 7%. This may have been a reflection of the nature of these two stages which discussed the decline or ending of the



partnership or it may have been that the vast majority of the businesses involved in the research were so successful in their particular business relationships that there had not been any decline to speak about.

For stage five of BRD there is limited comments that were made regarding this stage by interviewees 6, 8, 9, 12, 13, 15 and 17. In the same time, some authors including Ford (1980-1984), Dwyer *et al* (1987), Wilson (1995) and Williams (1998) supported this approach because they see it as different ideas emerged stemming from thoughts about extension, maturity, improvement, finalising the relationship, and helping the relationship to survive. However, all those who did participate shared the belief that it was the particular circumstances that existed in this stage that brought the respective parties to their decisions to either extend or end their partnerships.

Clearly, the very minimal response regarding Stage Six prevented any conclusion from being reached, but the individual who did answer the question discussed maturity. Once again, the key components for successful partnerships were cited as cultural awareness, trust, and quality of the jobs performed by the partners.

| <b>Table 5.6: Summary of Stage Five and Variables</b> |   |                  |   |
|---|---|------------------|---|
| <b>Company</b>  | <b>Named Stages</b>                           | <b>Frequency</b> | <b>Named Variables</b>  |
| 1.  | <i>Only considered/ mentioned four stages</i> |                  |   |
| 2.  | <i>Only considered/ mentioned four stages</i> |                  |   |
| 5.  | <i>Only considered/ mentioned four stages</i> |                  |   |
| 6.  | Extension                                     | 3                | Similar Culture/Trust/Adherence/<br>Skills and<br>Satisfaction/Communication        |
| 7.  | <i>Only considered/ mentioned four stages</i> |                  |   |
| 8.  | Maturity                                      | 1                | Cultural Affinity/Reliable/<br>Commitment/Experience/Satisfaction/<br>Communication |
| 9.  | Improvement                                   | 1                | Cultural Affinity/Credibility/<br>Commitment/Job Quality/<br>Communication          |
| 10.   | <i>Only considered/ mentioned four stages</i> |                  |   |
| 11.   | <i>Only considered/ mentioned four stages</i> |                  |   |
| 12.   | Final stage                                   | 1                | Convergence Culture/Trust/  |

|     |   |   |   |
|-----|---|---|---|
|     |   |   | Commitment/Job Satisfactions/<br>Communication                            |
| 13. | Survival stage                                | 1 | Culture Similarity/Trust/Commitment/<br>Job Satisfactions /Communication  |
| 14. | <i>Only considered/ mentioned four stages</i> |   |   |
| 15. | Stop or<br>continue our<br>business           | 3 | Convergence Culture/Trust and<br>Reliable/Job Quality/Connecting          |
| 16. | <i>Only considered/ mentioned four stages</i> |   |   |
| 17. | Extension                                     | 3 | Liking/Reliable and Credibility/Job<br>Quality/Satisfaction/Communication |

| <b>Table 5.7: Summary of Stage Six and Variables</b> |               |                  |  |
|--|---------------|------------------|--|
| <b>Company</b>                                       | <b>Stages</b> | <b>Frequency</b> | <b>Variables</b>   |
| 9.   | Maturity      | 1                | Culture Affinity/Credibility/<br>Commitment/Experience/Exchange of<br>View |

**No other company mentioned more than five stages.**

#### **5.4 Discussion of Stages and Variables**

As mentioned in Section 1.3 (the need for the research), there is a relatively poor Libyan global experience in business relationship development, and hence there is a genuine shortage of research on business relationship development in Libya. Libya has been politically and economically isolated for several years because of its previous foreign policy, and more recently, after a period of relative stability and its re-emergence in international relations, the country has undergone a regime change consequent upon civilian war in many cities in Libya (BBC, 2011). Again, these historical events have placed Libya in a difficult position in terms of its international trading ability, but the country is now beginning to calm down and the interim government has started to establish a new plan for Libya, to include elections have been held in July/2012 (Reuters, 2012).

It is appropriate, therefore, to ensure that Libyan businesses are able to carry on from where they were before the civilian unrest, and in order to provide support for this aim, the literature relating to business relationships is an important building block. However, whilst the literature reports many studies showing

variables and stages in business relationship development and maintenance (as shown in appendix 1), it cannot be said to be wholly applicable to the Libyan situation, since all the studies mentioned have been undertaken in developed countries, in which business relationships have reached a level of sophistication that is not currently present in Libya.

It is important, therefore, for Libyan businesses to quickly advance, and indeed the researcher believes that Libyan businesses are making a major effort to become highly recognisable in the global market and that they want to develop key partnerships internationally. Indeed, this is an aim that that was mentioned by many of the interviewees in the current study, in particular interviewee 6 stating quite strongly:

*“... we are trying to do our best just to be active internationally”.*

However, interviewee 9 pointed out that:

*“... we are not very active globally but we are trying to be more global”.*

Also, interviewee 12 mentioned that:

*“... my company plan is to try to attracting overseas partners to Libya..... that is of course given advantages to both parties”.*

It can be seen that 90% of the participating companies associated the first stage with some kind of research process, the main objectives being to discover information that would help them in identifying a prospective and suitable business partner. These findings corresponded closely with the information found in the literature review (on pages 55-56) and in particular with the model proposed by Hallén and Wiedersheim-Paul (1984), containing four stages in the development of a business relationship. The stages which Hallén and Wiedersheim-Paul (1984) consider most important are the pre-contact stage, the initial interaction phase, the developmental period, and the maturity stage.

Ninety-five percent (95%) of the organisations that participated took the appropriate time and effort to answer questions about the first four stages, but

stages five and six generated only limited responses since these were not identified as being present in the majority of organisations participating. The first stage, according to Hallén and Wiedersheim-Paul (1984), is the pre-contact stage, and in accordance with the literature review (on page 55) the 17 interviewees discussed conducting the appropriate research to find a new business partner. The findings demonstrated that the companies' key ideals in this search were cultural awareness, trust, and quality of job.

Stage Two is the one in which initial interaction takes place, according to the Hallén and Wiedersheim-Paul (1984) model. From the literature review (on page 56), it can be seen that this is considered to be the time when communication begins to occur on a more routine basis, and this must continue if the partnership is to enjoy lasting success. All the 17 interviewees in the research sample believed that during this stage, initial contact was important in fostering a healthy partnership. They also felt that throughout this stage, the business partners were concerned with discussing ideas about goals, objectives, plans, and commitment. Similarly, all the 17 businesses stated that they look for partners that have the characteristics of likeability, trustworthiness, and that also have a strong understanding of culture from multiple perspectives.

Stages Three is the development component of the business relationship. The literature review (on page 58-59) reveals the developmental stage as the time when problems begin to occur between the partners. Indeed, 100% of the research sample described this phase as a time of improvement, development, and fostering relationships through the building process. Also during this stage many of the 17 businesses cited trust, cultural awareness, commitment, and quality of job as important components in developing a business relationship. Ninety per cent (90%) of the interviewees were of the opinion that business partners should be culturally aware, trustworthy, and produce job quality, more than all other ideals mentioned.

Stages four to six received fewer comments from interviewees. Stage four attracted comments from 85% of the sample, stage five from only 36%, and there was only one respondent who suggested a sixth stage. These low levels of response make it difficult to analyse the empirical data collected. Stage Four is

time when a business partnership begins to reach maturity, and according to the literature review (on page 55) this is the point where partners have developed some mutual affinity and a sense of one another's wants and needs. Over half the businesses described the maturation stage as one that was satisfying and a time when partnerships were extended, although 20% of the businesses mentioned a decline or a complete ending of the partnership. The general theme throughout Stages Four, Five, and Six was that the key components for successful partnerships were once again cultural awareness, trust, and quality of job amongst partners.

## **Chapter 6: Research Conclusion and Recommendation**

### **6.1 Introduction**

The outline of this thesis as shown in Appendix 3, indicates the objectives to be achieved. In this respect it can be seen now that in order to satisfy Objective number one, a literature review was undertaken which has explored in depth, the current state of the international business relationship development literature. This review appears as Chapter Two of the thesis. The second objective, relating to the characteristics that determine sustainable international business relationships from the Libyan point of view has been achieved in Chapter Four, which presents the findings from the empirical work undertaken with the 17 tourism companies. The third objective of this study was to use the data provided by the Libyan companies and having considered this in the light of the literature, to develop a model which is appropriate for international businesses wanting to enter into sustainable relationships with Libyan organisations. That model is presented in this chapter, as one which contains four developmental stages in relationship building, and a number of essential variables within the relationships, from the Libyan perspective. This model serves two main functions, the first being that it adds to the current literature by filling a gap relating to the development and maintenance of business relationships with Libya; and secondly, it provides guidance to foreign businesses wishing to develop relationships with Libyan companies and hence has a practical, as well as academic, value.

### **6.2 Stages and Variables - Models of BRD in Libyan Companies**

From the in-depth exploration of the various identifiable stages and variables associated with successful BRD in Libyan companies, it can be understood that cultural affinity presents itself as the most important critical success factor, since the understanding that accompanies such affinity is invaluable in defining the nature of the trust that any business is able to inspire within Libyan business organisations. Likewise, all communication and the nature of discussion is promoted by the understanding of the Libyan culture that such affinity brings, and this will ultimately lead to a satisfactory process through which the business relationship can be developed. Without the possibility of a mutually accessible communication and behaviour framework, there is no potential for steps that

allow for any relationship to be forged. Hence, this investigation has been conducted to examine the relationships between the social variables which allow for that nurturing atmosphere to be created, and subsequently for the stages within the relationship developmental model currently used in Libya.

After discussing the data collected from the 17 Libyan companies regarding this issue, and after studying what appears in the literature on the same matter (mentioned in Table 2.1, and all the stages and variables provided by Libyan companies (reported in Tables 5.2 - 5.7), the researcher concludes that the relatively poor global experience of Libyan companies in their development of international business relations can be improved by referring to the factors that have emerged as important to the general development and sustenance of relationships in the global market. To assist in organising the findings, the researcher has extracted four stages, and four variables that are considered significant in the development of cross-cultural business relationships with Libyan companies. The four stages are identified as being: (1) pre-searching stage, (2) first contact stage, (3) development stage, and (4) end/ extension stage; and the four variables are: (1) cultural empathy, (2) job experience and trust, (3) obligation and commitment, and (4) job quality and communication.

Also researcher thinks that it must be acknowledged that business relationships are dynamic in nature, and that as such they constantly evolve and develop over time. Indeed, it is understood that the main reason why successful business relationships are successful, is the fact that the partners to them are continually striving to support and sustain those relationships in the belief that they can last for a long time. Companies operating at the global level have shifted their core focus towards the suitability and maintenance of their business relationships such that there can be mutual, long-term benefit to all parties.

Consequently, it was essential for the researcher to conduct a wide ranging analysis of all the potential ingredients of effective international business relationships to ensure that Libyan companies that have been operating in very difficult trading circumstances caused by political isolation, and the more recent political instability are able to learn how to attract foreign partners and to retain their collaboration with them. It is believed that the literature review and the

results of the empirical study comprise a solid analysis of the situation and that sufficient comprehensive data has been secured. In this respect, the data gathered during the empirical study has been widely validated with the arguments presented in the literature review (from past studies and research in developed countries). The results provide detailed insight into the importance of social variables and their deep impact on the stages of relationship development. Moreover, they clearly and expressively demonstrate the social variables that are integral to the development and sustainability of the business relationship. Indeed, the variables identified contribute significantly to the success of all the stages of the relationship development.

It is worth repeating that companies must place a greater focus on developing relationships with other partners in the business world, as in the global market, collaboration has become an important element of success. At the same time, it is equally important to consider the relationship between people within the organisation (Rudoren 2009), since it is people as individuals who are in fact, the main data providers. Therefore, in order to explore and learn the basic characteristics of successful international trade relations, the interviews were constructed and functioned in a way such as to gather information from experts (managers and executives), thereby serving as individual case studies.

In the particular questions asked, it was acknowledged that it is the exchange of words and ideas in the study of social variables that play a key role in developing and maintaining business relationships, and of course, that this applies not only to the development of local business relationships but also to international ones. It was also recognised that it is social variables (including cultural empathy, job experience and trust, obligation and commitment, job quality, and effective communication) that help people develop a relationship. These variables and their social consequences are discussed in detail as it is accepted that they can offer companies the ability to maintain healthy relationships in the Libyan context.

The interviewees expressed opinions that were in agreement with those of Hallen and Wiedersheim-Paul (1984), Dwyer *et al.* (1987), Wilson (1995), and Brooks (2008) in as much as they indicated the importance of a company being



willing to learn about a partner's culture, and to empathise, thereby building trust in the ability of that company's to understand what is required of the relationship. It is noted, however, that as the eventual parties to a relationship may not always be in communication with each other beforehand, perceptions of the other often rely on second-hand information, and that at this point, the issue of how similar the two cultures are, is an important factor (Hallen Wiedersheim-Paul, 1984).

From the interviewees' viewpoints, it seemed that many companies are currently attempting to find international partners to assist in their efforts to become players in the global market. Clearly, international partnerships are based on trust and confidence, and each interviewee confirmed this understanding in some way or other, since whilst there were different stages and variables mentioned by the interviews, essentially, they were all talking about the same thing. For example, they all agreed that as a partner in a relationship, a company would consider political stability as playing a major role in the decision to collaborate, and that as a result it would search for a partner in a stable country or region. They all accepted that because of Libya's long period of political instability in the past, international trade had been discouraged and Libyan companies had not been considered as potential trading partners by other international organisations.

The interviewees also considered communication to be an important ingredient of the relationship building and maintenance, and that in this respect, communication should not be seen from a narrow viewpoint such as merely the acts of speaking, writing, or gesturing, but also from the wider perspective of sharing information with others involved in the process so that all types of messages could be received and acted upon accordingly. The link between satisfaction and cultural affinity was recognised; hence, the ability to communicate effectively so that the culture is fully appreciated was perceived as essential to the success of a new partnership. Libyan business owners believe that close co-operation requires not only a good relationship between management and employees, but between employees themselves so that teams can communicate effectively, share knowledge and understanding and work well together as collections of individuals. Business communication clearly

provides a link between an organisation and its publics. Organisations can communicate to their target audience through public relations and advertising, through newsletters, videos, crisis management with the media, special event planning, creating product value and communicating with shareholders, customers, and investors.

While as far as the first three stages of the relationship development process were concerned, all interviewees were able to identify elements within the process and comment upon them, the situation was different in respect of the fourth stage, and only 85% of the interviewees commented on this. Some characterised this stage as being one where it was possible to see satisfaction from the relationship, and envisage some expansion of it, and conversely to make the decision to reduce or terminate the collaboration because of negative experiences. Hence, for many companies, stage four was the end of the cycle or the beginning of a new one.

However, a smaller number of interviewees (36% in total) considered there to be another stage in the process, and of these a further 7% believed a sixth stage existed. That said, the nature of events in these two stages was essentially the same, both stages being perceived as natural points in the relationship when decisions were taken to proceed or draw back on the basis of the relationship's success. In considering the amount of success experienced, companies thought about expanding the relationship, improving it, ensuring its survival over a genuinely long period, or indeed completely terminating the collaboration. And underlying the assessment of the success, were the levels of those variables that are considered to be the key elements of effective partnerships - cultural awareness, confidence and quality of work between partners (see Anderson, and Kumar, 2006).

### **6.3 Impact of Social Variables in Stages**

#### **6.3.1 Impact of Social Variables on the Pre-searching Stage (Pre-contact Stage)**

The initial phase was called variously as the pre-searching, pre-contact, or searching stage by the different interviewees, but basically, they all referred to the same activity, that being that part of the relationship development cycle

when the companies were looking for new business partners to embark on collaborative ventures as a means of expanding their international business. At this point in the cycle, there is no relationship in existence, and consequently, there is only minor commitment by one company to another, nor any attempt to establish any grounds for that. Rather, the emphasis is on establishing what levels of cultural awareness, affinity and empathy exist within the general pool of potential business partners. Additionally, companies are keen to publicise their key strengths, areas of expertise, performance levels, ways of working and handling business relationships, and to gain the same type of information about potential collaborators. Therefore, the pre-contact stage focuses on the primary objective of creating awareness, collecting more information and knowledge about a potential partner, and evaluating the prospects of such a partnership according to various other factors such as experience, uncertainty, and psychic distance.

In general, cultural affinity represents the most important social variable because the level of empathy in this respect plays a crucial role in the later stages of relationship development. The data collected from the primary and secondary sources illuminates this factor as the most important social variable in the decision as to whether it is even possible to embark upon the relationship building exercise at all.

Clearly, at this stage, levels of commitment, trust, experience, and social bonding if any, are very low, and for that reason the psychic difference between two companies is considered to be at the intermediate (medium) level. However, it is found that the cultural differences between the potential business parties are high; this will affect the assessment of the psychic difference which will be higher.

The communication in the form of language has also been considered as a critical variable at the pre-contact stage, since without effectiveness in this respect, it will be impossible to learn as much about a potential collaborator as it necessary for a decision to be made. Effective language use facilitates an appreciation of the other party's situation, what it has to offer, how it has performed in the past, its operational and functional aspects, requirements, and

so forth. Moreover, in probing these issues, the partners gain an understanding of the other's culture. This is aided by comprehensive discussions and interaction with each other.

Trust is another important social variable identified as being important at the pre-contact stage because if there is any hint that a potential partner is not trustworthy, there is no point in spending the time researching the company in depth. As demonstrated by Libyan companies during the interviews, trust is easily developed and increased if the business relationship partners share cultural affinity, liking, empathy, and similarity. They are more likely to establish trust with a business partner who comes from a similar culture because the expectations of how to conduct business will be the same from the beginning and the aspect of trust will be implicitly understood. Furthermore, when potential collaborators are from a similar culture, there will be implicit understandings about other important ways of behaving and these understanding will support the relationship as it develops.

In fact, it is not difficult to establish trust irrespective of whether two potential partners are from the same culture or not, since there is much information in the public domain about companies, such as annual reports and profit and loss account information, and this can be researched if there is any doubt about whether a firm can be trusted. The fact that corporate governance structures internationally demand the publication of certain aspects of company life confirms that reputation (trust) is considered to be a hallmark of a good business, and consequently, this factor has far-reaching impacts on business relationships.

### **6.3.2 Impact of Social Variables on the First Contact Stage (Initial Interaction)**

By this stage, the business parties have made their first move towards the building of their relationship. However, since the interaction between the business partners is relatively recent, there is strong potential for the psychic difference to be at a high level. This is also because the business parties have their own sets of norms and rules to abide by and these might differ. Hence, in order to develop and maintain a relationship, some compromise might be required. In fact, the analysis of the data suggests that at this particular stage, the

relationship is at its most fragile and can easily be damaged since both business parties lack experience and have not yet developed their mutual understanding to a level that can help them sustain the relationship on an enduring basis. This lack of experience is manifested in high levels of uncertainty which also enlarge the psychic difference between the business relationship parties.

In this stage, the importance and value of communication is high. At a fundamental level, it is crucial to be able to communicate in the same language if the relationship is to be taken to the next level of development. Appropriate and efficient means of communication facilitates the negotiation process between the business parties.

As has already been mentioned, communication also plays a major role in the development, growth and progression of cultural affinity and empathy during this stage. It fosters an appreciation of cultural influences by engaging both parties in the objective of working towards a shared goal that can be of benefit to both sides.

However, it is also prudent to note that the social variable of commitment is equally important in this stage. Studies have indicated that commitment is likely to emerge during the initial interaction as the parties become familiar with each other and have more information about their mutual motivation to make the venture succeed. If an acceptable level of commitment between the interacting parties does not develop at this stage, the relationship cannot move on to the next level of growth and development. Hence, commitment becomes the prime goal of this stage in order to progress the business relationship to the growth and maturity stage.

### **6.3.3 Impact of Social Variables on the Development Stage**

The development stage is that part of the relationship development cycle where a substantial connection between the two parties is built. However, it is also a stage where differences are also likely to emerge, since at this point the relationship is deepening and certain aspects of work not previously encountered and which vary between the partners, may arise. Hence, at this point where interactions escalate, there is the potential for both strengthening

relationships, and weakening them. Indeed, it has been observed that by this stage, the establishment of the business relationship has been achieved and consequently, the focus is on performance and not relationship building. As a result, the relationship building takes second place, and problems and issues relating to the job are likely to emerge.

All communication must, therefore, be both effective and efficient in a bid to strengthen and fortify the positive experiences as they have occurred so far in the relationship. If such positive experiences can be sustained during the execution of the job, high levels of commitment are likely to ensue and there will be increased trust between the parties.

Having been at an intermediate and possibly high level in the first and second stages of the relationship development cycle, the psychic distance is considered to have dropped to a minimum level due to the increased levels of trust and commitment by both the interacting parties during the developmental stage of relationship building. Additionally, the physical and mental proximity among the individuals involved during this stage as they interact much more, results in some strong social bonding that works to decrease, and possibly eliminate, the initial psychic distance. At the same time, the uncertainty surrounding the relationship also decreases at this stage. Consequently, it can be observed that this overall decrease in the negative factors achieves mutual agreement and understanding that is underpinned by the desire to achieve a common goal.

It is also apparent at this stage that knowledge sharing is substantially increased as information flows freely between the partners. With this greater exchange of ideas the relationship progresses and extends. Communication can be seen to have narrowed the psychological gaps between the parties, thereby enabling knowledge transfer and overall, a more effective communication system between them.

Given the increased mutual trust and commitment at this stage, the possibility of enhancing the relationship is very strong, and greater professionalism can result. Additionally, as the communication system is successful in eliminating the

intercultural and language barriers, those levels of trust can be strengthened. It is recommended that the channels of communication that are found to represent effective means of transferring knowledge should be encouraged and widely practised in order to enhance and reinforce the relationship through the added value brought by knowledge transfer.

Satisfaction is also more likely to result as an outcome of the increased levels of commitment and trust that are achieved through the variable of communication. As already noted, satisfaction within a relationship is a prerequisite of that relationship's continuance.

On the whole, the development stage results in a range of positive experiences, all emanating from the parties' increased understanding and appreciation of each other, and their consequent willingness to deepen their trust, commitment, and investment in the relationship. The ultimate outcome is a significant decrease in any initial cultural distance.

#### **6.3.4 Impact of Social Variables on the End/Extension Stage (Maturity or Final Stage)**

The last stage of the relationship development cycle is seen as that where the relationship has reached maturity. In fact, the interviewees and the literature have both presented up to six and seven stages in the development chain, but considering the broad spectrum, it is clear that the maturity stage is the last one in that chain, and that at this point the business relationship is at its peak.

In the maturity stage of the relationship, the business partners experience a high level of growth in their business activities. Such growth brings increased interaction and understanding of each party's own business strategy. At this point, it may be that the business relationship is at full stretch and there is no real potential for it to extend any further. However, that is not to say that the relationship cannot continue in its very healthy state, because the series of positive experiences over the period of collaboration represents a very strong reason for continuing in the same way, and the high levels of trust and commitment that have been developing and consolidating represent a deep investment which it is not sensible to discard. Hence, decisions are often taken

to continue the relationship indefinitely with a view to a very long-term collaboration. If, on the other hand, the parties were working on a specific project which has reached completion, the relationship will be dissolved, and the degree of trust and commitment will play a part in whether there is any future collaboration on a similar project. Certainly, if during the maturity stage, issues relating to trust and commitment surface, the relationship will not move forward to become a long-term one.

However, reaching maturity does imply that business partners have experienced positive aspects to their relationship and this automatically impacts upon the levels of satisfaction for each. Such levels are the prime consideration in the decision-making about whether the relationship will continue or collapse. Hence, it is crucial to continually maintain and evaluate the extent of satisfaction felt by both partners.

Communication also plays a major role at this level in helping the business partners to continue their relationship, which is now more intense, without confusion, uncertainty or ambiguity.

#### **6.4 Limitations**

During the period of this study, effort was made to ensure the collection of high quality data to reach and achieve the research aims and objectives. Also to find correct answer for research questions, therefore, there is no doubt that there are certain limitations in this study, which are as follow:

- There was a lack of literature on business relationships development in developing countries, particularly in Libyan context.
- This study has restricted number of interviewees of 17 companies in the Libyan tourism sector due to the recent unrests.
- During the interviews the researcher might give out indirect signals that guide interviewees to give the responses expected by the author (Miles and Huberman, 1994). Of course that was avoided as much as possible by not giving out any signal that guide interviewee to particular answer



and also, the researcher supported the interviewees by giving them confident to answer the questions.

- Finally, this research study was limited to the Libyan tourism sector only, but not other sectors such as Oil & Gas and Agriculture due to cost, effort and time restriction particularly during the unrests.

### **6.5 Indications and Policy Recommendations for Future Research**

The implications of this research study are important and substantial for BRD, practitioners, developers, vendors, businesses, and academics that have an interest in studying or building successful business relations in the developing and developed countries. There is a shortage of research in the BRD literature in Libya. Thus, this research could be used as a potential base for further research. The findings of this study are related specifically to Libyan companies in tourism sector. Therefore, this research would provide some recommendations to foreigner companies especially those are willing to build sustainable BRD with Libyan companies.

In fact companies in Libya should have some extra research on new areas and new partners before start building BR as this provides good knowledge that makes them confident in all stages of BR; because this makes and creates clear picture for them whether they can make sustainable BR with new partner or not.

Nonetheless, despite the new forward-looking interim government's plans, most Libyan companies lack experience of trading internationally. This is a problem given the government drive for internationalisation, and the fact that there are many international firms trying to invest in Libya, especially in Oil & Gas, Communications, Tourism, and the Food Industry (Libya Alhurrea, 2011). Therefore, Libyan companies should employ expert people in BRD as this step improves stages and variables of BRD in terms of time, effort and cost; and provides sound of comfort and good experience especially at first meeting.

Consequently, those findings from Libyan companies in tourism sector would be useful to validate the results by conducting some empirical work with

companies from other sectors; and by increasing the size of the research sample. Future investigations could be extended to conduct a cross-organisational environment and to include all public sectors in Libya. The focus could also be extended to include quantitative research method(s) which may help in generalising the results. Such research would indicate whether the findings are valid for other conditions, and if studies were undertaken outside Libya.

In this respect, it would be helpful to conduct research in countries that are different from Libya in several aspects, for example, countries that have not suffered from the same political isolation and upheaval of recent times. Since knowledge and understanding of the relationship development cycle in such countries would be valuable for Libyan organisations wishing to establish/maintain sustainable international business relationships and thus, increase their global business.

## References

- Adler, Nancy J. and Graham, John L. (1989) "Cross-Cultural Interaction: The International Comparison Fallacy?" *Journal of International Business Studies*, Vol. 20 (3), pp. 515-537.
- Adobor, H. and McMullen, R.S. (2002) Strategic partnering in e-commerce: Guidelines for managing alliances. *Business Horizons*, March-April, 67-76.
- Adwebi, A. (1992) *Vocational Training of Women*. Women and Vocational Training Symposium, Tripoli, Libya, The National Training Centre of the General People's Committee for Vocational Training in SPLAJ.
- Agnaia, A. (1996) "Assessment of Management Training Needs and Selection for Training: the Case of Libyan companies". *International Journal of Manpower*, Vol. 17 (3), pp. 31-51.
- Agnaia, A. (1997) "Management Training and Development within its Environment: the Case of Libyan companies". *Journal of European Industrial Training*, Vol. 21 (3), pp. 117-123.
- Ali, H. and Birley. (1998) "The Role of Trust in the Marketing Activities of Entrepreneurs Establishing new Ventures", *Journal of Marketing Management*, Vol. 14 (7), pp. 749-63.
- Alexander Osterwalder, Er Osterwalder, Mathias Rossi, Minyue Dong. (2002) The Business Model Handbook for Developing Countries. <<http://citeseerx.ist.psu.edu/viewdoc/summary?doi=10.1.1.16.445>> Retrieved July 11, 2010.
- Al-Teer, M., Al-Hawaat, A. and Mohsen, T. (1992) A study entitled women's work in SPLAJ: reality and prospects.
- Alwatan, (2012) Alwatan-Libya. < <http://www.alwatan-libya.com/index.php>> Retrieved June 10, 2012.
- Alwatan, (2013) Economic of Libya. < <http://www.libyaalhura.ly/category/%d8%a3%d9%82%d8%aa%d8%b5%d8%a7%d8%af%d9%8a%d8%a9/>> Retrieved March 05, 2013.
- Amatarunga, D., Baldry, D., Sarshar, M and Newton, R. (2002) "Quantitative and Qualitative Research in the Built Environment: Application of "Mixed" Research Approach" *Work study*". Vol. 51 (1), pp.17-31.

- AMS, (2012) Developing Countries List. <  
<http://www.ams.org/membership/individual/types/mem-develop>>  
 Retrieved March 23, 2012.
- Anderson, J.C. and Narus, J.A. (1990) "A Model of Distributor Firm and Manufacturer Firm Working Partnerships". *Journal of Marketing*, Vol. 54 (1), pp. 42-58.
- Andersen, P.H. (2001) "Relationship Development and Marketing Communication: An Integrative Model". *The Journal of Business and Industrial Marketing*, Vol. 16 (3), pp. 167-183.
- Anderson, P. H., and Kumar, R. (2006) "Emotions, Trust and Relationship Development in Business Relationships: A Conceptual Model for Buyer–Seller dyads." *Industrial Marketing Management*, Vol. 35 (4), pp. 522-535.
- Anderson, V. (2009) *Research Methods in HRM. (2nd edition)*. London: CIPD.
- Archer, N. and Yuan, Y. (2000). Managing business to business relationships throughout the e-commerce procurement life cycle. *Internet Research: Electronic Networking Applications and Policy*, Vol. 10, (5), 385-395.
- Aronson, E. (1969) "Some Antecedents of Interpersonal Attraction," in WJ. Arnold and D. Levine (Eds.) *Nebraska Symposium on Motivation*. University of Nebraska Press, Lincoln, Nebraska. pp. 143-173.
- Bagdoniene, L. and Zilione, R. (2009) "Business to Business Relationships: The Variables in the Context of Success". *Journal of Social Sciences*. Vol. 4 (66), pp.16-22.  
 <[http://rasa.zilionis.net/files/Bagdoniene\\_Zilione\\_Socialiniai\\_mokslai\\_2009.pdf](http://rasa.zilionis.net/files/Bagdoniene_Zilione_Socialiniai_mokslai_2009.pdf)> Retrieved Nov 29, 2012.
- Barringer, B.B. and Harrison, J.S. (2000) Walking a tightrope: creating value through interorganizational relationships. *Journal of Management*, Vol. 3, 367-403.
- Barry, J.M., Dion, P., and Johnson, W. (2008) "A cross-cultural examination of relationship strength in B2B services". *The Journal of Services Marketing*. Vol. 22 (2), pp. 114-116.
- BBC. (2004) Libya looks to capitalist future.  
 <<http://news.bbc.co.uk/1/hi/business/3644697.stm>> Retrieved July 21, 2011.
- BBC. (2004) Timeline: Libya sanctions.  
 <<http://news.bbc.co.uk/1/hi/world/africa/3336423.stm>> Retrieved July 21, 2011.

- BBC. (2011) Libya Revolution. <<http://www.bbc.co.uk/news/world-africa-12577484>>Retrieved Oct 15, 2011.
- Bell, J. (1999) Doing Your Research Project: A Guide For the First Time Researcher in Education. (3rd edition), Judith Bell, USA.
- Brooks, N. (2008) Building Strong Relationships – four stages of development, four phases of connection.<<http://ezinearticles.com/?Building-Strong-Relationships---Four-Stages-of-Development,-Four-Phases-of-Connection&id=1694468>> Retrieved Aug 05, 2011.
- Bryman, A., Bell, E. (2007) Business Research Method. (2<sup>nd</sup> Edition), Oxford University Press.
- Bryman, A. (2004) Social Research Methods. (1<sup>st</sup> edition), Oxford University Press.
- Buttle, F. (2008) Customer Relationship Management. (2<sup>nd</sup> edition). p. 522. ISBN-13: 9781856175227.
- Byer, Janice. (2003) Communication: The Key to Building Relationships. <<http://www.docutype.net/articles/communication.htm>>Retrieved July 13, 2011.
- Castro, L.M., Alves, G.A. and Proenca, J.F. (2005) The Key Dimensions in the Development of the Consultant-Client Relationship: a Suggestion for a Business Relationship Profile. <[http://muresk.curtin.edu.au/conference/imp/proceedings/cs5a1\\_011.pdf](http://muresk.curtin.edu.au/conference/imp/proceedings/cs5a1_011.pdf)> Retrieved January 7, 2012.
- Central Intelligence Agency. (2006) The World Fact Book. <<https://www.cia.gov/library/publications/the-world-factbook/geos/ly.html>> Retrieved Aug 05, 2011.
- Cheng, C.S. (2006) Financial Services Marketing: Empirical evidence on the impact and effectiveness of marketing events: dissertation. Retrieved October 12, 2009 <[http://www.unisg.ch/www/edis.nsf/wwwDisplayIdentifier/3200/\\$FILE/dis3200.pdf](http://www.unisg.ch/www/edis.nsf/wwwDisplayIdentifier/3200/$FILE/dis3200.pdf)> Retrieved Nov 29, 2012.
- Claycomb, C. and Martin, Ch.L. (2001) Building customer relationships: an inventory of service providers' objectives and practices. Marketing Intelligence and Planning, 19/6, 385-399.
- Cohen, G.T. (2006) Barriers to marketing within professional service firms: dissertation. <<http://bura.brunel.ac.uk/bitstream/2438/395/5/Geraldine+Cohen+PhD.pdf>> Retrieved Nov 12, 2012.

- Collis, J. and Hussey, R. (2003) *Business Research: A Practical Guide for Undergraduate and Postgraduate Students. (2nd edition)*, Palgrave Macmillan London.
- Collis, J. and Hussey, R. (2008) *Business Research: A Practical Guide for Undergraduate and Postgraduate Students. (3rd edition)*, Palgrave Macmillan London.
- Collis, J. and Hussey, R. (2009) *Business research: A Practical Guide for Undergraduate and Postgraduate Students. (3rd edition)*, Hampshire.
- Conway, T. and Swift, J. S. (2000) 'International Relationship Marketing - The importance of psychic distance.' *European Journal of Marketing*. Vol. 34, pp. 1391-1409.  
<[http://www.iei.liu.se/fek/frist/722g60/grupperna\\_artiklar\\_och\\_presentationer\\_2008/1.124900/artikelB2.pdf](http://www.iei.liu.se/fek/frist/722g60/grupperna_artiklar_och_presentationer_2008/1.124900/artikelB2.pdf)> Retrieved Nov 28, 2012.
- Creswell, D. J. W. (2003) *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*, Sage Pubns.
- Darren Dahl. (2011) *How to Build Better Business Relationships*  
<<http://www.inc.com/guides/201101/how-to-build-better-business-relationships.html>> Retrieved March 03, 2012.
- Dawar, N., Parker, P.M. and Price, L.J. (1996) "A cross-cultural study of interpersonal information exchange", *Journal of International Business Studies*, Vol. 27 (3), pp. 497-516.
- Dawson, R. (2005) *Developing Knowledge- Based Client Relationship. Leadership in Professional Services. (2nd edition)*, Burlington, Elsevier Butterworth- Heinemann.
- De Vaus, D. (2001) *Research design in social research*, Sage, London.
- Dion, P., Easterling, D. and Miller, S.J. (1995) "What is really necessary in buyer/seller relationships?", *Industrial Marketing Management*, Vol. 24 (1), pp. 1-9.
- Donaldson, B. and O'Toole, T. (2007) *Strategic Market Relationships: From Strategy to Implementation. (2nd Edition)*, Great Britain: John Wiley and Sons.
- Dwyer, F.R., Schurr, P.H. and Oh, S. (1987) "Developing Buyer-Seller Relationships". *Journal of Marketing*. Vol. 51 (April 1987), pp 11-27.
- Easterby-Smith, M. and Thorpe, R, and Lowe, A. (2008) *Management Research: an Introduction. (2nd ed)*, SAGE Publications, UK.

- Easterby-Smith, Thorpe, R. and Lowe, A. (1991) *Management Research: An international*, Sage Publications Ltd.
- Easterby-Smith, M., Thorpe, R. and Lowe, A. (2004) *Management Research An Introduction. (2nd edition)*, Sage Publications Ltd, London.
- Eduardo Cárdenas. (2011) Corporate International - Civets Countries.  
<<http://www.mondaq.com/x/146074/International+Trade/Corporate+International+Civets+Countries+2011>> Retrieved Aug 13, 2013.
- Eisingerich, A.B. and Bell, S.J. (2008) "Managing networks of interorganizational linkages and sustainable firm performance in business-to-business service contexts". *Journal of Services Marketing*, Vol. 22 (7), pp. 494–504.
- Ellram and Hendrick. (1995) "Partnering characteristics: a dyadic perspective". *Journal of Business Logistics*, Vol. 16 1 (1995), pp. 41–64.
- Estrin, S., Poukliakova S. and Shapiro, D. (2009) "The Performance Effects of Business Groups in Russia". *Journal of Management Studies*, Vol. 46 (3), 393-420.
- Farley, R. (1971) *Planning for Development in Libya, The Exceptional Economy in The Development World*, Prager Publishers, USA.
- Flick U. (2007) *"An Introduction to Qualitative Research"*, London, (3<sup>rd</sup> Edition), SAGE Publication Ltd.
- Fontana, A. and J. Frey. (2000) The Interview from Structured Questions to Negotiated Text. *Handbook of Qualitative Research*.
- Ford, D. (1980) "The development of buyer-seller relationships," in *European Journal of Marketing*, n° 14.
- Ford, D. (1984) "Buyer/Seller Relationships in International Industrial Markets." *Industrial Marketing Management*, Vol. 13 (2), pp. 101-113.
- Ford. (1989) "One More Time: What Buyer-Seller Relationships are all about." Paper presented to the 5<sup>th</sup> IMP Conference "Research in Marketing: An International Perspective." Pennsylvania State University, Ohio (5-7<sup>th</sup> September).
- Ford, D., Gadde, L-E., Hakansson, H. & Saehota, I. (2003) *Managing Business Relationships*. John Wiley and sons.
- Galbreath, J. (2002) Success in the relationship age: building quality relationship assets for market value creation. *The TQM magazine*, 1, 8-24.

- Gannous, S., et al. (1990) *Libya the Revolution in Twenty -Five Years, Political, Social and Economic Transformations*. Benghazi, Libya, University of Garyounis.
- Ganesan, S. (1994) "Determinants of long-term orientation in buyer-seller relationships". *Journal of Marketing*, Vol. 58 (2), pp. 1-19.
- Garbarino, E., and Johnson, M.S. (1999) "The Different Roles of Satisfaction, Trust, and Commitment in Customer Relationships". *Journal of Marketing*, Vol. 63 (2), pp. 70-87.
- Gil-Saura, I., Frasset-Deltoro, M. and Cervera-Taulet, A. (2009) "The value of B2B relationships". *Industrial Management & Data Systems*, Vol. 109 (5), pp. 593-609.
- Gittell, J.H. (2006) Relational coordination: coordinating work through relationships of shared goals, shared knowledge and mutual respect. Relational perspectives in organizational studies– a research companion, 74-94.
- Global Finance. (2011) Harvard Business School. <<http://www.gfmag.com/gdp-data-country-reports/232-libya-gdp-country-report.html#axzz1b1ry1jys>> Retrieved Aug 06, 2011.
- Ghauri, Pervez N. and S. Benjamin Prasad. (2005) *A Network Approach to Probing Asia's Interfirm Linkages*, Advances in Comparative Management, X (1995): 63-77.
- Gounaris, S.P. (2005) "Trust and commitment influences on customer retention: insights from business-to-business services". *Journal of Business Research*, Vol. 58, pp. 126-140.
- Guba E., Lincoln Y. (1989) Fourth edition evaluation. SAGE, California.
- Gummesson, E. (1999) Total relationship marketing: from 4Ps –product, price, promotion, place – of traditional marketing management to the 30Rs of the new marketing paradigm. Oxford, Butterworth-Heinemann.
- Håkansson, H. (Ed.). (1982) *International Marketing and Purchasing of Industrial Goods*, John Wiley & Sons, Chichester.
- Håkansson, H. and Snehota, I. (2006) "No business is an island: The network concept of business strategy". *Scandinavian Journal of Management* Vol. 22 (3), September 2006, pp. 256-270.
- Hall, D and Hall, I. (1996) *Practical social research*. Macmillan Press Ltd, Malaysia.



- Hallen, L. and Weidershiem-Paul, F. (1984) "The Evolution of Psychic Distance in International Business Relationships in Haag", L & Weidersheim-Paul, F. (eds.) *Between Market and Hierarchy*, University of Uppsala, Department of Business Administration, pp. 15-27.
- Healey, M.J. (1991) "Obtaining Information from Business" in M.J. Healey (ed.) *Economic Activity and Land Use*. Harlow: Longman, pp. 193-251.
- Healey, M.J. and Rawlinson, M.B. (1993) "Interviewing Business Owner and Managers: a review of methods and techniques", *Geoforum*, Vol. 24 (3), pp. 339-55.
- Healey, M.J. and Rawlinson, M.B. (1994) "Interviewing Techniques in Business and Management Research", in V.J. Wass, V.J. and P.E. Wells (eds) *Principles and Practice in Business and Management Research*. Aldershot: Dartmouth, pp. 123-46.
- Hedaa, L. and Ritter, T. (2005) Business relationships on different waves: Paradigm shift and marketing orientation revisited. *Industrial Marketing Management* 34, 714-721.
- Heffernan, T. (2004) "Trust formation in cross-cultural business-to-business Relationships". *Qualitative Market Research: An International Journal*, Vol. 7 (2), pp. 114-125.
- Heh Jason Huang, Ali Dastmalchian. (2006) "Implications of trust and distrust for organizations: Role of customer orientation in a four-nation study", *Personnel Review*, Vol. 35 (4), pp. 361 – 377.
- Holden, N.J. and Burgess, M. (1994) *Japanese-led Companies: Understanding How to Make Them Your Customers*, McGraw-Hill Book Company, London.
- Holm, D.B., Eriksson, K. and Johanson, J. (1996) "Business networks and cooperation in international business relationships", *Journal of International Business Studies*, Vol. 27 (5), pp. 1033-52.
- Hussey, J. and Hussey, R. (1997) *Business Research: A practical guide for undergraduate and postgraduate students*, London, Macmillan Press.
- Inglehart, Ronald. F. (1991) "Trust between Nations: Primordial Ties, Societal Learning and Economic Development" in K. reif and R.F. Inglehart (Eds.) *The Dynamics of European Public Opinion*. Macmillan Academic and Professional Ltd., Basingstoke. pp. 145-185.
- John, Gray. (2013) The National. <<http://www.thenational.ae/arts-culture/books/dr-john-gray-talks-relationships-in-dubai>> Retrieved Sep 28, 2012.

- Johnston, R. and Clark, G. (2008) *Service operations management. Improving service delivery. (3ed edition)*. Edinburgh, Pearson Education Limited.
- Jüttner, U. and Wehrli, H.P. (1994) "Relationship Marketing from a Value System Perspective", *International Journal of Service Industry Management*, Vol. 5 (5), pp. 54-73.
- Kaizen Consulting. (2012) Business Growth. <http://business-growth.com/2008/02/19/the-importance-of-relationships-in-business/> Retrieved March 02, 2012.
- Karnieli-Miller, Orit, Strier, Roni, & Pessach, Liat. (2009) Power relations in qualitative research. *Qualitative Health Research*, 19, 279–289.
- Keith F. Punch. (2005) *"Introduction To social Research Quantitative & Qualitative Approches"*. (2<sup>nd</sup> edition), Sage Publications Ltd.
- Kirk, A. (2007) Four Stages of Establishing a Business Relationship. Yahoo Contributor Network. Available at: <http://voices.yahoo.com/four-stages-establishing-business-relationship-430257.html?cat=3> /Retrieved June 04, 2012.
- Kruger, V. (2001) "Main Schools of TQM: the big five", *TQM Magazine*, Vol. 13 (3), pp. 146-155.
- Lages, L.F., Lancastre, A. and Lages, C. (2005) Bringing Relationship Marketing Theory into B2B Practice: The B2B-RP Scale and the B2B-RELPERF Scorecard. <<http://fesrvsd.fe.unl.pt/WPFEUNL/WP2005/wp471.pdf>> Retrieved October 12, 2012.
- Lay, P. and Moore, G. (2009) Transforming Your Business Network. Business Network Transformation: Strategies to Reconfigure Your Business Relationships for Competitive Advantage. (Ed.). J. Word.
- .Lehtonen, T. (2004) Attributes and success factors of partnering relations—a theoretical framework for facility services. *Nordic Journal of Surveying and Real Estate Research – Special Series*, 2, 31-46.
- Libya Alhurra. (2011) Libya Revolution Central. <<http://feb17.info/tag/libya-alhurra/>>Retrieved Oct 15, 2011.
- Libya Central Bank,. (1975-2002) Economic Bulletins, Libya-Tripoli.
- Lin, X., Germain, R. (1998) "Sustaining satisfactory joint venture relationships: the role of conflict resolution strategy". *Journal of International Business Studies*, Vol. 29 (1), pp. 179-96.

- Lee, Joong-Woo, Ghauri, Pervez N. and Hadjikhani, Amjad. (2007) *MNC's Actions in the Social-Political Market: A Study of a Case with a Network Approach*, Sinkovics, Rudolf R and Yamin, Mo., (eds.), In: *Anxieties and Management Responses in International Business*, Houndmills, Basingstoke, Hampshire, New York: Palgrave Macmillan, pp. 119-139.
- Lester, S. (1999) *An Introduction to Phenomenological Research*, Taunton UK, Stan Lester Developments. [www.sld.demon.co.uk/resmethy.pdf](http://www.sld.demon.co.uk/resmethy.pdf) Retrieved March 23, 2012.
- Mason, J. (2004) *"Qualitative Researching"*, Sage, London.
- Mason, J. (2002), *Qualitative Researching. (2nd edition)*, London: SAGE Publications.
- Maylor, H, and Blackmon, K. (2005) *"Researching Business and Management"* Britain. Palgrave MacMillan.
- Medina-MunÄoz and Juan Manuel GarcõÂa-FalcoÂn., (2000) "Successful Relationships between Hotels and Agencies". *Annals of Tourism Research*, Vol. 27 (3), pp. 737-762.
- Michael Huberman and Matthew B. Miles. (2002) *The qualitative researcher's companion*. Sage Publications London. Edition illustrated.
- Miles, M and Huberman, A. (1994) *Qualitative Data Analysis: an expanded source book. (2<sup>nd</sup> edition)*, Sage, London.
- Mohammad, Irfan. (2011) *Business Know-How*. <<http://www.businessknowhow.com/manage/middleeast.htm>> Retrieved Sep 28, 2012.
- Mohr, J. and Spekman, R. (1994) "Characteristics of Partnership Success: Partnership Attributes, Communication Behavior, and Conflict Resolution Techniques". *Strategic Management Journal*, Vol. 15 (2), pp. 135-152.
- Moller, K.K. and Halinen, A. (1999) *Business Relationships and Networks: Managerial Challenge of Network Era*. *Industrial Marketing Management*, 28, 413-427.
- Moller, K. and Wilson, D. T. (eds) (1995) *Business Marketing: An Interaction and Network Perspective*, Kluwer Academic, Norwell, MA.
- Morgan, R.M. and Shelby D. Hunt. (Jul., 1994) "The Commitment-Trust Theory of Relationship Marketing". *The Journal of Marketing*, Vol. 58 (3), pp. 20-38.

- Nielson, C.C. (1998) "An empirical examination of the role of closeness' in industrial buyer-seller relationships". *European Journal of Marketing*, Vol. 32 (5/6), pp. 441-463.
- Newlands, D. J. and Hooper, M. J. (2009) *The Global Business Handbook: The Eight Dimensions of International Management*. Great Britain: Gower Publishing, Ltd.
- Oxford Business Group. (2010) The Report: Libya 2010, <<http://www.oxfordbusinessgroup.com/product/report/report-libya-2010>> Retrieved Aug 04, 2011.
- Parsons, A.L. (2002) What Determines Buyer-Seller Relationship Quality? An Investigation from the Buyer's Perspective. *The Journal of Supply Chain Management*, Volume 38, Issue 2 (p 4-12).
- Patton, M, Q. (2002) *Social sciences; Evaluation research (Social action programs); Methodology, (3rd edition)*. Thousand Oaks, Calif.
- Phillips, C., Doole, I. and Lowe, R. (1994) *International Marketing Strategy: Analysis, Development and Implementation*, Routledge, London.
- Powers, T.L. and Reagan, W.R. (2007) Factors Influencing Successful Buyer-Seller Relationships. *Journal of Business Research*, Vol. 60, 1234-1242.
- Rauyruen, P. & Miller, K.E. (2007) Relationship quality as a predictor of B2B customer loyalty. *Journal of Business Research*, 60, 21–31.
- Riessman, C. (2004) "Narrative Analysis, in Lewis-Beck. *The sage encyclopaedia of Social Science Research Methods*, Vol. (1-3), Thousand Oaks, Calif.: SAGE.
- Riley, J. (1996) *Getting the Most from your Data: A Handbook of Partical Ideas on How to Analysis Qualitative Data (2<sup>nd</sup> edition)*, Bristol, Techical and Educational Services Ltd.
- Ritter, T. and Geminden, H.G. (2003) "Network competence: Its impact on innovation success and its antecedents". *Journal of Business Research*, Vol. 56 (9), pp. 745-755.
- Ritter, T., Wilkinson, I.F. and Johnston, W.J. (2004) Managing in complex business networks. *Industrial Marketing Management*, 33, 175– 183.
- Remenyi, D., Williams, B., Money, A., and Swartz, E. (1998) The Case Study. In D. Remenyi (Ed.), *Doing research in business and management: An introduction to process and method*. London: Sage.

- Remenyi, D., Williams, B., Money, A. and Swartz, E. (2005) 'Doing Research in Business and Management: An Introduction to Process and Method.' *Sage Publications*, London.
- Reuters. (2012) Libya Election. <<http://www.reuters.com/article/2012/07/02/libya-election-security-idUSL6E8I269I20120702>> Retrieved June 29, 2012.
- Robert F. Worth, Heather Timmons and London Thomas Jr. (2009) Crisis Puts Focus on Dubai's Complex Relationship with Abu Dhabi. *The New York Times*. <[http://www.nytimes.com/2009/11/30/business/global/30dubai.html?pagewanted=all&\\_r=0](http://www.nytimes.com/2009/11/30/business/global/30dubai.html?pagewanted=all&_r=0)> Retrieved Sep 28, 2012.
- Robert, K. Yin. (2011) *Qualitative Research from Start to Finish*. The Guilford Press New York/London.
- Robson, C. (2002) *Real world research. A research for social scientist and practitioner researcher" (2<sup>nd</sup> edition)*. Blackwell publishing, United Kingdom.
- Rudoren, J. Gorrill, M.A. (2009) Doing Business in Libya, Libyan Social and Business Culture Intercultural Communication, a Libyan Culture Overview. Source: CIA World Fact book 2007.
- Saunders, M; Lewis, P. and Thornhill, A. (2000) *Research Methods for Business Students. (2<sup>nd</sup> edition)*. British Library.
- Saunders, M; Lewis, P. and Thornhill, A. (2003) *Research Methods for Business Students. (3<sup>rd</sup> edition)*. British Library.
- Saunders, M.; Lewis, P. and Thornhill, A. (2007) *Research Methods for Business Students, (4th Edition)*, Pearson Education Limited, Harlow.
- Saunders, M.; Lewis, P. and Thornhill, A. (2009) *Research Methods for Business Students. (5<sup>th</sup> edition)*. British Library.
- Scanzoni, J. (1997) Social exchange and behavioural interdependence. In R. L. Burgess & T. L. Huston (eds.), *Social exchange in developing relationships* (pp. 61-98). New York: Academic Press.
- Saunders, M. N. K., Skinner, D., Dietz, G., Gillespie, N. and Lewicki, R. J. (2010) *Organizational Trust: A Cultural Perspective*. Great Britain: Cambridge University Press.
- Scott, N., Baggio, R. and Cooper, C. (2008) *Network Analysis and Tourism: From Theory to Practice*. Great Britain: Channel View Publications.

- Schmitz, Charles A. (1997) "Changing the Way we do Business in International Relations".  
<<http://www.usip.org/virtualdiplomacy/publications/papers/schmitz.html>> Retrieved May 15, 2012.
- Schurr, P. (2007) "Buyer-seller relationship development episodes: theories and methods". *Journal of Business & Industrial Marketing*, Vol. 22 (3), pp.161 – 170.
- Sekaran, U. (2003) *Research Methods for Business: A skill-Building Approach. (4th edition)*, John Wiley and Sons, Chichester.
- Selnes, F. (1998) "Antecedents and consequences of trust and satisfaction in buyer-seller relationships", *European Journal of Marketing*, Vol. 32 (3/4), pp. 305-22.
- Swift, J. S. (2008) *Foreign Language Competence and International Business: A Cultural Approach*. USA: Liverpool Academic Press.
- Swift, J.S. (1999) "Cultural closeness as a facet of Cultural affinity: A contribution to the theory of psychic Distance", *International Marketing Review*, Vol. 16 (3), pp. 182-201.
- Tesch. (1990) *Qualitative Research: Analysis Types and Software Tools*, Renata Tesch. (1th edition), Press Ltd, London.
- Thiagarag, T.; Zairi, M. and Dale, B. G. (2001) A Proposed model of TQM implementation based on an empirical study of Malaysian industry. *International Journal of Quality & Reliability Management*, 18, 289-306.
- Trochim, W. (1989) Outcome pattern matching and program theory. *Evaluation and program planning*, (12), 355-366.
- Trochim, William M.K. (2006) Deductive and Inductive Thinking.  
Available at: <<http://www.socialresearchmethods.net/kb/dedind.php>>  
Retrieved July 08, 2011.
- Troy, H. (2004) "Trust formation in cross-cultural business-to-business relationships", *Qualitative Market Research: An international journal*, Vol.7 (2): p.114 – 125.
- Turnbull, PW and Cunningham, MT (Eds.) (1981) *International Marketing and Purchasing: A Survey among Marketing and Purchasing Executives in Five European Countries*. Macmillan Press Ltd., London.
- Turnbull, P W and Welham, G F (1985) "The Characteristics of European Export Marketing Staff." *European Journal of Marketing*, Vol.19 (2), pp. 31-41.

- Turnbull, P., Ford, D., Cunningham, M. (1996) "Interaction, relationships and networks in business markets: an evolving perspective", *Journal of Business & Industrial Marketing*. Vol. 11 (¾) pp. 44-62.
- Tuten, Tracy; and Urban, David. (2001) *A Model of Partnership Formation and Success*. *Industrial Marketing Management*, Vol. 30 (2), pp. 149-164.
- Usunier, Jean-Claude G. (1993) *International Marketing: A Cultural Approach*. Prentice – Hall International (UK) Ltd., Hemel Hempstead.
- Velde, M. v. d., Jansen, P. and Anderson, N. (2004) *Guide to Management Research Methods*, Malden, Blackwell Publishing Ltd.
- Viotti, Paul R. and Kauppi, Mark V. (2006) *International Relations and World Politics: Security, Economy, Identity. (3rd edition)*, Prentice Hall, New York.
- Wallace, J., and Wilkinson, B. (2004) *Doing Business with Libya. The Impact of Sanctions on Business in Libya. (2nd edition)*, London.
- Waniss, O and Erling, Karlberg,. (2007) *The Libyan Economic: Economic Diversification and International Repositioning*. EBook, <  
[http://books.google.co.uk/books?id=8iwOIGJsJ8C&pg=PA218&dq=libyan+businesses&hl=en&ei=pzizTorGDYU18QONcCaBQ&sa=X&oi=book\\_result&ct=result&resnum=2&ved=0CEAQ6AEwAQ#v=onepage&q=libyan%20businesses&f=false](http://books.google.co.uk/books?id=8iwOIGJsJ8C&pg=PA218&dq=libyan+businesses&hl=en&ei=pzizTorGDYU18QONcCaBQ&sa=X&oi=book_result&ct=result&resnum=2&ved=0CEAQ6AEwAQ#v=onepage&q=libyan%20businesses&f=false)>Retrieved Oct 28, 2011.
- Williams, M.R. (1998) "The Influence of Sales Persons Costumer Orientation on buyer-Seller Relationship Development". *Journal of Business and Industrial Marketing*. Vol. 13 (3), pp. 271-287.
- Wilson, D.T. (1995) "An integrated model of buyer-seller relationships", *Journal of the Academy of Marketing Science*. Vol. 23 (4), pp. 335-45.
- Woodside, A. G. (2010) *Organizational Culture, Business-to-Business Relationships, and Interfirm Networks*. Great Britain: Emerald Group Publishing.
- Wright, R. (2004) *Business-to-Business Marketing: a step-by-step guide*, Glasgow.
- Yin, R. K. (2003) "Case Study research Design and Methods". (3rd Edition), Sage Publications, Inc, Thousand Oaks.
- Yin, R. K. (2008) "Case study research Design and Methods". (4rd Edition), Sage Publications, Inc, Thousand Oaks.
- Yin, R. K. (2009) "Case Study Research: Design and Methods". London. Sage Publications Inc.

- Yin, R. K. (2011) "Qualitative Research from Start to Finish". New York/London, The Guilford Press.
- Yusof, S. R. M. and Aspinwall, E. (1999) Critical success factors for total quality management implementation in small and medium enterprises. *Total Quality Management*, 10, 4 and 5, S803-S809.
- Zhu, X., Bhat, R., and Nel, P. (2005) "Building Business Relationships: A Preliminary Study of Business Executives", *Views. Cross Cultural Management*, Vol. 12 (3), pp. 63-84.
- Zineldin, M. (2007) "International business relationship and entry modes A case of Swedish automotive industry Scania and Volvo in Mexico", *Cross Cultural Management: An International Journal*. Vol. 14 (4), pp. 365-386.



# **APPENDIX 1**

Table one provides a synthesis of all these scholars' ideas in business relationship development.

| <b>Table 1: Stages in the Development of a Business Relationship</b> |                        |                     |                    |                     |                  |
|--|------------------------|---------------------|--------------------|---------------------|------------------|
| <b>Stages</b><br><b>Authors</b>                                      | <b>1</b>               | <b>2</b>            | <b>3</b>           | <b>4</b>            | <b>5</b>         |
| <b>Ford (1980,1984)</b>  | Pre-relationship Phase | Exploratory phase   | Developing phase   | Stable phase        | Final stage      |
| <b>Hallén and Wiedersheim-Paul (1984)</b>                            | Pre-contact            | Initial Interaction | Development        | Mature Relationship |                  |
| <b>Dwyer <i>et al.</i> (1987)</b>                                    | Awareness              | Exploration         | Expansion          | Commitment          | Dissolution      |
| <b>Wilson (1995)</b>   | Search and selection   | Defining purpose    | Setting boundaries | Value creation      | Hybrid stability |
| <b>Williams (1998)</b>   | Awareness              | Exploration         | Expansion          | Commitment          | Dissolution      |
| <b>Andersen (2001)</b>   | Pre-Relationship       | Early Stage         | Development Stage  |                     |                  |
| <b>Ford <i>et al.</i> (2003)</b>                                     | Pre-Relationship       | Exploratory         | Developing         | Stable              |                  |
| <b>Dawson (2005)</b>   | Engaging               | Aligning            | Deepening          | Partnering          |                  |
| <b>Arthur Kirk (2007)</b>  | Awareness              | Knowledge           | Liking             | Trusting            |                  |
| <b>Brooks (2008)</b>   | Emerging               | Growth              | Maturity           | Declining           |                  |

## **APPENDIX 2**

### **Questions and Summary of Respondents**

#### **COMPANY 1**

| <b>1. Pre – Contact Stage</b>   |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (1)</b>   |
| 1. How do you generally find new business partners? ”When you have decided that you need to look for new partners?  | -Expert team.<br>-Who has a good Financial business and history of a previous business experiences.   |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?  | -To find new partner and new experience.<br>-Improve customer services<br>-Quality assurance scheme for services  |
| 3. “Can you give me any examples of how you did this type of search?”<br>“What was the outcome?”  | -For example searching for people who are expert in Malta by expert team.<br>-Many companies founded.   |
| 4. “In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?”  | -Good business background experience and excellent character such as Quality of service, Trust, experience and they have good knowledge about their area.<br>-Because that means they successes in that area. |
| <b>2. Initial Interaction Stage</b>   |   |
| <b>Questions</b>  | <b>Summary of Respondents (1)</b>   |
| 1. “Generally what are you trying to achieve” and what are your aims and objectives at this level or stage?   | -To have a good partner.<br>-To make sure that partner chosen was as expected.  |
| 2. Once you have chosen your business partner, how do you contact them?<br>In another word “When you first contact a potential partner, how do you generally do it - email, fax, telephone?”<br>“What language do you use, and do you | -By phone and email.<br>- The language is mostly English.   |

|  |  |
|--|--|
| generally use formal or informal communications, and why?"   |  |
| <p>3. If you plane to have a meeting, how do you set it up? And how do you establish a new working relationship with other people?</p> <p>"How long does the first meeting generally last, and what language is used?"</p>   | <ul style="list-style-type: none"> <li>- Organise time, date, people and place.</li> <li>- First think watching their body language while you start off with a conversation that you think you may have a common interest.</li> <li>- Arrange my meeting through my manager</li> <li>Suitable place for both sides.</li> <li>-Between 2-4 hours or depends ,, English</li> </ul> |
| <p>4. "During the development the relationship, how do you generally keep in contact with your business partner?"</p> <p>How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why?</p> | <ul style="list-style-type: none"> <li>-By the phone or email or meeting if that necessary.</li> <li>-That depends on the size of the project and also the how much the project going to cost.</li> </ul>  |
| <p>5. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?"</p>  | Excellent knowledge understanding the business and good at communications.   |
| <p>6. "Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?"</p>                | If partner has no interests or sadden financial crises or business quit, poor management anything makes the business loss.   |
| <p>7. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?"</p>                               | Disagreement between partners  |
| <p>8. "Have you any (recent) examples of how you have successfully developed relations with a new business partner?"</p> <p>In another word to what extant you can make the meeting or any deal successful with foreign companies?</p>                                       | <ul style="list-style-type: none"> <li>-Working effectively with partners.</li> <li>-The ways in which you can present a professional image of yourself and the organization.</li> <li>-Communication is the key. Negotiate</li> <li>-Make customer satisfaction your main concern</li> </ul>  |

| <b>3. Development Stage</b>   |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (1)</b>   |
| 1. “Generally, what are your objectives at this stage? What are you trying to achieve”  | -Excellent customer services skills,<br>-Development of your team.<br>-Providing supports to our partner if needed to strength our relationship.  |
| 2. “How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone? What language do you use, and do you generally use formal or informal communications, and why?”  | By Email or Telephone /Formal English language  |
| 3. “When you now have meetings with your partner, how frequently are these held? “What are the main objectives of these meetings?” “Do you generally go to them, or do they come to you?”<br>“How long do meeting generally last, and what language is used?” | -Between once a month and it takes around 2-4 hours<br>-Planning company’s future.<br>-To discuss how current plan is going, that supports the relationship.<br>-Depends both sides, sometime 2-4 hours, mostly English language. |
| 4. “In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?”   | Reliability and trust, also to see partner willing to improve the relation.   |
| 5. “Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?”  | Outstanding payment<br><br>Getting bad relation<br><br>Not good confidence about business.  |
| 6. “Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?”                  | The same, anything that not make this project get success that means not to improve good relation with the partner.   |
| 7. “Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?”  | -High quality services.<br>-First class relations with partners and customers   |

| <b>4. Maturity Stage</b>   |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (1)</b>  |
| 1. “Generally, what do you want to achieve at this stage?”   | If the services going smoothly and excellent developing we will continue.                    |
| 2. “How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone? What language do you use, and do you generally use formal or informal communications, and why?”  | By Email, sometime by phone.<br><br>English and formal.<br><br>To respect the relation       |
| 3. “In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?”  | Our Agreement and terms condition & excellent manners  |
| 4. “Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?”   | Business has not been successes or sudden unrest crisis.                                     |
| 5. “Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?”  | High maintain & experiences  |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | Make sense to me as following<br><br>A-Cultures- trusting - joint experience apply agreement |

| <b>General Questions</b>   |                                   |
|--|-----------------------------------|
| <b>Questions</b>   | <b>Summary of Respondents (1)</b> |
| 1. “In which countries are most of your business partners based?”  | Far East – and North Africa       |
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya? | Deep discussions & invitations    |

|   |  |
|---|--|
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | Faculties and financial good understand cultures                                       |
| 4. What are important steps can you take to carry on building good relationships between you and your partner?                              | To have good knowledge about where we are going, and what is business look like there. |
| 5. "What recommendations would you give to a foreign company seeking to develop business relationships with Libyan companies?"              | Excellent services<br>Recent experiences<br>High level of communications               |

## **COMPANY 2**

| <b>1. Pre – Contact Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (2)</b>  |
| 1. How do you generally find new business partners? "When you have decided that you need to look for new partners?"  | -Any company which has good relation with their partners also company is success in business, also who has a good quality of service and also has a good reputation.<br>-when we want to cover any area. |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?   | -To find a new success partner.<br>-To have good relationship.<br>-To extend and improve the business.   |
| 3. "Can you give me any examples of how you did this type of search?"<br>"What was the outcome?"   | See who is successes in this business and how they doing then contact them via email or phone.   |
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?" | -They should have good relation with others in the same time they should have good reputation and good financial; also they are very active and successes in this field.                                 |

| <b>2. Initial Interaction Stage</b>   |  |
|---|--|
| <b>Questions</b>  | <b>Summary of Respondents (2)</b>                                    |
| 1. "Generally what are you trying to achieve" and what are your aims and objectives at this level or stage? | -Try to build first stage and step of relationship with new partner. |

|  |   |
|--|---|
| <p>2. Once you have chosen your business partner, how do you contact them? In another word “When you first contact a potential partner, how do you generally do it - email, fax, telephone?”</p> <p>“What language do you use, and do you generally use formal or informal communications, and why?”</p> | <p>-Depends on how far they are but usually via phone or email.</p> <p>-Most the time we use formal Arabic or English.</p>  |
| <p>3. If you plane to have a meeting, how do you set it up? And how do you establish a new working relationship with other people?</p> <p>“How long does the first meeting generally last, and what language is used?”</p>   | <p>-Arrange the meeting and then discuss in the meeting if there is possibility to make business plan.</p> <p>-Be flexible most the time just to build relationship.</p> <p>-It depends on the size of project.</p> |
| <p>4. “During the development the relationship, how do you generally keep in contact with your business partner?” How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why?</p>                                    | <p>-Almost once a month but mostly when needed.</p> <p>-Depends on the situation.</p> <p>-It depends on the plan and then depends on the size of project.</p>   |

|  |  |
|--|--|
| 5. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?"   | -Company has good relation with their partners, Credibility, Reputation and Experience.        |
| 6. "Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?" | -Breaking agreement and not to get good profit.<br>-Bad finance.<br>-Politics issues.          |
| 7. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?"                | The same and add no benefit of it or no credibility or any good relationship or credit crunch. |
| 8. "Have you any (recent) examples of how you have successfully developed relations with a new business partner?"<br>In another word to what extent you can make the meeting or any deal successful with foreign companies?                            | -Be flexible and to be keep good contacting with partners.                                     |

| <b>3. Development Stage</b>   |  |
|---|--|
| <b>Questions</b>  | <b>Summary of Respondents (2)</b>  |
| 1. "Generally, what are your objectives at this stage? What are you trying to achieve?"   | -To develop our business relationship.<br>-To achieve our aims and objects.  |
| 2. "How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?"   | -We should do formal meeting from time to time if that necessary or keep contacting each other by phone or email.  |
| 3. "When you now have meetings with your partner, how frequently are these held? "What are the main objectives of these meetings?" "Do you generally go to them, or do they come to you?"<br>"How long do meeting generally last, and what language is used?" | -When required.<br>-If there are any issues need to be sorted out.<br>-depends on agreement.<br>-It last at least two hours, we use English or Arabic most the time. |



|  |   |
|--|---|
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | -Credibility and trust also keeping in touch.<br>-Be flexible with all situations.                                  |
| 5. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"                                       | -No benefit of it or no credibility or no good relationship.<br>-Credit crunch.<br>-Recession or political problem. |
| 6. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?" | The same.   |
| 7. "Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?"   | No last two months.   |

| <b>4. Maturity Stage</b>  |  |
|---|--|
| <b>Questions</b>  | <b>Summary of Respondents (2)</b>  |
| 1. "Generally, what do you want to achieve at this stage?"  | -Try to boosting and improve the relationship, also to see whether there is possibility to extend this business especially if it is successes. |
| 2. "How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone? What language do you use, and do you generally use formal or informal communications, and why?" | -Any type of communications that suitable for both.<br>-Mostly formal English.   |

|  |  |
|--|--|
| 3. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | -Keeping in touch all the time.  |
| 4. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"   | No benefit of it or no credibility or any good relationship or credit crunch or recession. |
| 5. "Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?"  | Not really in last month.  |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | Yes it is totally right.   |

| <b>General Questions</b>  |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (2)</b>   |
| 1. "In which countries are most of your business partners based"  | Egypt, Malta, UK, Tunisia and Libya.  |
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya?                | -Culture, weather, high level of satisfaction and good communications.  |
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | -Language, culture, develop relationship through communications and location.   |
| 4. What is important steps can you take to carry on building good relationships between you and your partner?                               | To have good knowledge about the culture also to have Credibility, Trust and communications between partners.   |
| 5. "What recommendations would you give to a foreign company seeking to develop business relationships with Libyan Companies?"              | Keep in touch all the time that improve relationship also have very good knowledge about the culture of your partner, finally try to be flexible all the time especially when you have meeting. |

## **COMPANY 3**

| <b>1. Pre – Contact Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (3)</b>  |
| 1. How do you generally find new business partners? ”When you have decided that you need to look for new partners?   | -See the best in the market and compare it with previous partner.<br>-To cover some active area. |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?   | -Just to see whether my company is on right position.<br>-To have good partner.                  |
| 3. “Can you give me any examples of how you did this type of search?”<br>“What was the outcome?”   | Search via internet or email or contact them.<br>They always ask for meeting                     |
| 4. “In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?” | -Good reputation.<br>-Good experience.<br>-People trust that company.<br>-Location.              |

| <b>2. Initial Interaction Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (3)</b>  |
| 1. “Generally what are you trying to achieve” and what are your aims and objectives at this level or stage?  | Just to have knowledge about everything that makes good start.   |
| 2. Once you have chosen your business partner, how do you contact them?<br>In another word “When you first contact a potential partner, how do you generally do it - email, fax, telephone?”<br>“What language do you use, and do you generally use formal or informal communications, and why?” | -Via email or phone.<br>-Depends on the company.<br><br>-Depends on stuff in other company, but he prefers speak Arabic.   |
| 3. If you plane to have a meeting, how do you set it up? And how do you establish a new working relationship with other people? “How long does the first meeting generally last, and what language is used?”   | -We prefer to meet the Manager at first meeting.<br><br>-Most the time we go to them.<br>-More than two hours.<br>-Is English unless the person speaks another Language. |

|  |   |
|--|---|
| 4. "During the development the relationship, how do you generally keep in contact with your business partner?" How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why? | -We discuss that with new partners, but usually two or three times a week.<br>-It takes around one to two weeks, because we need to know our partner very well. |
| 5. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?"   | -Good experience.<br>-Good reputation.  |
| 6. "Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?"         | -Breaking agreement.<br>-Credit Crunch.<br>-War.  |
| 7. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?"                        | The same.   |
| 8. "Have you any (recent) examples of how you have successfully developed relations with a new business partner?"<br>In another word to what extent you can make the meeting or any deal successful with foreign companies?                                    | Must clear all important (Business Plan) points at first meeting.   |

| <b>3. Development Stage</b>   |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (3)</b>                         |
| 1. "Generally, what are your objectives at this stage? What are you trying to achieve"  | Improve relationship and then of course improve business. |
| 2. "How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?" | -Depends on their location.<br>-English or Arabic.        |

|  |  |
|--|--|
| 3. "When you now have meetings with your partner, how frequently are these held? "What are the main objectives of these meetings?" "Do you generally go to them, or do they come to you?" "How long do meeting generally last, and what language is used?" | <ul style="list-style-type: none"> <li>-Depends on location.</li> <li>-To discuss details or issues which effects on the business?</li> <li>-Until we sort out any issues.</li> <li>-If it is at our company usually we cover it.</li> <li>-It take around two hours and we mostly speak English or Arabic.</li> </ul> |
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | Implement the agreement accurately that we had at meetings.  |
| 5. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"   | <ul style="list-style-type: none"> <li>-If there is no profit for my company or it does not show this business will success.</li> <li>-Credit crunch.</li> </ul>   |
| 6. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?"               | The same.  |
| 7. "Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?"   | Two months ago, because both companies had mutual success, in the same time there was high level of credibility.   |

| 4. Maturity Stage  |  |
|--|--|
| Questions  | Summary of Respondents (3)   |
| 1. "Generally, what do you want to achieve at this stage?"   | To keep or improve current relationship as it is.  |
| 2. "How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?" | <ul style="list-style-type: none"> <li>-By phone or Email.</li> <li>-English or Arabic.</li> </ul> |

|  |  |
|--|--|
| 3. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | - Credibility.<br>-Experience.<br>-Trust.<br>-Confident.                               |
| 4. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"   | -No benefit.<br>-Breaking agreement.<br>-Recession.                                    |
| 5. "Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?"  | -Last season was quite good.<br>-Because keeping contacting with partner all the time. |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | Yes I am totally agreed.   |

| <b>General Questions</b>  |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (3)</b>   |
| 1. "In which countries are most of your business partners based?"   | North Africa & Malta, Italy and UK.   |
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya?                | -They should have knowledge about everything in over there especially culture.  |
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | -The same, before make first step which is pre-contact step should know everything about partners such as Reputation, Experience, Credibility, Finance and so on.                       |
| 4. What is important steps can you take to carry on building good relationships between you and your partner?                               | Have a good knowledge about culture because it is one of the most important key factors in business relationship.<br><br>Always keep looking to improve the relationship with partners. |
| 5. "What recommendations would you  | Adaptation of culture.  |

|   |  |
|---|--|
| give to a foreign company seeking to develop business relationships with Libyan companies?" |  |
|---|--|

## **COMPANY 4**

| <b>1. Pre – Contact Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (4)</b>  |
| 1. How do you generally find new business partners? "When you have decided that you need to look for new partners?"  | -Recommendations.<br>-Special team with B2B strategy.<br>-Partner contacts us first.                           |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?   | -Just to see whether we can find new area and partner to do business with, and then to have good partner.      |
| 3. "Can you give me any examples of how you did this type of search?"<br>"What was the outcome?"   | Search via internet or email or contact them.<br>They always ask for meeting                                   |
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?" | -Good reputation.<br>-Recommendations.<br>-People trust that company.<br>-Location and potential for business. |

| <b>2. Initial Interaction Stage</b>  |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (4)</b>   |
| 1. "Generally what are you trying to achieve" and what are your aims and objectives at this level or stage?  | Just to establish first step of relationship and to have knowledge about everything that makes good start.                      |
| 2. Once you have chosen your business partner, how do you contact them?<br>In another word "When you first contact a potential partner, how do you generally do it - email, fax, telephone?"<br>"What language do you use, and do you generally use formal or informal communications, and why?" | -Via email or phone, everything.<br>-Depends on the company.<br><br>-Depends on company, but we prefer speak Arabic or English. |

|   |  |
|---|--|
| <p>3. If you plane to have a meeting, how do you set it up? And how do you establish a new working relationship with other people?</p> <p>“How long does the first meeting generally last, and what language is used?”</p>  | <p>-We prefer to meet the Manager at first meeting.</p> <p>-Both parties can organise meeting..</p> <p>-Around two or three hours.</p> <p>-Is English unless the person speaks another Language.</p>                       |
| <p>4. “During the development the relationship, how do you generally keep in contact with your business partner?” How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why?</p> | <p>-We discuss that during the meeting but usually between two to three hours.</p> <p>-It takes around more than two weeks, because we should have good knowledge about new partner, especially if the project so big.</p> |



|  |  |
|--|--|
| 5. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?"   | <ul style="list-style-type: none"> <li>-Good experience.</li> <li>-Stability.</li> <li>-Good reputation.</li> <li>-Price.</li> </ul>                           |
| 6. "Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?"             | <ul style="list-style-type: none"> <li>-Breaking agreement.</li> <li>-Wrong decision or personal behaviour.</li> <li>-Credit Crunch.</li> <li>-War.</li> </ul> |
| 7. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?"                            | The same.  |
| <p>8. "Have you any (recent) examples of how you have successfully developed relations with a new business partner?"</p> <p style="padding-left: 40px;">In another word to what extant you can make the meeting or any deal successful with foreign companies?</p> | We had very good Business Plan, Also we should make all the points very clear at first meeting.  |

| 3. Development Stage   |   |
|--|---|
| Questions  | Summary of Respondents (4)  |
| 1. "Generally, what are your objectives at this stage? What are you trying to achieve"   | Support and improve relationship and of course that leads to improve business.  |
| <p>2. "How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone?</p> <p>What language do you use, and do you generally use formal or informal communications, and why?"</p> | <ul style="list-style-type: none"> <li>-By everything, depends on their location.</li> <li>-English or Arabic.</li> </ul> |

|  |   |
|--|---|
| 3. "When you now have meetings with your partner, how frequently are these held? "What are the main objectives of these meetings?" "Do you generally go to them, or do they come to you?" "How long do meeting generally last, and what language is used?" | <ul style="list-style-type: none"> <li>-Depends on location.</li> <li>-To discuss details and business plan.</li> <li>-Until we sort out any issues.</li> <li>-If it is at our company usually we cover it.</li> <li>-It takes more than two hours and we usually speak English or Arabic.</li> </ul> |
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | -We look at any advantage feature or aspect or quality which make our relation sustainable, I think also we should implement the agreement accurately that we had at first or second meetings.  |
| 5. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"   | <ul style="list-style-type: none"> <li>-If there is no profit for my company or it does not show this business will success.</li> <li>-Credit crunch.</li> <li>-Personal attitude.</li> </ul>   |
| 6. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?"               | The same.   |
| 7. "Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?"   | Yes that was a month ago, the reason was because both companies had trust and mutual success, in the same time there was high level of credibility.   |

| 4. Maturity Stage  |   |
|--|---|
| Questions  | Summary of Respondents (4)  |
| 1. "Generally, what do you want to achieve at this stage?"   | Tray to keep or improve current relationship, even though if the business goes as planned we look to extend it as that shows there is good understanding between both parties |
| 2. "How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?" | <ul style="list-style-type: none"> <li>-By everything, but usually by phone or Email.</li> <li>-English or Arabic.</li> </ul>   |

|  |   |
|--|---|
| 3. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | <ul style="list-style-type: none"> <li>- Credibility, Experience.</li> <li>-Trust.</li> <li>-Confident.</li> <li>-Good personal behaviour.</li> </ul>   |
| 4. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"   | <ul style="list-style-type: none"> <li>-No benefit or</li> <li>-Breaking agreement.</li> <li>-Recession.</li> <li>-Unstable politics.</li> </ul>  |
| 5. "Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?"  | <ul style="list-style-type: none"> <li>-Last summer was good.</li> <li>-We extended some our contracts with partners, because we did implement our business plan accurately by keeping contacting with partner all the time.</li> </ul> |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | Yes I am happy with this statement.   |

| <b>General Questions</b>  |  |
|---|--|
| <b>Questions</b>  | <b>Summary of Respondents (4)</b>  |
| 1. "In which countries are most of your business partners based?"   | North Africa & Malta, UK, Spain and Italy.   |
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya?                | <ul style="list-style-type: none"> <li>-Culture.</li> <li>-Language.</li> </ul>  |
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | <ul style="list-style-type: none"> <li>-Culture.</li> <li>-Language.</li> <li>-To be good adapted.</li> <li>-Knowledge about the company.</li> </ul> |
| 4. What is important steps can you take to carry on building good relationships between you and your partner?                               | Have a good knowledge about culture because it is one of the most important key factors in business relationship, and also you                       |

|  |  |
|--|--|
|  | should keep in touch with partners most the time. Always keep looking to improve the relationship with partners. |
| 5. "What recommendations would you give to a foreign company seeking to develop business relationships with Libyan companies?" | Adaptation of culture, keep in touch with partners most the time.  |

## **COMPANY 5**

| <b>1. Pre – Contact Stage</b>  |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (5)</b>   |
| 1. How do you generally find new business partners? "When you have decided that you need to look for new partners?"  | -Who has the same level of quality of our quality or higher, and also who has good reputation.<br>-when we need to be active in one area. |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?   | To extend and improve our service.  |
| 3. "Can you give me any examples of how you did this type of search?"<br>"What was the outcome?"   | See who is working around us and how they doing then contact them via email or phone.   |
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?" | -They should have good reputation and good finical; also they are very active successes in this field.                                    |

| <b>2. Initial Interaction Stage</b>   |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (5)</b>                                       |
| 1. "Generally what are you trying to achieve" and what are your aims and objectives at this level or stage?                                     | To have a new partner with new experience.                              |
| 2. Once you have chosen your business partner, how do you contact them? In another word "When you first contact a potential partner, how do you | -Via phone or email.<br>-Most the time we use formal Arabic or English. |

|  |  |
|--|--|
| generally do it - email, fax, telephone?”<br>“What language do you use, and do you generally use formal or informal communications, and why?”  |  |
| 3. If you plane to have a meeting, how do you set it up? And how do you establish a new working relationship with other people? “How long does the first meeting generally last, and what language is used?”   | -Managing the meeting together and then discuss about why this meeting.<br>-It depends on the size of project.<br>-It takes around two to four hours.<br>-Arabic or English. |
| 4. “During the development the relationship, how do you generally keep in contact with your business partner?” How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why? | -When needed.<br>-Depends on the requirements.<br><br>-It depends on size and length of contract and size of the project.  |
| 5. “In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?”   | -Credibility, Reputation and Experience.<br>-They are very active.   |
| 6. “Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?”         | -Breaking agreement and not to get good profit.  |
| 7. “Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?”                        | No benefit of it or no credibility or any good relationship or credit crunch.  |
| 8. “Have you any (recent) examples of how you have successfully developed relations with a new business partner?”<br>In another word to what extant you can make the meeting or any deal successful with foreign companies?                                    | Good contacting.   |

| <b>3. Development Stage</b>   |  |
|---|--|
| <b>Questions</b>  | <b>Summary of Respondents (5)</b>  |
| 1. "Generally, what are your objectives at this stage? What are you trying to achieve?"   | -To develop our business relationship.<br>-To achieve our agreements and aims.   |
| 2. "How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone? What language do you use, and do you generally use formal or informal communications, and why?"  | -formal meeting if that necessary or by phone or email.                          |
| 3. "When you now have meetings with your partner, how frequently are these held? "What are the main objectives of these meetings?" "Do you generally go to them, or do they come to you?"<br>"How long do meeting generally last, and what language is used?" | -When required.<br>-depends on agreement.  |
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"   | Credibility and trust also keeping in touch.                                     |
| 5. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"  | No benefit of it or no credibility or no good relationship.<br>Credit crunch.    |
| 6. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?"                  | The same.  |
| 7. "Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?"  | Last season, we had reached our target of profit and relationship with partners. |

| <b>4. Maturity Stage</b>   |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (5)</b>   |
| 1. “Generally, what do you want to achieve at this stage?”   | More or boosting improvement of relationship                                  |
| 2. “How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone? What language do you use, and do you generally use formal or informal communications, and why?”  | -Any type of communications that we had agreed.<br>-Mostly English.           |
| 3. “In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?”  | Keeping in touch all the time.  |
| 4. “Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?”   | No benefit of it or no credibility or any good relationship or credit crunch. |
| 5. “Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?”  | Of course that was really in last month.                                      |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | Yes it is totally right.  |

| <b>General Questions</b>   |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (5)</b>  |
| 1. “In which countries are most of your business partners based?”  | -Egypt, Tunisia and Algeria.<br>-Malta, Greece, Italy, UK and many more.                                     |
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya? | -After finish researching about this region, you should have a very good knowing about it before make start. |

|   |   |
|---|---|
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | -I think the same but as Libya is third world country, we should try to adapt out our since or knowledge as developed companies have.         |
| 4. What is important steps can you take to carry on building good relationships between you and your partner?                               | -Deep understanding each other.<br>-Credibility, Confidence.<br>-Keep contacting each other.  |
| 5. “What recommendations would you give to a foreign company seeking to develop business relationships with Libyan companies?”              | You should have deep understanding each other, Also the credibility, confidence and keep contacting each other should be between both of you. |

## **COMPANY 6**

| <b>1. Pre – Contact Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (6)</b>  |
| 1. How do you generally find new business partners? ”When you have decided that you need to look for new partners?   | -Team Research.<br>-Recommendations.   |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?   | -To improve our service.<br>-To be more competitive.<br>-To have more business relationship. |
| 3. “Can you give me any examples of how you did this type of search?”<br>“What was the outcome?”   | -Expert team.<br>-Many companies interested to join.   |
| 4. “In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?” | - Reputation.<br>-Good finance.<br>-Trust.<br>-Experience.<br>-Recommended by other partner. |

| <b>2. Initial Interaction Stage</b>   |  |
|---|--|
| <b>Questions</b>  | <b>Summary of Respondents (6)</b>  |
| 1. “Generally what are you trying to achieve” and what are your aims and objectives at this level or stage? | -To make good impression.<br>-To have a new successful partner.<br>-To prepare first good step in business plan. |



|  |   |
|--|---|
| <p>2. Once you have chosen your business partner, how do you contact them? In another word “When you first contact a potential partner, how do you generally do it - email, fax, telephone?”</p> <p>“What language do you use, and do you generally use formal or informal communications, and why?”</p> | <p>-By anything that suites them usually by email or phone.</p> <p>-Usually English or Arabic but depends on the company background.</p>              |
| <p>3. If you plane to have a meeting, how do you set it up? And how do you establish a new working relationship with other people? In another word “When you first meet these people, who arranges the meeting?”</p> <p>“How long does the first meeting generally last, and what language is used?”</p> | <p>-We both arranging it.</p> <p>-It lasts almost from two to five hours, depends on the size of the project.</p> <p>-We speak Arabic or English.</p> |
| <p>4. “During the development the relationship, how do you generally keep in contact with your business partner?”</p> <p>How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why?</p>                             | <p>-By email, phone or Skype but generally depends on the location.</p> <p>-It begin from first week until the end of the contract..</p>              |

|  |  |
|--|--|
| 5. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?"   | -Credibility.<br>-Communications.<br>-How is our plan going.<br>-Good strategy of developing the relation between both parties.    |
| 6. "Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?" | -Bad plan.<br>-Credit crunch.<br>-Recession.<br>-Unstable politics.  |
| 7. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?"                | -The same and add to it luck of knowledge about the culture of each other.   |
| 8. "Have you any (recent) examples of how you have successfully developed relations with a new business partner?"<br>In another word to what extent you can make the meeting or any deal successful with foreign companies?                            | -This season is going to be good season as we have couple of new partners and we already have made plan. Last season was the same. |

| <b>3. Development Stage</b>   |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (6)</b>   |
| 1. "Generally, what are your objectives at this stage? What are you trying to achieve"  | -To strength current relationship.<br>-To achieve our targets which is improve our business relation by new partners.   |
| 2. "How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?"                                 | -We trying to keep in touch all the time just to avoid any problems.<br>-Usually we contact via phone and emails.   |
| 3. "When you now have meetings with your partner, how frequently are these held?<br>"What are the main objectives of these meetings?"<br>"Do you generally go to them, or do they come to you?" "How long do meeting generally last, and what | -Some times twice a month, but that depends on location.<br>-To sort out any issues and in the same time check how the plan going.<br>-We go and sometimes they come.<br>-The meeting lasts 2 to four hours.<br>-English or Arabic. |

|  |  |
|--|--|
| language is used?”   |  |
| 4. “In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?”  | <ul style="list-style-type: none"> <li>-Friendly partner.</li> <li>-Confident in working.</li> <li>-Shows sound of experience.</li> <li>-Be flexible.</li> </ul>       |
| 5. “Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?”                                       | <ul style="list-style-type: none"> <li>-Recession or war.</li> <li>-No profit at all.</li> <li>-Attitude and behaviour.</li> <li>-Break down our agreement.</li> </ul> |
| 6. “Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?” | The same.  |
| 7. “Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?”   | Most of our partners last doing business longer than we had decided.   |

| <b>4. Maturity Stage</b>   |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (6)</b>   |
| 1. “Generally, what do you want to achieve at this stage?”   | Try to make and keep the current relation more strength and then to have more business  |
| 2. “How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?” | <ul style="list-style-type: none"> <li>-Emails and phones.</li> <li>-Some times via Skype.</li> <li>-Informal, Arabic/English.</li> <li>-We have been working together for time.</li> </ul> |

|  |  |
|--|--|
| 3. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | -Keep in touch.<br>-Experience.<br>-Trust.   |
| 4. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"   | -Non-profit.<br>-Recession or instability.<br>-Breaking rules or our plan.<br>-Finance issues.   |
| 5. "Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?"  | Of course last year we had many satisfied customer and partners.   |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | Totally agree, and I think we should have clear picture on where we are going because that make all of those factors clear and understandable. |

| General Questions   |   |
|---|---|
| Questions   | Summary of Respondents (6)  |
| 1. "In which countries are most of your business partners based"  | Africa and South of Europe.   |
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya?                | -Should have credibility, Experience, good communicating and knowledge about this area (culture). |
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | -Their reputation.<br>-Their experience.<br>-Their finance.<br>-Their flexibility in business.    |
| 4. What is important steps can you take to carry on building good relationships between you and your partner?                               | Good communications, be confident in work, be flexible and prepare accurate business plan.        |
| 5. "What recommendations would you  | Have knowledge about the culture and  |

|   |                   |
|---|-------------------|
| give to a foreign company seeking to develop business relationships with Libyan companies?" | business climate. |
|---|-------------------|

## **COMPANY 7**

| <b>1. Pre – Contact Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (7)</b>  |
| 1. How do you generally find new business partners? "When you have decided that you need to look for new partners?"  | -Recommendations.<br>-Used to work with.<br>-Successful Company.<br>-When we have chance to extend our business.             |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?   | -To strength & improve our service.<br>-To have more knowledge about new areas.<br>-To have more good business relationship. |
| 3. "Can you give me any examples of how you did this type of search?"<br>"What was the outcome?"   | -Expert team.<br>-See other company's offers.  |
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?" | -Expert in this field.<br>-Trust.<br>-Experience.<br>- Reputation.   |

| <b>2. Initial Interaction Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (7)</b>  |
| 1. "Generally what are you trying to achieve" and what are your aims and objectives at this level or stage?  | -To make good impression.<br>-To prepare good business plan.<br>-To make clear picture in future relationship                      |
| 2. Once you have chosen your business partner, how do you contact them?<br>In another word "When you first contact a potential partner, how do you generally do it - email, fax, telephone?"<br>"What language do you use, and do you generally use formal or informal | -As anything that they want, but usually by email or phone.<br>-Usually English or Arabic, that depends on the company background. |

|   |  |
|---|--|
| communications, and why?"   |  |
| <p>3. If you plane to have a meeting, how do you set it up? And how do you establish a new working relationship with other people?</p> <p>In another word "When you first meet these people, who arranges the meeting?"</p> <p>"How long does the first meeting generally last, and what language is used?"</p> | <p>-We both arranging it.</p> <p>-It lasts almost from two to five hours, depends on the job that we need to discuss.</p> <p>-Mainly we speak Arabic or English.</p> |
| <p>4. "During the development the relationship, how do you generally keep in contact with your business partner?"</p> <p>How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why?</p>                                    | <p>-Generally depends on the location but usually via phone, email or Skype.</p> <p>-From first (meeting) week until the end of the contract..</p>                   |
| <p>5. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?"</p>   | <p>-Communications.</p> <p>-Managing the plan.</p> <p>-Good strategy for developing relation.</p>  |
| <p>6. "Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?"</p>   | <p>-Bad plan.</p> <p>-Find that other company is not as expected.</p> <p>-Recession.</p> <p>-Unstable politics.</p>  |
| <p>7. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?"</p>  | <p>-The same and add to it luck of knowledge the culture of each other.</p>  |
| <p>8. "Have you any (recent) examples of how you have successfully developed relations with a new business partner?"</p> <p>In another word to what extant you can make the meeting or any deal successful with foreign companies?</p>  | <p>-We had good plan for this summer but the current business circumstances has been changed.</p>  |

| <b>3. Development Stage</b>   |  |
|---|--|
| <b>Questions</b>  | <b>Summary of Respondents (7)</b>  |
| 1. "Generally, what are your objectives at this stage? What are you trying to achieve?"   | <ul style="list-style-type: none"> <li>-To improve current relationship.</li> <li>-To achieve our targets which is strength the relationship?</li> </ul>   |
| 2. "How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?"   | <ul style="list-style-type: none"> <li>-We keep in touch most the time.</li> <li>-Usually we contact via phone and emails or meeting if necessary.</li> </ul>  |
| 3. "When you now have meetings with your partner, how frequently are these held?<br>"What are the main objectives of these meetings?"<br>"Do you generally go to them, or do they come to you?"<br>"How long do meeting generally last, and what language is used?" | <ul style="list-style-type: none"> <li>-When needed and depends on location.</li> <li>-To develop our relation.</li> <li>-We go and sometimes they come.</li> <li>-No specific time. .</li> <li>-English or Arabic.</li> </ul> |
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"   | <ul style="list-style-type: none"> <li>-To work with partner as friends.</li> <li>-Confident in working.</li> <li>-Shows sound of experience.</li> <li>-Be flexible.</li> </ul>  |
| 5. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"  | <ul style="list-style-type: none"> <li>-No profit at all.</li> <li>-Attitude and behaviour.</li> <li>-Break down our agreement.</li> <li>- Recession.</li> </ul>   |
| 6. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?"                        | Almost the same points.  |
| 7. "Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?"  | Most of our partners last doing business longer than we had decided.   |

| <b>4. Maturity Stage</b>   |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (7)</b>   |
| 1. "Generally, what do you want to achieve at this stage?"   | Try to improve and keep the current relation more strength.   |
| 2. "How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?"   | -Emails and phones.<br>-Some times via Skype.<br>-Informal, Arabic/English.<br>-We have been working together for time.                             |
| 3. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | -Keep in touch.<br>-Trust.<br>-Frankly.   |
| 4. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"   | -Non-profit.<br>-Recession or instability.<br>-Breaking the plan.<br>-Finance issues.   |
| 5. "Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?"  | Of course last year we had many satisfied customer and partners.  |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | I am agree, at the end we should have clear picture on where we are going because that make all of those business factors clear and understandable. |

| <b>General Questions</b>   |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (7)</b>   |
| 1. "In which countries are most of your business partners based?"  | North of Africa and South of Europe.  |
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya? | -Should be aware of credibility, Experience, good communicating and knowledge about this partner and on the area (culture). |



|   |  |
|---|--|
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | <ul style="list-style-type: none"> <li>-Their reputation.</li> <li>-Their experience.</li> <li>-Their confidante and finance.</li> <li>-Their size.</li> </ul> |
| 4. What is important steps can you take to carry on building good relationships between you and your partner?                               | Clear things at the begging and intensive communications, be confident in work, be flexible & friendly and prepare accurate business plan.                     |
| 5. “What recommendations would you give to a foreign company seeking to develop business relationships with Libyan companies?”              | Should do good research about the area and people before make start.   |

## **COMPANY 8**

| <b>1. Pre – Contact Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (8)</b>  |
| 1. How do you generally find new business partners? ”When you have decided that you need to look for new partners?   | <ul style="list-style-type: none"> <li>--Prepare expert team for this task.</li> <li>- Search on companies work in the same area or the same field, or recommendations.</li> </ul> |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?   | <ul style="list-style-type: none"> <li>-To extent the business and of course get more profit.</li> <li>-To establish a new relationship with new partner.</li> </ul>               |
| 3. “Can you give me any examples of how you did this type of search?”<br>“What was the outcome?”   | <ul style="list-style-type: none"> <li>-Contact companies.</li> <li>-Team Research.</li> <li>-Find many different size of companies.</li> </ul>                                    |
| 4. “In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?” | <ul style="list-style-type: none"> <li>-Firm size.</li> <li>-Reputation.</li> <li>-Their people.</li> <li>-Location.</li> <li>-They are key factors of the business.</li> </ul>    |

| <b>2. Initial Interaction Stage</b>   |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (8)</b>   |
| 1. “Generally what are you trying to achieve” and what are your aims and objectives at this level or stage? | <ul style="list-style-type: none"> <li>-To arrange for first meeting.</li> <li>-Establish and build first step of relationship with new partner.</li> </ul> |

|   |  |
|---|--|
| <p>2. Once you have chosen your business partner, how do you contact them?</p> <p>In another word “When you first contact a potential partner, how do you generally do it - email, fax, telephone?”</p> <p>“What language do you use, and do you generally use formal or informal communications, and why?”</p> | <p>-Usually via phone or email.</p> <p>-Usually we speak formal Arabic or English.</p>   |
| <p>3. If you plane to have a meeting, how do you set it up? And how do you establish a new working relationship with other people?</p> <p>“How long does the first meeting generally last, and what language is used?”</p>  | <p>-Talk to them by especial team and arrange for meeting.</p> <p>-Be flexible most the time just to make good start and build good relationship.</p> <p>-It depends on the size of project.</p> <p>-Mostly English or Arabic.</p> |
| <p>4. “During the development the relationship, how do you generally keep in contact with your business partner?” How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why?</p>   | <p>-When needed.</p> <p>-Depends on the situation.</p> <p>-It depends on the size of project.</p>  |

|  |   |
|--|---|
| 5. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?"   | -Partner should have good experience about building relations with others.<br>-Credibility & good strategy. |
| 6. "Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?" | -Bad strategy.<br>-Breaking or bad of implemented the plan.<br>-Bad finance.<br>-Politics issues.           |
| 7. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?"                | The same and add no benefit of it or no credibility.  |
| 8. "Have you any (recent) examples of how you have successfully developed relations with a new business partner?"<br>In another word to what extent you can make the meeting or any deal successful with foreign companies?                            | -Be clear and flexible and also keep contacting with partners.  |

| <b>3. Development Stage</b>   |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (8)</b>   |
| 1. "Generally, what are your objectives at this stage? What are you trying to achieve?"   | -To achieve our aims and objects, this develops our business relationship.  |
| 2. "How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?"                           | -We mostly keep contacting each other by phone or email, but we have informal meeting if that necessary.<br>-Just to implement our plan.  |
| 3. "When you now have meetings with your partner, how frequently are these held?<br>"What are the main objectives of these meetings?"<br>"Do you generally go to them, or do they come to you?"<br>"How long do meeting generally last, | -When required.<br>-Just to see that we are on track.<br>-We go but generally it depends on agreement.<br>-Usually it last more than two hours, we use English or Arabic most the time. |

|  |  |
|--|--|
| and what language is used?”  |  |
| 4. “In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?”  | -Sound of experience, Credibility and trust also keeping in touch when needed.<br>-Be flexible with any matter.                      |
| 5. “Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?”                                       | -If there is no benefit of project or no credibility or no good relationship.<br>-Credit crunch.<br>-Recession or political problem. |
| 6. “Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?” | The same.  |
| 7. “Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?”   | No last two months. Last season (summer) was great especially with our partner in Malta.   |

| <b>4. Maturity Stage</b>   |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (8)</b>   |
| 1. “Generally, what do you want to achieve at this stage?”   | -To achieve all aims which means boosting the relationship, also to see whether there is possibility to extend this business especially if it is successes. |
| 2. “How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?” | -Any type of communications at any time depends on need.<br>-Mostly informal English as we have been working together for a time.                           |

|  |  |
|--|--|
| 3. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | <ul style="list-style-type: none"> <li>-Successful work.</li> <li>-The plan goes smooth.</li> <li>-Good at communications.</li> <li>-Sound of experience.</li> </ul> |
| 4. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"   | If there is no credibility or any good relationship or credit crunch or recession and so on.   |
| 5. "Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?"  | Not really in last month.  |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | No success without this statement.   |

| <b>General Questions</b>  |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (8)</b>   |
| 1. "In which countries are most of your business partners based?"   | Most countries around Libya, also Malta, Turkey and UK.   |
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya?                | -Culture and good communications.   |
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | -The same and add Language, develops relationship through communications and location.  |
| 4. What is important steps can you take to carry on building good relationships between you and your partner?                               | Make good project plan and check it whether it goes well or not, also to have Credibility, Trust and communications between partners. |

|  |   |
|--|---|
| 5. "What recommendations would you give to a foreign company seeking to develop business relationships with Libyan Companies?" | Do not hesitate to contact each other about your business, also have very good knowledge about the culture of your partner, finally try to be flexible all the time especially when you sorting out problems. |
|--|---|

## **COMPANY 9**

| <b>1. Pre – Contact Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (9)</b>  |
| 1. How do you generally find new business partners? "When you have decided that you need to look for new partners?"  | - Search through internet or recommendation or size and reputation.<br>- When it shows there is business in one area.          |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?   | -To find success and suitable partner.<br>-To have and establish a new business relationship.                                  |
| 3. "Can you give me any examples of how you did this type of search?"<br>"What was the outcome?"   | -Ring or email them or fax them.<br>-Other company might contact us.<br>-The outcome most the time is satisfactory.            |
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?" | -Location.<br>-Trusted company & Reputation.<br>-Good with finance.<br>-Because that make me in somehow I can see the success. |

| <b>2. Initial Interaction Stage</b>  |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (9)</b>   |
| 1. "Generally what are you trying to achieve" and what are your aims and objectives at this level or stage?  | -Contact them and prepare for first meeting.<br>-Establish and build first sight of relationship. |
| 2. Once you have chosen your business partner, how do you contact them?<br>In another word "When you first contact a potential partner, how do you generally do it - email, fax, telephone?"<br>"What language do you use, and do you generally use formal or informal | -Usually via phone.<br>-Usually we speak formal Arabic or English.                                |

|  |   |
|--|---|
| communications, and why?”  |   |
| <p>3. If you plane to have a meeting, how do you set it up? And how do you establish a new working relationship with other people?</p> <p>“How long does the first meeting generally last, and what language is used?”</p>   | <p>-Especial person or team will arrange for meeting.</p> <p>-Be more friendly and flexible, also build nice first impression.</p> <p>-It depends on the size of business.</p> <p>-English or Arabic.</p>       |
| <p>4. “During the development the relationship, how do you generally keep in contact with your business partner?”</p> <p>How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why?</p> | <p>-Regularly.</p> <p>-Depends on the situation.</p> <p>-It usually depends on the size of the project and length of contract as well.</p> <p>-Because some partnership last more than a year</p>               |
| <p>5. “In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?”</p>  | <p>-Sound of strategy or plan.</p> <p>-The mechanism of plan run.</p> <p>-Their way of communications.</p>  |
| <p>6. “Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?”</p>                | <p>If there are these factors:</p> <p>-Bad finance.</p> <p>-Politics issues.</p> <p>-If the other partner is not interested about this business.</p> <p>-No clear picture on future of the business (risk).</p> |
| <p>7. “Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?”</p>                               | <p>The same and add no credibility.</p>   |
| <p>8. “Have you any (recent) examples of how you have successfully developed relations with a new business partner?”</p> <p>In another word to what extant you can make the meeting or any deal successful with foreign companies?</p>                                       | <p>-Show everything to your new partner and also keep contacting regularly with partners.</p>   |

| <b>3. Development Stage</b>   |  |
|---|--|
| <b>Questions</b>  | <b>Summary of Respondents (9)</b>  |
| 1. "Generally, what are your objectives at this stage? What are you trying to achieve?"   | -Check the level of current relationship and see if there is possibility to improve it.  |
| 2. "How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?"   | -We contacting each other by phone or email, but we have informal meeting if that necessary.<br>-We speak formal English or Arabic, because it is kind of improving of relation.           |
| 3. "When you now have meetings with your partner, how frequently are these held?<br>"What are the main objectives of these meetings?"<br>"Do you generally go to them, or do they come to you?"<br>"How long do meeting generally last, and what language is used?" | -When we have feeling that we are not on truck.<br>-We go but generally it depends on agreement.<br>-Usually it last more than two hours, we use informal English or Arabic most the time. |
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"   | -Sound of trust, experience, and Credibility also contact regularly.<br>-Be flexible with any matter.  |
| 5. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"  | -If there is no trust or credibility, also there is no sound of relation.<br>-Credit crunch.<br>-Recession.  |
| 6. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?"                        | The same and add to that sodden political issue.   |
| 7. "Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?"  | No last two months, this season (summer) will be great especially with our partner in Malta and Greece.  |



| <b>4. Maturity Stage</b>   |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (9)</b>   |
| 1. “Generally, what do you want to achieve at this stage?”   | -To achieve all aims, and then see whether we can carry on this business or create another business, that means we will have new and old relation.  |
| 2. “How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?”   | -Any type of communications, it depends on need.<br>-Usually informal English as we have been working together for a time.  |
| 3. “In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?”  | - Sound of experience.<br>-Successful business and the plan goes as managed.<br>-Good at communications.  |
| 4. “Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?”   | If there is no sound of success or there is no any good relations or credit crunch or recession or sodden political issue.  |
| 5. “Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?”  | Not really in last month, but we going to have couple of meeting with new partners. Also we had two meeting and waiting just to make start this summer as we planned but until now we can see the plan is accurate. |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | I can see the success through this statement.   |

| <b>General Questions</b>  |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (9)</b>   |
| 1. "In which countries are most of your business partners based"  | Most countries in North Africa, also Malta, Turkey, Greece and UK.  |
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya?                | -They should have Trust and good communications.  |
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | -The same and add Language and have experience at developing relationship through communications, and also location.  |
| 4. What is important steps can you take to carry on building good relationships between you and your partner?                               | -Make good communications, have trust, make good relations with partners and also try to develop your relations as much as you can as that makes the business go further. |
| 5. "What recommendations would you give to a foreign company seeking to develop business relationships with Libyan Companies?"              | Do have very good knowledge about the culture, also show sound of good communications.  |

## **COMPANY 10**

| <b>1. Pre – Contact Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (10)</b>   |
| 1. How do you generally find new business partners? ”When you have decided that you need to look for new partners?   | - Team research.<br>-Any company who has a good reputation in the market.  |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?   | -To find new partner.<br>-Improve job quality.   |
| 3. “Can you give me any examples of how you did this type of search?”<br>“What was the outcome?”   | -For example searching for people who are expert in EUROP.<br>-Number of companies founded.  |
| 4. “In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?” | -Good business excellent character and background experience such as Quality of job, Trust, experience.<br>-Because that means they should have successes in their area. |

| <b>2. Initial Interaction Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (10)</b>   |
| 1. “Generally what are you trying to achieve” and what are your aims and objectives at this level or stage?  | -To find a good partner.<br>-To make sure whether that partner chosen was as expected.   |
| 2. Once you have chosen your business partner, how do you contact them?<br>In another word “When you first contact a potential partner, how do you generally do it - email, fax, telephone?”<br>“What language do you use, and do you generally use formal or informal communications, and why?” | -By phone and email.<br>- The language is mostly English.  |
| 3. If you plane to have a meeting, how do you set it up? And how do you establish a new working relationship with other people?<br>“How long does the first meeting  | -Organise time and date of meeting.<br>- At the start just see their body language while you start off with a conversation that you think you may have a common interest.<br>-Arrange my meeting with my manager<br>Suitable place for both sides. |

|   |   |
|---|---|
| generally last, and what language is used?"   | -Between 2-4 hours or depends ,, English  |
| 4. "During the development the relationship, how do you generally keep in contact with your business partner?"<br><br>How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why? | -By the phone or email or meeting if that necessary.<br><br>-That depends on the size of the project.   |
| 5. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?"  | They should have excellent knowledge and understanding the business in the same time they are good at communications.   |
| 6. "Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?"                | If partner wants to end up or sadden financial crises or whatever.  |
| 7. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?"                               | Failed or disagreement between partners   |
| 8. "Have you any (recent) examples of how you have successfully developed relations with a new business partner?"<br>In another word to what extent you can make the meeting or any deal successful with foreign companies?   | -Make customer satisfaction your main concern<br>-Working effectively with partners.<br>-Communication is the key. Negotiate<br>-The ways in which you can present a professional image of yourself and the organisation. |

| <b>3. Development Stage</b>   |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (10)</b>  |
| 1. “Generally, what are your objectives at this stage? What are you trying to achieve”  | -Good services skills.<br>-Development of your team.<br>-Providing mutual supports to our BRD if needed.  |
| 2. “How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone?<br><br>What language do you use, and do you generally use formal or informal communications, and why?”   | By Email or Telephone /Depends on Partner.  |
| 3. “When you now have meetings with your partner, how frequently are these held?<br><br>“What are the main objectives of these meetings?”<br><br>“Do you generally go to them, or do they come to you?”<br><br>“How long do meeting generally last, and what language is used?” | -Usually between once a month and it takes around 2-4 hours<br>-Just to see the planning.<br>-To discuss how current plan is going, that supports the relationship.<br>-Some time 2-4 hours, and mostly English language. |

|  |   |
|--|---|
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | Mainly reliability, also to see whether there is chance to improve the relation.                                    |
| 5. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"                                       | Not applying the plan correctly.<br><br>Getting worst relation.<br><br>Not good confidence about this business.     |
| 6. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?" | The same, anything that not make this project get success that means not to improve good relation with the partner. |
| 7. "Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?"   | -High level of job quality.<br>-First class BRD with partners.  |

| 4. Maturity Stage  |  |
|--|--|
| Questions  | Summary of Respondents (10)  |
| 1. "Generally, what do you want to achieve at this stage?"   | We will continue whether the BRD going smoothly.   |
| 2. "How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone?<br><br>What language do you use, and do you generally use formal or informal communications, and why?" | By Email, sometime by phone.<br><br>Depends on other company.<br><br>To respect the relation |

|  |   |
|--|---|
| 3. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | Our Agreement and terms condition & excellent manners                                     |
| 4. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"   | Business has not been successes or sudden unrest crisis.                                  |
| 5. "Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?"  | High maintain & experiences   |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | The following are important:<br><br>Cultures- trusting - joint experience apply agreement |

| General Questions   |  |
|---|--|
| Questions   | Summary of Respondents (10)                    |
| 1. "In which countries are most of your business partners based?"   | Far East – and EUROPE.                         |
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya?                | Deep discussions & invitations                 |
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | Faculties and finical good understand cultures |
| 4. What is important steps can you take to carry on building good relationships between you and your partner?                               | Any steps that can support our BRD.            |
| 5. "What recommendations would you give to a foreign company seeking to   | Job quality.<br>Recent experiences.            |

|  |                              |
|--|------------------------------|
| develop business relationships with Libyan companies?" | Good level of communications |
|--|------------------------------|

## **COMPANY 11**

| <b>1. Pre – Contact Stage</b>  |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (11)</b>  |
| 1. How do you generally find new business partners? "When you have decided that you need to look for new partners?"  | -Partner who has good BRD with their partners also who has a good job quality and partner who has a good reputation.<br>-when we want to find new idea. |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?   | -To search and find a new partner.<br>-To get good BRD.<br>-To extend and improve our business.   |
| 3. "Can you give me any examples of how you did this type of search?"<br>"What was the outcome?"   | Find right partner and then contact them via email or phone.  |
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?" | -They should have good reputation of BRD.   |

| <b>2. Initial Interaction Stage</b>  |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (11)</b>  |
| 1. "Generally what are you trying to achieve" and what are your aims and objectives at this level or stage?  | -Try to build first stage with new partner.   |
| 2. Once you have chosen your business partner, how do you contact them?<br>In another word "When you first contact a potential partner, how do you generally do it - email, fax, telephone?"<br>"What language do you use, and do you generally use formal or informal communications, and why?" | -Depends on the distance but usually via phone or email.<br>-We usually use formal Arabic or English. |
| 3. If you plane to have a meeting, how   | -Prepare for meeting and then discuss   |



|  |   |
|--|---|
| <p>do you set it up? And how do you establish a new working relationship with other people?</p> <p>“How long does the first meeting generally last, and what language is used?”</p>  | <p>whether there is possibility to make BRD.</p> <ul style="list-style-type: none"> <li>-Be flexible most the time just to build relationship.</li> <li>-Depends on the size of project and partner.</li> </ul> |
| <p>4. “During the development the relationship, how do you generally keep in contact with your business partner?”</p> <p>How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why?</p> | <ul style="list-style-type: none"> <li>-Almost once a month but mostly when needed.</li> <li>-It depends on the plan and then depends on the size of project.</li> </ul>  |
| <p>5. “In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?”</p>  | <ul style="list-style-type: none"> <li>-Partner has good BRD with their partners, Credibility, Reputation and Experience.</li> </ul>  |
| <p>6. “Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?”</p>                | <ul style="list-style-type: none"> <li>-Breaking agreement.</li> <li>-Bad finance.</li> <li>-Politics issues.</li> </ul>  |
| <p>7. “Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?”</p>                               | <p>Whatever that make BRD is getting worse.</p>   |
| <p>8. “Have you any (recent) examples of how you have successfully developed relations with a new business partner?”</p> <p>In another word to what extant you can make the meeting or any deal successful with foreign companies?</p>                                       | <ul style="list-style-type: none"> <li>-Be flexible and good at communications.</li> </ul>  |

| <b>3. Development Stage</b>   |  |
|---|--|
| <b>Questions</b>  | <b>Summary of Respondents (11)</b>   |
| 1. “Generally, what are your objectives at this stage? What are you trying to achieve?”   | -To achieve our goals.<br>-To develop our business relationship.   |
| 2. “How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?”   | -When needed but we should do formal meeting if that necessary or keep contacting each other by phone or email.  |
| 3. “When you now have meetings with your partner, how frequently are these held?<br>“What are the main objectives of these meetings?”<br>“Do you generally go to them, or do they come to you?”<br>“How long do meeting generally last, and what language is used?” | -When required.<br>-If there are any issues need to be sorted out.<br>-depends on agreement.<br>-It last at least two hours, we use English or Arabic most the time. |
| 4. “In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?”   | -Be flexible in all events.<br>-Credibility and trust also be good at communication.   |
| 5. “Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?”  | Anything makes it worse such as:<br>-Recession or political problem.<br>-No benefit of it or no credibility or no good relationship.<br>-Credit crunch.              |
| 6. “Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?”                        | Anything makes BRD getting worse.  |
| 7. “Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?”  | Nothing in mind.   |

| <b>4. Maturity Stage</b>   |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (11)</b>  |
| 1. "Generally, what do you want to achieve at this stage?"   | - Just to see whether there is possibility to extend this business especially if it is successes. |
| 2. "How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?"   | -Any type of communications that suitable for both.<br>-Mostly formal English.                    |
| 3. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | -Keeping updating each other all the times.   |
| 4. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"   | Whatever like if there is no credibility or any good relationship or credit crunch or recession.  |
| 5. "Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?"  | Non right now.  |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | Yes it is totally right.  |

| <b>General Questions</b>  |                                    |
|---|------------------------------------|
| <b>Questions</b>  | <b>Summary of Respondents (11)</b> |
| 1. "In which countries are most of your business partners based?" | North Africa and south Europe.     |

|   |   |
|---|---|
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya?                | -Culture similarity, Trust, high level of satisfaction and good communications.   |
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | -Language, culture, develops BRD through communications and location.   |
| 4. What is important steps can you take to carry on building good relationships between you and your partner?                               | To have good knowledge about the culture also to have Credibility, Trust and communications between partners.   |
| 5. “What recommendations would you give to a foreign company seeking to develop business relationships with Libyan Companies?”              | Keep in touch all the time that improve relationship also have very good knowledge about the culture of your partner, finally try to be flexible all the time especially when you have meeting. |

## **COMPANY 12**

| <b>1. Pre – Contact Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (12)</b>   |
| 1. How do you generally find new business partners? ”When you have decided that you need to look for new partners?   | -Find the best.<br>-To extend our business.                                    |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?   | -To see our quality of work.<br>-To join good new partner.                     |
| 3. “Can you give me any examples of how you did this type of search?”<br>“What was the outcome?”   | -Via internet or email or contact them.<br>-New partner always ask for meeting |
| 4. “In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?” | -Good experience.<br>-Good reputation.<br>-Location.                           |

| <b>2. Initial Interaction Stage</b>  |                                     |
|--------------------------------------|-------------------------------------|
| <b>Questions</b>                     | <b>Summary of Respondents (12)</b>  |
| 1. “Generally what are you trying to | Just to have full understanding and |

|   |   |
|---|---|
| achieve” and what are your aims and objectives at this level or stage?  | knowledge about everything that makes good start.   |
| <p>2. Once you have chosen your business partner, how do you contact them?</p> <p>In another word “When you first contact a potential partner, how do you generally do it - email, fax, telephone?”</p> <p>“What language do you use, and do you generally use formal or informal communications, and why?”</p> | <p>-Via email or phone.</p> <p>-Depends on the new partner.</p> <p>-Depends on other company, but he prefers speak Arabic.</p>  |
| <p>3. If you plane to have a meeting, how do you set it up? And how do you establish a new working relationship with other people?</p> <p>“How long does the first meeting generally last, and what language is used?”</p>  | <p>-We usually prefer to meet the Manager at first meeting.</p> <p>-Most the time we go to them.</p> <p>-More than two hours.</p> <p>-Is English unless the person speaks another Language.</p> |
| <p>4. “During the development the relationship, how do you generally keep in contact with your business partner?”</p> <p>How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why?</p>                                    | <p>-We discuss that with new partners, but usually constantly.</p> <p>-It takes around one to two weeks, because we need to make good BRD from the beginning.</p>                               |

|  |   |
|--|---|
| 5. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?"   | -Good experience.<br>-Good reputation.                                      |
| 6. "Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?" | -Breaking agreement.<br>-Credit Crunch.<br>-War.<br>-Any bad circumstances. |
| 7. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?"                | The same thing.   |
| 8. "Have you any (recent) examples of how you have successfully developed relations with a new business partner?"<br>In another word to what extent you can make the meeting or any deal successful with foreign companies?                            | Must clear all important (Business Plan) points at the beginning BR.        |

| <b>3. Development Stage</b>   |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (12)</b>  |
| 1. "Generally, what are your objectives at this stage? What are you trying to achieve"  | Improve BR and then of course improve business.   |
| 2. "How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?" | -Depends on their location.<br>-English or Arabic.  |
| 3. "When you now have meetings with your partner, how frequently are these held?<br>"What are the main objectives of these meetings?"<br>"Do you generally go to them, or do                                  | -Depends on distance and location.<br>-To discuss details or issues which effects on the business?<br>-If it is at our company usually we cover it.<br>-It takes around three hours and we mostly |

|  |  |
|--|--|
| they come to you?”<br>“How long do meeting generally last, and what language is used?”   | Speak English or Arabic.   |
| 4. “In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?”  | Implement the agreement accurately that we had at meetings.  |
| 5. “Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?”                                       | -If there is no profit or it does not show sound of success.   |
| 6. “Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?” | The same thing.  |
| 7. “Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?”   | Three months ago, because both companies had mutual success, in the same time there was high level of credibility. |

| <b>4. Maturity Stage</b>   |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (12)</b>                      |
| 1. “Generally, what do you want to achieve at this stage?”   | To improve current relationship as it is.               |
| 2. “How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?” | -Usually by phone or Email.<br>-Depends on new partner. |

|  |  |
|--|--|
| 3. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | - no credibility.<br>-sound of bad experience.<br>-No trust.<br>-no confident. |
| 4. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"   | -Breaking agreement.<br>-Recession.  |
| 5. "Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?"  | -Nothing in mind.<br>-Because keeping contacting with partner all the time.    |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | Yes I am totally agreed.   |

| <b>General Questions</b>  |  |
|---|--|
| <b>Questions</b>  | <b>Summary of Respondents (12)</b>   |
| 1. "In which countries are most of your business partners based?"   | Africa & Malta, Italy.   |
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya?                | -They should have understanding and knowledge about everything in over there especially culture.   |
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | -The same, before make first step (search stage) should know everything about partners such as Reputation, Experience, Credibility, and Finance and so on. |
| 4. What is important steps can you take to carry on building good relationships between you and your partner?                               | Have a good knowledge about liking or culture similarity, because it is one of the most important key factors in business relationship.                    |
| 5. "What recommendations would you give to a foreign company seeking to   | Adaptation of culture.   |



|  |  |
|--|--|
| develop business relationships with Libyan companies?" |  |
|--|--|

## **COMPANY 13**

| <b>1. Pre – Contact Stage</b>  |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (13)</b>  |
| 1. How do you generally find new business partners? "When you have decided that you need to look for new partners?"  | -Partner has good job quality and reputation.<br>-when needed to be active abroad.                              |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?   | To improve our job quality.   |
| 3. "Can you give me any examples of how you did this type of search?"<br>"What was the outcome?"   | Check if there is good partners in particular area and see how they doing then contact them via email or phone. |
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?" | -New partner should have good reputation and good at financial.   |

| <b>2. Initial Interaction Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (13)</b>                         |
| 1. "Generally what are you trying to achieve" and what are your aims and objectives at this level or stage?  | To get new experience from new partner.                    |
| 2. Once you have chosen your business partner, how do you contact them?<br>In another word "When you first contact a potential partner, how do you generally do it - email, fax, telephone?"<br>"What language do you use, and do you generally use formal or informal communications, and why?" | -Via phone or email.<br>-We usually use formal Arabic.     |
| 3. If you plane to have a meeting, how do you set it up? And how do you  | -Managing the meeting together and then discuss about BRD. |

|  |   |
|--|---|
| <p>establish a new working relationship with other people?</p> <p>“How long does the first meeting generally last, and what language is used?”</p>   | <p>-It depends on the size of project.</p> <p>-It takes average three to four hours.</p> <p>-Usually Arabic.</p>            |
| <p>4. “During the development the relationship, how do you generally keep in contact with your business partner?”</p> <p>How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why?</p> | <p>-When needed.</p> <p>-Depends on the requirements.</p> <p>-It depends on length of contract and size of the project.</p> |
| <p>5. “In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?”</p>  | <p>-Credibility, Reputation and Experience.</p> <p>-They are very active.</p>   |
| <p>6. “Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?”</p>                | <p>-Breaking agreement, anything that make our BRD getting worse.</p>   |
| <p>7. “Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?”</p>                               | <p>If there is no credibility or any good business relationship or credit crunch.</p>                                       |
| <p>8. “Have you any (recent) examples of how you have successfully developed relations with a new business partner?”</p> <p>In another word to what extent you can make the meeting or any deal successful with foreign companies?</p>                                       | <p>Good at communication.</p>   |

| <b>3. Development Stage</b>  |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (13)</b>                        |
| <p>1. “Generally, what are your objectives at this stage? What are you trying to</p> | <p>-To improve and develop our business relationship.</p> |

|   |   |
|---|---|
| achieve”  | -To achieve our aims.   |
| 2. “How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?”   | -Phone or email.<br><br>-Depends on the partner.                                    |
| 3. “When you now have meetings with your partner, how frequently are these held?<br>“What are the main objectives of these meetings?”<br>“Do you generally go to them, or do they come to you?”<br>“How long do meeting generally last, and what language is used?” | -When needed or required.<br><br>-Depends on agreement.<br><br>-Depends on partner. |
| 4. “In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?”   | Keeping in touch with credibility and trust.  |
| 5. “Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?”  | If there is no credibility or no good relationship.<br><br>Credit crunch.           |
| 6. “Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?”                        | Any bad circumstances.  |
| 7. “Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?”  | Not long time ago, we had reached high level of satisfaction of BRD.                |

| 4. Maturity Stage |                             |
|-------------------|-----------------------------|
| Questions         | Summary of Respondents (13) |

|  |  |
|--|--|
| 1. "Generally, what do you want to achieve at this stage?"   | To make some improvement of business relationship.                             |
| 2. "How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?"   | -Just keeping in touch.<br>-Mostly Arabic and English.                         |
| 3. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | Keeping in touch all the time.   |
| 4. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"   | If there is no credibility or any good business relationship or credit crunch. |
| 5. "Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?"  | Of course that was really in a couple of weeks ago.                            |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | Yes it is totally agreed.  |

| <b>General Questions</b>  |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (13)</b>  |
| 1. "In which countries are most of your business partners based?"   | -Egypt, Tunisia and Algeria.<br>-Malta, Greece, Italy and many more.  |
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya?                | -Culture affinity, trust, commitment and job quality.   |
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | -Libya is third world country, we should try to adapt out our since or knowledge as developed companies do. |

|  |  |
|--|--|
| 4. What is important steps can you take to carry on building good relationships between you and your partner?                  | -Deep understanding of each other.<br>-Credibility, confidence.<br>-Good communication.              |
| 5. "What recommendations would you give to a foreign company seeking to develop business relationships with Libyan companies?" | They should have deep understanding of stages and variables that Libyan companies go throughout BRD. |

## **COMPANY 14**

| <b>1. Pre – Contact Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (14)</b>   |
| 1. How do you generally find new business partners? "When you have decided that you need to look for new partners?"  | -Reputation and Recommendations.<br>-Successful Name.<br>-When Needed.   |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?   | -To have new & good business relationship.<br>-To improve our service.<br>-To have more knowledge about new areas. |
| 3. "Can you give me any examples of how you did this type of search?"<br>"What was the outcome?"   | -Expert team.<br>-Get offered new partnership.   |
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?" | - Trust and Reputation.<br>-Expert in this field.<br>-Experience.  |

| <b>2. Initial Interaction Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (14)</b>   |
| 1. "Generally what are you trying to achieve" and what are your aims and objectives at this level or stage?  | -To make good impression.<br>-To prepare good business plan.<br>-To make clear picture in future relationship                      |
| 2. Once you have chosen your business partner, how do you contact them?<br>In another word "When you first contact a potential partner, how do you generally do it - email, fax, telephone?" | -As anything that they want, but usually by email or phone.<br>-Usually English or Arabic, that depends on the company background. |

|   |  |
|---|--|
| <p>“What language do you use, and do you generally use formal or informal communications, and why?”</p>   |  |
| <p>3. If you plane to have a meeting, how do you set it up? And how do you establish a new working relationship with other people?</p> <p>In another word “When you first meet these people, who arranges the meeting?”</p> <p>“How long does the first meeting generally last, and what language is used?”</p> | <p>-We both arranging it.</p> <p>-It lasts almost from two to five hours, depends on the job that we need to discuss.</p> <p>-Mainly we speak Arabic or English.</p> |
| <p>4. “During the development the relationship, how do you generally keep in contact with your business partner?”</p> <p>How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why?</p>                                    | <p>-Generally depends on the location but usually via phone, email or Skype.</p> <p>-From first (meeting) week until the end of the contract..</p>                   |

|  |  |
|--|--|
| 5. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?"   | -Communications.<br>-Managing the plan.<br>-Good strategy for developing relation.               |
| 6. "Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?" | -Bad plan.<br>-Find that other company is not as expected.<br>-Recession.<br>-Unstable politics. |
| 7. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?"                | -The same and add to it lack of knowledge the culture of each other.                             |
| 8. "Have you any (recent) examples of how you have successfully developed relations with a new business partner?"<br>In another word to what extent you can make the meeting or any deal successful with foreign companies?                            | -We had good plan for this summer but the current business circumstances has been changed.       |

| <b>3. Development Stage</b>   |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (14)</b>  |
| 1. "Generally, what are your objectives at this stage? What are you trying to achieve"  | -To improve current relationship.<br>-To achieve our targets which is strength the relationship?      |
| 2. "How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?" | -We keep in touch most the time.<br>-Usually we contact via phone and emails or meeting if necessary. |
| 3. "When you now have meetings with   | -When needed and depends on location.   |

|   |  |
|---|--|
| <p>your partner, how frequently are these held?</p> <p>“What are the main objectives of these meetings?”</p> <p>“Do you generally go to them, or do they come to you?”</p> <p>“How long do meeting generally last, and what language is used?”</p>  | <p>-To develop our relation.</p> <p>-We go and sometimes they come.</p> <p>-No specific time. .</p> <p>-English or Arabic.</p> |
| <p>4. “In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?”</p>  | <p>-To work with partner as friends.</p> <p>-Confident in working.</p> <p>-Shows sound of experience.</p> <p>-Be flexible.</p> |
| <p>5. “Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?”</p>                                       | <p>-No profit at all.</p> <p>-Attitude and behaviour.</p> <p>-Break down our agreement.</p> <p>- Recession.</p>                |
| <p>6. “Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?”</p> | <p>Almost the same points.</p>   |
| <p>7. “Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?”</p>   | <p>Most of our partners last doing business longer than we had decided.</p>  |

| <b>4. Maturity Stage</b>  |  |
|---|--|
| <b>Questions</b>  | <b>Summary of Respondents (14)</b>   |
| <p>1. “Generally, what do you want to achieve at this stage?”</p>   | <p>Try to improve and keep the current relation more strength.</p>   |
| <p>2. “How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone?</p> <p>What language do you use, and do you generally use formal or informal</p> | <p>-Emails and phones.</p> <p>-Some times via Skype.</p> <p>-Informal, Arabic/English.</p> <p>-We have been working together for time.</p> |



|  |   |
|--|---|
| communications, and why?"  |   |
| 3. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | <ul style="list-style-type: none"> <li>-Keep in touch.</li> <li>-Trust.</li> <li>-Frankly.</li> </ul>   |
| 4. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"   | <ul style="list-style-type: none"> <li>-Non-profit.</li> <li>-Recession or instability.</li> <li>-Breaking the plan.</li> <li>-Finance issues.</li> </ul> |
| 5. "Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?"  | Of course last year we had many satisfied customer and partners.  |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | I am agree, at the end we should have clear picture on where we are going because that make all of those business factors clear and understandable.       |

| General Questions   |  |
|---|--|
| Questions   | Summary of Respondents (14)  |
| 1. "In which countries are most of your business partners based"  | North of Africa and South of Europe.   |
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya?                | -Should be aware of credibility, Experience, good communicating and knowledge about this partner and on the area (culture).                                    |
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | <ul style="list-style-type: none"> <li>-Their reputation.</li> <li>-Their experience.</li> <li>-Their confidante and finance.</li> <li>-Their size.</li> </ul> |
| 4. What is important steps can you take to carry on building good relationships between you and your partner?                               | Clear things at the begging and intensive communications, be confident in work, be flexible & friendly and prepare accurate                                    |

|  |  |
|--|--|
|  | business plan.   |
| 5. “What recommendations would you give to a foreign company seeking to develop business relationships with Libyan companies?” | Should do good research about the area and people before make start. |

## **COMPANY 15**

| <b>1. Pre – Contact Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (15)</b>   |
| 1. How do you generally find new business partners? ”When you have decided that you need to look for new partners?”  | -Recommendations.<br>-Expert & special team.<br>-Contact or offer from other partner.                        |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?   | -To find new idea, area and new partner to do business with.   |
| 3. “Can you give me any examples of how you did this type of search?”<br>“What was the outcome?”   | -Search via internet facilities or contact them.<br>-Prepare for meeting.                                    |
| 4. “In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?” | -Recommendations from others.<br>-Good reputation.<br>-People trust that company (reputation).<br>-Location. |

| <b>2. Initial Interaction Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (15)</b>   |
| 1. “Generally what are you trying to achieve” and what are your aims and objectives at this level or stage?  | Just to prepare & establish first step of relationship and to make good start.   |
| 2. Once you have chosen your business partner, how do you contact them?<br>In another word “When you first contact a potential partner, how do you generally do it - email, fax, telephone?” | -Usually via email or phone, everything.<br>-Depends on other partner.<br>-Depends on company, but we prefer speak Arabic. |

|   |  |
|---|--|
| “What language do you use, and do you generally use formal or informal communications, and why?”  |  |
| 3. If you plane to have a meeting, how do you set it up? And how do you establish a new working relationship with other people?<br>“How long does the first meeting generally last, and what language is used?”   | <ul style="list-style-type: none"> <li>-We usually prefer to meet the manager at first meeting.</li> <li>-Both parties can organise meeting..</li> <li>-Around two or three hours.</li> <li>-Usually English unless the person speaks another Language.</li> </ul>             |
| 4. “During the development the relationship, how do you generally keep in contact with your business partner?”<br>How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why? | <ul style="list-style-type: none"> <li>-We discuss that during the meeting.</li> <li>-Usually between two to three hours.</li> <li>-It takes around more than two weeks, because we should have good knowledge about new partner, especially if the project so big.</li> </ul> |
| 5. “In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?”  | <ul style="list-style-type: none"> <li>-Good reputation.</li> <li>-Good experience.</li> <li>-Stability.</li> </ul>  |
| 6. “Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?”            | <ul style="list-style-type: none"> <li>-Breaking agreement.</li> <li>-Unrest.</li> <li>-Wrong decision or personal behaviour.</li> <li>-Credit Crunch.</li> </ul>  |
| 7. “Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?”                           | Mostly same.   |
| 8. “Have you any (recent) examples of how you have successfully developed relations with a new business partner?”<br>In another word to what extant you can make the meeting or any deal successful with foreign companies?                                       | <ul style="list-style-type: none"> <li>-Our Business Plan almost very good.</li> <li>-Also we should make all the points very clear at first meeting.</li> </ul>   |

| <b>3. Development Stage</b>   |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (15)</b>  |
| 1. "Generally, what are your objectives at this stage? What are you trying to achieve"  | Develop and improve business relationship that of course leads to build good business relationships.  |
| 2. "How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?"   | -By all facilities, depends on their location.<br>-English or Arabic.   |
| 3. "When you now have meetings with your partner, how frequently are these held?<br>"What are the main objectives of these meetings?"<br>"Do you generally go to them, or do they come to you?"<br>"How long do meeting generally last, and what language is used?" | -Depends on distance.<br>-To build and discuss details of business plan.<br>-Depends on the size of the plan.<br>-If it is at our company usually we cover it.<br>-It takes more than two hours and we usually speak English or Arabic. |

|  |  |
|--|--|
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | -I think we should prepare & implement the agreement plan accurately.<br>-Also we look at any advantage feature or aspect or qualities which make our relation sustainable.          |
| 5. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"                                       | -If there is sign of failed or business relationship development is getting down.<br>-Credit crunch.   |
| 6. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?" | Properly the same.   |
| 7. "Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?"   | Of course yes because that was two months ago, the reason was because both companies aimed to build good business relationship in the same time there was high level of credibility. |

| 4. Maturity Stage  |   |
|--|---|
| Questions  | Summary of Respondents (15)   |
| 1. "Generally, what do you want to achieve at this stage?"   | To improve current business relationship, also to see whether we can extend partnership or not. |
| 2. "How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?" | -Usually by phone or Email.<br>-English or Arabic.  |

|  |  |
|--|--|
| 3. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | -Trust.<br>- Credibility,<br>-Experience.  |
| 4. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"   | -Breaking partnership.<br>-Recession.<br>-Unstable politics.                                 |
| 5. "Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?"  | -Last season was good.<br>-We are working hard just to keep on performing our business plan. |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | Yes I am totally happy and agreed with this statement.                                       |

| <b>General Questions</b>  |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (15)</b>  |
| 1. "In which countries are most of your business partners based"  | Malta, Turkey, Spain, Italy and some other Arab countries.  |
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya?                | -Culture and Language.  |
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | -Have knowledge of partner culture because it is one of the most important key factor in business relationship.<br>-Also language.<br>-Have good knowledge about the company. |
| 4. What is important steps can you take to carry on building good relationships between you and your partner?                               | The same pervious answer Also we should keep in touch with partners most the time.<br>Always keep looking to improve relationship with partners.                              |

|  |  |
|--|--|
| 5. "What recommendations would you give to a foreign company seeking to develop business relationships with Libyan companies?" | Keep in touch with partners most the time. |
|--|--|

## **COMPANY 16**

| <b>1. Pre – Contact Stage</b>  |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (16)</b>  |
| 1. How do you generally find new business partners? "When you have decided that you need to look for new partners?"  | -Expert research team.<br>-when we need to be active in one area.   |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?   | To get more partnership and of course to extend and improve our service.                                    |
| 3. "Can you give me any examples of how you did this type of search?"<br>"What was the outcome?"   | See who is working in our preferred area and how they doing then contact them via email or phone.           |
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?" | -They should have good name in the market and good finically; also they are very active in our target area. |

| <b>2. Initial Interaction Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (16)</b>   |
| 1. "Generally what are you trying to achieve" and what are your aims and objectives at this level or stage?  | To have a new partnership also, to extend our activities globally.                 |
| 2. Once you have chosen your business partner, how do you contact them?<br>In another word "When you first contact a potential partner, how do you | -Via phone or email.<br>-At the beginning usually we use formal Arabic or English. |

|   |  |
|---|--|
| generally do it - email, fax, telephone?”<br>“What language do you use, and do you generally use formal or informal communications, and why?”   |  |
| 3. If you plan to have a meeting, how do you set it up? And how do you establish a new working relationship with other people?<br>“How long does the first meeting generally last, and what language is used?”  | -Preparing meeting together.<br>-It depends on the size of project.<br>-It takes around two to four hours.<br>-Arabic or English.  |
| 4. “During the development the relationship, how do you generally keep in contact with your business partner?”<br>How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why? | -When needed.<br>-Depends on the needs.<br><br>-It depends on size and length of contract (partnership) and size of the project.   |
| 5. “In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?”  | -Credibility, Reputation and Experience.<br>-They should be very good and active at building business relationship.                |
| 6. “Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?”            | -Breaking agreement or recession or whatever.  |
| 7. “Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?”                           | Yes the same answer of question six whatever makes business relationship down such as no benefit, no credibility or credit crunch. |
| 8. “Have you any (recent) examples of how you have successfully developed relations with a new business partner?”<br>In another word to what extent you can make the meeting or any deal successful with foreign companies?                                       | Culture and communications.  |



| <b>3. Development Stage</b>   |   |
|---|---|
| <b>Questions</b>  | <b>Summary of Respondents (16)</b>  |
| 1. "Generally, what are your objectives at this stage? What are you trying to achieve"  | -To develop our business relationship.<br>-To achieve our plan successfully.  |
| 2. "How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?"   | -formal meeting if that necessary or by phone or email.   |
| 3. "When you now have meetings with your partner, how frequently are these held?<br>"What are the main objectives of these meetings?"<br>"Do you generally go to them, or do they come to you?"<br>"How long do meeting generally last, and what language is used?" | -When needed.<br>-Just to improve and develop out partnership.<br>-Depends on circumstances.<br>-Depends on where activities are.<br>-two, three or four hours. |

|  |   |
|--|---|
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | Credibility, trust and communications.  |
| 5. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"                                       | Whatever such as credit crunch, unrest or war.  |
| 6. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?" | The same specially of what happened to Libya now days.                                    |
| 7. "Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?"   | Last season, we done our target and we had very good business relationship with partners. |

| <b>4. Maturity Stage</b>   |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (16)</b>  |
| 1. "Generally, what do you want to achieve at this stage?"   | Ending or carry on with another business plan if our partnership was successes. |
| 2. "How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?" | -Any sort of facilities that we had agreed.<br>-Mostly English and Arabic.      |

|  |  |
|--|--|
| 3. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | Building good trust, develop relations and good communications.        |
| 4. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"   | Breakdown business relationships by ending or by sudden circumstances. |
| 5. "Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?"  | Yes that was indeed in last three months.                              |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | Yes it is absolutely correct.  |

| General Questions   |   |
|---|---|
| Questions   | Summary of Respondents (16)   |
| 1. "In which countries are most of your business partners based"  | -Egypt, Tunisia and south of Europe.  |
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya?                | - Just have knowledge about culture and how Libyan companies use and do when they go globally.                                |
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | Libya is third world country, we should try to get a lot of information and knowledge about what factor we need to deal with. |
| 4. What is important steps can you take to carry on building good relationships between you and your partner?                               | -Credibility.<br>-Keep contacting each other regularly.<br>-Deep understanding each other.                                    |
| 5. "What recommendations would you give to a foreign company seeking to   | You should have deep understanding each other, Also be good at communications.  |

|  |  |
|--|--|
| develop business relationships with Libyan companies?" |  |
|--|--|

## **COMPANY 17**

| <b>1. Pre – Contact Stage</b>  |  |
|--|--|
| <b>Questions</b>   | <b>Summary of Respondents (17)</b>   |
| 1. How do you generally find new business partners? "When you have decided that you need to look for new partners?"  | -Used to work with.<br>-Successful Company.<br>-When we want to extend our business.<br>-Recommended company.  |
| 2. What are you trying to achieve? In another word generally, what are your aims and objectives at this stage?   | -To improve our service.<br>-To have more experience and knowledge about new areas.<br>-To have more partners. |
| 3. "Can you give me any examples of how you did this type of search?"<br>"What was the outcome?"   | -Expert research team.<br>-Receive from other company's offers.  |
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for when choosing a new business partner? Why do you consider these important?" | -Experience.<br>-Trust & who has good reputation.<br>-Expert in this field.                                    |

| <b>2. Initial Interaction Stage</b>  |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (17)</b>  |
| 1. "Generally what are you trying to achieve" and what are your aims and objectives at this level or stage?  | -To make and prepare good business plan.<br>-To make clear picture in future relationship |
| 2. Once you have chosen your business partner, how do you contact them?<br>In another word "When you first contact a potential partner, how do you generally do it - email, fax, telephone?"<br>"What language do you use, and do you generally use formal or informal communications, and why?" | -As anything but usually by email or phone.<br>-Usually English or Arabic.                |
| 3. If you plan to have a meeting, how do you set it up? And how do you   | -We both arranging it.<br>-It lasts almost from two to four hours, but                    |

|  |   |
|--|---|
| <p>establish a new working relationship with other people?</p> <p>In another word “When you first meet these people, who arranges the meeting?”</p> <p>“How long does the first meeting generally last, and what language is used?”</p>                                      | <p>that depends on the job that we need to discuss.</p>   |
| <p>4. “During the development the relationship, how do you generally keep in contact with your business partner?”</p> <p>How long it takes to establish and identify the variables and stages affecting business relationship development with other companies? And why?</p> | <p>-Generally depends on the location.</p> <p>-From first (meeting) week until the end of business partnership.</p> |
| <p>5. “In general, what are the most important characteristics (features/aspects/qualities) that you look for when developing relations with your chosen business partner?”</p>  | <p>-precise plan.</p> <p>-Communications.</p> <p>-Good strategy.</p>  |
| <p>6. “Can you think of anything that <i>your partner</i> might do that would cause you to stop the development of the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this new relationship?”</p>                | <p>-Bad strategy.</p> <p>-Recession.</p> <p>-Unstable politics.</p>   |
| <p>7. “Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this new relationship?”</p>                               | <p>-The same and add to it luck of experience and knowledge.</p>  |
| <p>8. “Have you any (recent) examples of how you have successfully developed relations with a new business partner?”</p> <p>In another word to what extent you can make the meeting or any deal successful with foreign companies?</p>                                       | <p>-We did have excellent plan for this summer but this time is not good as there is unrest.</p>                    |

| <b>3. Development Stage</b>   |  |
|---|--|
| <b>Questions</b>  | <b>Summary of Respondents (17)</b>   |
| 1. "Generally, what are your objectives at this stage? What are you trying to achieve?"   | -To achieve our targets which made at first meeting?<br>-To improve current partnership.                                 |
| 2. "How do you generally <i>develop</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?"   | -We keep high level of communications.<br>-Usually we contact via phone and emails.                                      |
| 3. "When you now have meetings with your partner, how frequently are these held?<br>"What are the main objectives of these meetings?"<br>"Do you generally go to them, or do they come to you?"<br>"How long do meeting generally last, and what language is used?" | -When needed.<br>-To improve our relation.<br>-Mostly we go to the meeting.<br>-Any time.<br>-English or Arabic.         |
| 4. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"   | -To work with partner with high level of communications.<br>-Confident and showing sound of experience.<br>-Be flexible. |
| 5. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"  | -Break down our agreement.<br>- Recession.<br>-No profit at all.<br>-Attitude and behaviour.                             |
| 6. "Can you think of anything that <i>you</i> might do that would cause your partner to stop the development of the relationship at this stage? What might they find (or hear), that would cause a breakdown in this existing relationship?"                        | Almost the same points.  |
| 7. "Have you any (recent) examples of how you have managed to successfully developed relationships with a business partner?"  | Many of our partners asking for renewing the contract, that means developing partnership.                                |

| <b>4. Maturity Stage</b>   |   |
|--|---|
| <b>Questions</b>   | <b>Summary of Respondents (17)</b>  |
| 1. "Generally, what do you want to achieve at this stage?"   | Try to keep the current relation more strength.   |
| 2. "How do you generally <i>maintain</i> communications with your existing partner - email, fax, telephone?<br>What language do you use, and do you generally use formal or informal communications, and why?" | <ul style="list-style-type: none"> <li>-Mostly emails and phones.</li> <li>-Some times via internet facilities.</li> <li>-Some formal and some Informal.</li> <li>-Arabic/English.</li> <li>-We have been working together for time.</li> </ul> |

|  |   |
|--|---|
| 3. "In general, what are the most important characteristics (features/aspects/qualities) that you look for to maintain the existing relationship with your business partner?"  | -Good communications.<br>-Trust.<br>-Credibility.   |
| 4. "Can you think of anything that might cause you to stop the relationship at this stage? In other words, what might you find (or hear), that would cause a breakdown in this existing relationship?"   | -Recession or instability.<br>-Non-profit or breaking the plan.<br>-Finance issues.           |
| 5. "Have you any (recent) examples of how you have managed to successfully maintain relationships with an existing business partner?"  | Of course last year we had many satisfied customer and partners.                              |
| 6. As we know by this stage, mutual familiarity, understanding, close psychic distance and communications will now be needed to maintain existing levels of trust and commitment and to continue to reinforce positive experiences and enhance satisfaction. Is that making sense for you? | I am totally agree, Also, we must have clear picture on where we are going and what we doing. |

| <b>General Questions</b>  |  |
|---|--|
| <b>Questions</b>  | <b>Summary of Respondents (17)</b>   |
| 1. "In which countries are most of your business partners based"  | Golf Countries, North of Africa and South of Europe.   |
| 2. What are the key factors that foreign organisations should take into account when doing business with companies in Libya?                | -Should be aware of credibility, Experience, good communicating and culture knowledge.                                 |
| 3. What are the most important key factors that Libyan organisations should take into account when doing business with foreigner companies? | -Their reputation and experience.<br>-Their expertise and size.  |
| 4. What is important steps can you take to carry on building good relationships between you and your partner?                               | Make good start with intensive communications, be confident in work, be flexible also, prepare accurate business plan. |



|  |   |
|--|---|
| 5. "What recommendations would you give to a foreign company seeking to develop business relationships with Libyan companies?" | Should be good enough at research in the area that you going to and have knowledge about culture before make start. |
|--|---|

## **APPENDIX 3**

### **Research Outline**

|                         |
|-------------------------|
| <b>Aim of the Study</b> |
|-------------------------|

|  |
|--|
| The aim of the study is to conduct an exploration of the social variables involved in the development and maintenance of business relationships with Libyan companies. |
|--|

|                   |
|-------------------|
| <b>Objectives</b> |
|-------------------|

|   |  |
|---|--|
| 1 | To critically examine the current state of the international business relationship development literature.   |
| 2 | To explore the characteristics those determine sustainable international business relationships from the Libyan point of view.   |
| 3 | To create a model based on the findings from the two objectives above. This model will serve two main functions: (I). It will help fill in gaps in the current poor literature relating to the development and maintenance of business relationships with Libya. (II). It will be of practical value to foreign businesses wishing to develop relationships with Libyan companies. |
| 4 | It could be empirically tested at a later date, with a large sample of companies; it will not, however, be a focus of this current thesis.   |

|                           |
|---------------------------|
| <b>Research Questions</b> |
|---------------------------|

|   |   |
|---|---|
| 1 | What are the major steps/stages and variables at each of these stages that Libyans go through when establishing business relationships? |
| 2 | And why are these stages and variables so important for Libyan organisations?   |
| 3 | How can foreign organisations establish/maintain sustainable international business relationships with Libya?                           |