

# A CAPABILITY OF ENDING RELATIONSHIPS – THE CHANGES ACROSS THE LIFE CYCLE OF A RELATIONSHIP

## Introduction

Inter-organizational relationships (IOR) attract the growing interest of management scholars and managers [Kumar et al., 1993; Ring, Van de Ven, 1994; Zaefarian et al., 2017]. Indeed, in strategic management IOR, first have become the leading resource in RBV in terms of impact on firm performance [Lorenzoni, Lipparini, 1999; Czakon, 2009]. Later on, they have even been acknowledged as underlaying the new, relational view in strategic management fairly distinct from RBV [Dyer, Singh, 1998].

Under the relational view, the IOR are seen as generating new and unique rent, namely relational rent being not achievable in any other way as gained “*through the joint idiosyncratic contributions of both partners*” [Zhang et al., 2017: 315]. The unique benefits from IOR exploitation can be explained by an opportunity of combining external and internal resources thus creating synergy and compatibility effects leading

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to superior firm performance [Czakov, 2009; Ratajczak-Mrozek, 2017]. Finally, IOR trigger and strengthen social relationships [Glińska-Noweś et al., 2018], which makes them inimitable. All in all, although the interest in IOR is growing [Czakov, 2009] further studies are still needed [Batonda, Perry, 2003; Jap, Anderson, 2007], including those focused on relational capability [Zaefarian et al., 2017] and capability of their termination in particular [Halinen, Tähtinen, 2002].

Relational capabilities – as shown in findings from an in-depth systematic literature review [Pagno, 2009] – are emerging and promising direction of academic exploration mainly in strategic management, industrial marketing, and international business. This paper takes the perspective of strategic management which although relevant when investigating IOR [Dyer, Singh, 1998], remains not the leading one. So far in the literature, the marketing perspective dominates [Czakov, 2009; Pagno, 2009; Zaferian et al., 2017] while the focus has been given mainly to relationships with customers [e.g., Tähtinen, 2000; Giller, Matear, 2001; Halinen, Tähtinen, 2002; Michalski, 2004; Ritter, Geersbro, 2011]. Therefore, as the focus on IOR in B2B and strategic management contexts is limited [e.g., Mitreğa et al., 2012; Mitreğa, Pfafifar, 2015; Zaefarian et al., 2017] we address those contexts in this paper.

## 1. Theoretical lenses of our field study

Using the process view [e.g., Ring, Van de Ven, 1994; Dyer, Singh, 1998] IOR are seen as dynamic and developing over time [Dwyer et al., 1987; Mitreğa, Pfafifar, 2015; Zhang et al., 2017]. The development path of IOR is claimed to be either linear [Dwyer et al., 1987] or non-linear [Batonda, Perry, 2003; Plewa et al., 2013; Ferreira et al., 2017]. Nonetheless, no matter which approach – either based on states or stages theory [Batonda, Perry, 2003] – is adopted IOR are acknowledged as suitable to the life cycle concept [Kusari et al., 2013].

In this paper, the life cycle of the inter-organizational relationships is seen as a process [Dwyer et al. 1987; Jap, Ganesan, 2000; Kusari et al., 2013] across which resource exchange ties develop over time and arrange themselves into several phases – Table 1. Accordingly, the relationship life cycle phase encompasses the qualitative aspects of the organization-strategic partner relationship [Mathur, Kumar, 2013]. Moreover, it refers to the mutual resource flows and major transitions in how parties regard each other [Dwyer et al., 1987].

Although the IOR development is not a new area of research investigation our knowledge is claimed as limited [Mitreğa, Pfafifar, 2015] including our knowledge in the context of their life cycle [Batonda, Perry, 2003; Jap, Anderson, 2007; Lee, Johnsen, 2012; Palmatier et al., 2013; Ferreira et al., 2017; Hastings et al., 2016]. Indeed, it is hard to find quantitative investigations among existing field studies.

Table 1. Phases of inter-organizational life cycle

Phase	The life cycle of inter-organizational relationship		References	Labels used in the literature
	Characteristics			
Initial	<p>First business contact</p> <p>Screening for mutual compatibility</p> <p>Considering and setting up the joint goals</p> <p>High, but rapidly decreasing, level of uncertainty of cooperation</p> <p>The rapid growth of resource flows</p>		<p>Batonda, Perry [2003]; Heffernan, Poole [2004]; Theng Lau, Goh [2005]; Duanmu, Fai [2007]; Meng [2010]; Ming-Huei, Wen-Chiung [2011]; Lee, Johnsen [2012]; Abosag, Lee [2013]; Plewa et al. [2013]; Akrouf [2014]; Panda, Dash [2016]; de Almeida Moraes et al. [2017]; Ferreira et al. [2017]; Restuccia, Legoux [2019]</p>	<p>combining, early, early interaction, early integration, engagement, establishment, exchange, exploration, exploratory, formalization, initiating, initial contact, level 2 [i.e., limited cooperation], starting, trigger</p>
Development	<p>Systematic and incremental strengthening of cooperation</p> <p>Mutual planning of activities</p> <p>Identification of priorities and formalization of details of cooperation</p> <p>Regular contact and socialization</p> <p>A quite low level of commitment to the partner and the joint business</p> <p>Development of personal relationships and mutual trust</p>		<p>Batonda, Perry [2003]; Heffernan, Poole [2004]; Theng Lau, Goh [2005]; Duanmu, Fai [2007]; Meng [2010]; Davis, Love [2011]; Ming-Huei, Wen-Chiung [2011]; Lee, Johnsen [2012]; Abosag, Lee [2013]; Baptista [2013]; Plewa et al. [2013]; Akrouf [2014]; Panda, Dash [2016]; de Almeida Moraes et al. [2017]; Ferreira et al. [2017]; Restuccia, Legoux [2019]</p>	<p>adaptation, advancement, build-up, building personal relationships, expansion, commitment, development, developing, growth, internationalization, level 3 [i.e., short-term cooperation], local expansion, mixing</p>
Maintenance	<p>Stabilization of partners' commitment in the relationship</p> <p>Slowing down of mutual adaptation of partners through agreements, negotiations, and governance mechanisms</p> <p>Ongoing mutual investments in the relationship but at a stable level</p>		<p>Batonda, Perry [2003]; Heffernan, Poole [2004]; Theng Lau, Goh [2005]; Davis, Love [2011]; Ming-Huei, Wen-Chiung [2011]; Lee, Johnsen [2012]; Abosag, Lee [2013]; Baptista [2013]; Plewa et al. [2013]; Akrouf [2014]; Ferreira et al. [2017]; Restuccia, Legoux [2019]</p>	<p>coordination, enduring, intensifying, level 4 [i.e., long-term cooperation], long-term, ongoing maintenance, maturity, partnership, sharing, stable</p>
Dormant / End*	<p>Assessing the costs and benefits of staying in the relationship and termination of resource ties.</p> <p>Two scenarios: (1) only formal arrangement is terminated but communication exists still (i.e., dormancy of relationship) or (2) all forms of communication (formal and informal) end (i.e., definite end of a relationship).</p>		<p>Batonda, Perry [2003]; Heffernan, Poole [2004]; Abosag, Lee [2013]; Plewa et al. [2013]; Restuccia, Legoux [2019]</p>	<p>end, ending, decline, dissolution, dormant, latent, termination</p>
Reactivation	<p>Restarting resource flows after unintended disruption</p>		<p>Batonda, Perry [2003]</p>	<p>re-activation</p>

\* Interestingly, in strategic management literature IOR are seen either ending due to the termination or cancelation of cooperation agreement or as temporary dormant. In marketing literature however, ending types of IOR are considered much more frequently [e.g., Michalski, 2004].  
Source: own study.

Even those applying qualitative approach are rare [e.g. Batonda, Perry, 2003; Lee, Johnsen, 2012; Baptista, 2013; Ferreira et al., 2017; Restuccia, Legoux, 2019]. This paper addresses this gap and offers quantitative, large-scale contribution but also uses the IOR life cycle in – to our best knowledge – original area, namely the capability of ending a relationship.

The effects of IOR exploitation are attributed to relational capability considered as valuable, dynamic capability of modern organizations [Czakon, 2009; Mitreğa et al., 2012] including mainly those organizations building strategic advantage on innovations [Capaldo, 2007]. The literature claims that relational capability changes over time [Mitreğa, Pfaifar, 2015] and is generated through the experiences gained by inter-organizational cooperation [Capaldo, 2007; Czakon, 2009], cooptation [Della Corte, 2018], and networking [Lechman, 2018]. Relational capability is also seen as an underlying specific [i.e., relational] type of economic rent [Dyer, Singh, 1998], while when considered under RBV it used to be seen as a strategic resource [Lorenzoni, Lipparini, 1999]. Moreover, also IOR are seen as a relational resource providing strategic advantage [Zhang et al., 2017] and as resources are claimed to be manageable [Dyer, Singh, 1998]. It is postulated however that inter-organizational relationships lose the ability to generate benefits and might be the source of losses. Thus, it might be relevant to terminate them on time [Mitreğa, Pfaifar, 2015].

Given empirical evidence, the process of IOR management consists of three components, which are seen as three facets of relational capability [Mitreğa, Pfaifar, 2015], namely capability of initiating new relationships, the capability of partner development, and the capability of ending a relationship. So far in the literature, usually the focus was given either to the capabilities of the establishment of relationships [e.g., triggers, favoring circumstances, antecedents, etc.] or their exploitation [e.g., course of the process, development, management, tensions, etc.]. In contrast, the capability of relationship termination has remained outside a noticeable interest [Zaefarian et al., 2017].

In the literature, the ability to terminate inter-organizational relationships is understood as a competence [Ritter, Geersbro, 2011] or even capability [Mitreğa et al., 2012]. In short, capability of ending the relationship is seen as preparedness, readiness, and ability to terminate IOR if it is no longer satisfactory, declines in the quality, or likelihood of cooperation success decreases.

Relationship ending capability is seen as an integral component of relational capability preventing the keeping of a non-beneficial or even harmful IOR [Giller, Matear, 2001; Mitreğa, Pfaifar, 2015]. Furthermore, as the resources are limited, it can wise to end some IOR in order to be able to re-invest those resources in new, more promising ones. Indeed, *“relationship ending capabilities make available resources, which were previously used in a suboptimal manner, and which can subsequently be used to instigate new or strengthen existing collaborative business relationships with positive*

*effects for innovativeness*” [Zaefarian et al., 2017: 184]. In the same – resource-based – vein one would add that relational capability of ending the relationships on time may prevent making some resources obsolete [Giller, Matear, 2001]. In the above perspectives, the capability of ending relationships can be seen as leading to value generation. Indeed, given the positives, the capability of ending IOR has been proven to impact product innovation success and the general firm performance [Zaefarian et al., 2017]. Therefore, relationship termination is nothing wrong, instead, managers should be aware of possible opportunities of a relationship ending in every single phase of the IOR life cycle and consider it among other valid and valuable options [Ritter, Geersbro, 2011], especially those included in the relational strategy adopted by the firm [Zakrzewska-Bielawska, 2019].

Given the findings from our systematic literature review<sup>1</sup> [Klimas et al., 2020], none of these rare quantitative studies have focused on relational capability in the context of the IOR life cycle. Among deficit [and mainly marketing-oriented] studies on the relationship ending there are those run in terms of components of successful termination [Tähtinen, 2000; Ritter, Geersbro, 2011], types of relationship ending [Michalski, 2004], reasons of ending [Tähtinen, 2000; Halinen, Tähtinen, 2002]; the process of ending relationship [Giller, Matear, 2001; Halinen, Tähtinen, 2002]; dimensions of termination [Ritter, Geersbro, 2011]. Furthermore, also when it comes to studies on relational capability [e.g., Capaldo, 2007; Lorenzoni, Lipparini, 1999], including those considering capability of ending the relationships [e.g., Mitreğa et al., 2012; Ritter, Geersbro, 2011; Mitreğa, Pfafar, 2015; Zaefarian et al., 2017], have not been run in the context of IOR life cycle so far. Therefore, this paper addresses this gap and investigates the possible changes in the capability of ending relationships in the context of the life cycle of IOR.

## 2. Methodological design

This study aims to recognize how the capability of ending inter-organizational relationships changes over time as organizations go through the subsequent phases of the inter-organizational relationship life cycle.

*Hypothesis.* Intuitively, one would expect that the more advanced the phase of a relationship life cycle, the capability of ending the relationship (CER) should be more developed and have more formal manifestations. The research hypothesis will therefore be:

<sup>1</sup> Results presented in this paper are an integral part of a much wider project. The entire research processes covered not only quantitative surveying but were preceded by systematic literature review and qualitative investigation. More details on previous stages can be found for instance in Klimas et al. [2020].

$H_{CER}$ : *The capability of ending the relationship increases in subsequent phases of the life cycle.*

The recognition of the above follows a quantitative approach what – to our best knowledge – is original as there is a deficit in empirical studies in the chosen research field.

*Sampling.* As IOR are shown as the industry [Svensson, 2004] and context-dependent [Kusari et al., 2013] data collection was limited to one industry, namely software developers operating in Poland. Purposeful selection of this particular industry is justified by its hyper-dynamic nature [Krings-Klebe et al., 2017], which is claimed to be relevant when investigating dynamic and evolutionary phenomena, such as inter-organizational relationships [Baptista, 2013; Palmatier et al., 2013] or life cycle concept [Jap, Anderson, 2007].

According to the Central Statistical Office, the sample frame covered approximately 124,000 software developers. Our research sample targeted 800 randomly selected (i.e., random stratified selection using firm size as a stratification criterion) companies. Before the main analyses, our raw data was checked in terms of non-response bias, outliers, duplicates, and tendency bias. Due to the tendency bias, 14 questionnaires were excluded from further analyses. The effective sample size equaled therefore 786 and met the criteria for sample representativeness [Hair et al., 2019].

*Data collection.* Data was collected in February 2020 using a mixed-mode approach [DeLeeuw, 2018], i.e., mixed research techniques including CATI, CAWI, and PAPI. Following methodological recommendations [Kumar et al., 1993] data was gathered from managers responsible for establishment, maintenance, and termination of inter-organizational relationships no matter which level of management they represented in the firm.

*Measurement.* In the questionnaire, first, we asked our respondents to think about one, the most important [in terms of the value of cooperation and value of mutual resource flows] strategic partner with which their firm cooperates or competes. They were also asked to answer all of the questions in the questionnaire in the context of this particular strategic partner. Inspired by prior studies on the attributes of IOR [Dwyer et al., 1987; Jap, Ganesan, 2000; Kusari et al., 2013; Jap, Anderson, 2007; Palmatier et al., 2013; Mathur, Kumar, 2013], regarding the phase of the relationship life cycle, our respondents were asked to select the phase of the life cycle that most closely reflects the specificity of considered inter-organizational relationship, i.e., *Relationships typically evolve through several phases over time. Which of the following best describes your firm's current relationship with this specific strategic partner?* The descriptions of the phases of the IOR life cycle were presented using their main characteristics (see Table 1).

When it comes to the capability of ending a relationship, the measurement approach was based on a scale developed and tested by Mitreęa and Pfajfar [2015],

namely<sup>2</sup>: (CER<sub>1</sub>) *Our company has established procedures for how to terminate business relationships with strategic partners that are not desirable any more*; (CER<sub>2</sub>) *Our company has implemented specific conditions in formal contracts with strategic partners, that enable the end of the cooperation*; and (CER<sub>3</sub>) *Our company has established procedures that enable slow discontinuing [phasing out] relationships with deficient strategic partners*. The scale used to measure the variable was 7-point Likert-type scales ranging from fully disagree (1) to fully agree (7).

*Data analysis.* The research procedure requires that we test whether there is a correlation in the sequence of chronological events. Moreover, the confirmation of the hypothesis will require that the degree of CER increases at successive phases of the IOR life cycle. Given the above, this study employs the ANOVA method along with verification of its assumptions about variance (i.e., Levene's test). ANOVA allows us to determine if there are significant differences between successive data series. Positive verification of the ANOVA hypothesis  $H_0$  of equality of means will at the same time falsify the research hypothesis  $H_{CER}$ . The field study was run by the research institution. Analyses were conducted using Statistica ver. 13.

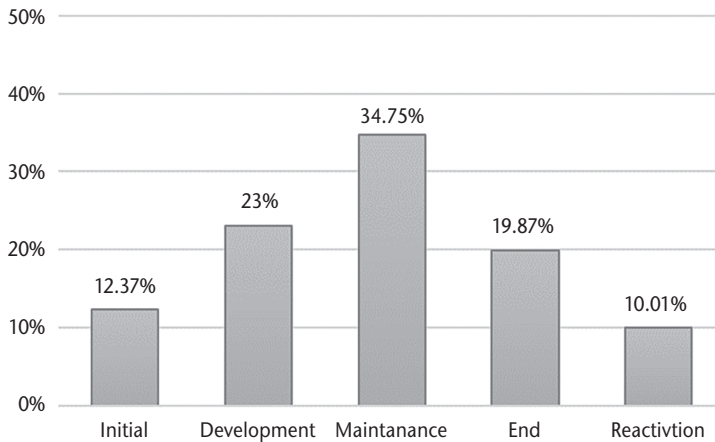
### 3. Results

Before we focus on the core of our study, we first present the general overview of the frequency of phases in which the analyzed inter-organizational relationships are. As presented in Figure 1 the majority of relationships (i.e., 34.75%; 274 organizations) are in the maintenance phase, so the level of maturity and timespan are quite high, relationships are rather stable and well developed.

Interestingly almost 20% of relationships chosen by our respondents as the most valuable in terms of resource flows (i.e., 19.87%; 156 organizations) are in the last phase, namely at the end of the relationships. It should be highlighted, however, that under this phase there are not only relationships which have ended but also those remaining in some kind of hibernation/dormancy [Batonda, Perry, 2003; Plewa et al., 2013]. Last but not least, 10% of indications point at inter-organizational relationships which have been reactivated (79 firms).

<sup>2</sup> Zaefarian et al. [2017] distinguish two components of CER: Relationship ending capability preparation and Relationship ending capability process. Our approach to CER covers the latter one as we focused on relationships already existing and exploited by surveyed companies. Moreover, as we followed IOR investigation used in seminal studies [Dwyer et al., 1987; Jap, Anderson, 2007] we found it reasoned to focus on RED corresponding to specific (i.e., considered by respondent) relationship while not to the general CER with which CER preparation corresponds more.

Figure 1. The frequency of phases of the life cycle of the analyzed IOR



Source: own study.

To test our hypotheses ANOVA was applied. Nonetheless, first, using Levene’s test we verified if our sub-samples representing considered phases of the IOR life cycle have equal variances (i.e., if the variance is homogeneous) – Table 2.

Table 2. Values of the F statistics and p-value for Levene’s test of equality homogeneity of variance of scores between successive phases of IOR life cycle

Items measuring capability of ending a relationship	F statistics	p-value
CER <sub>1</sub>	1.19	0.106
CER <sub>2</sub>	0.186	0.945
CER <sub>3</sub>	1.85	0.117

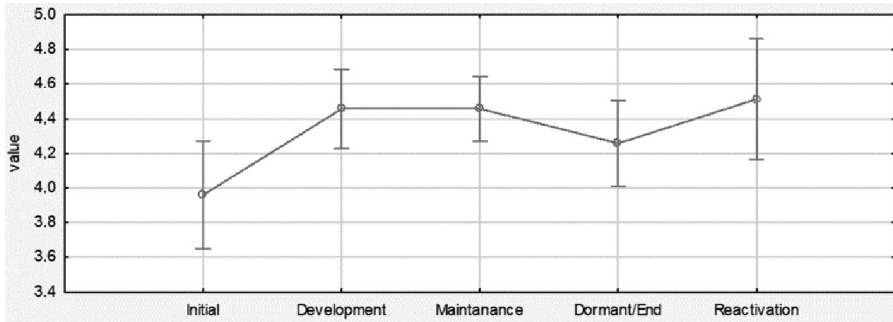
Source: own calculations using Statistica ver. 13.

The data in Table 3 shows that regardless of the phase of the IOR life cycle, the series of evaluations made by our respondents have the same variance at the significance level of  $\alpha=0.05$ . Therefore it was possible to carry out the ANOVA procedure without correction for heterogeneity of variance.

Results of ANOVA show that at the significance level of  $\alpha=0.05$ , it cannot be concluded that there are statistically significant differences in the respondents’ evaluations relating to the internal procedures for termination of cooperation with non-desirable partners (CER<sub>1</sub>). The value of the F-stats is 2.36 and the p-value is equal to 0.051. Those values and the chart of the means (Figure 2) suggest, that a certain deviation between the initial phase and the others can be observed.



Figure 2. Mean scores and their 95% confidence intervals determined for CER<sub>1</sub> in terms of the phases of the IOR life cycle



Source: visualization made using Statistica ver. 13.

Therefore, keeping in mind that the relationship of equality of means in a one-sided test-t is not transitive, we also examined whether the Initial phase was statistically different from the others. As shown in Table 3 the non-significant difference can be observed only in the case of Initial-Dormant/End phases of the IOR life cycle.

Table 3. Results of test-t comparing significant differences between the pairs of the phases of IOR life cycle

Pair of phases	t-stat.	p-value
Initial-Development	-2.64	0.008
Initial-Maintenance	-2.59	0.009
Initial-Dormant/End	-1.47	0.141
Initial-Reactivation	-2.50	0.013

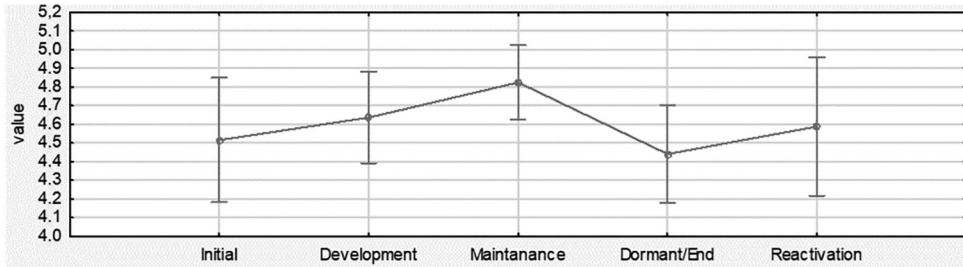
Source: own calculations using Statistica ver. 13.

Thus, it can be concluded that in the phases characterized by lower commitment [Jap, Ganesan, 2000] and mutual investments [Kusari et al., 2013; Mathur, Kumar, 2013], namely when cooperation is established (i.e., Initial) or is finished (i.e., Dormant/Ed), the CER<sub>1</sub> holds statistically at the same level of meaning, while this level simultaneously is statistically different and lower than in the remaining, more engaging, phases of IOR life cycle (i.e., Development, Maintenance, and Reactivation).

If we consider CER in terms of formal regulations of finishing cooperation with a given strategic partner, we can observe that this component of ending capability (CER<sub>2</sub>) is at the same level across the entire IOR life cycle – Figure 3. This is confirmed by the ANOVA analysis: F-stat. is 1.53 and the p-value for the test is 0.19. So statistically, the level of CER<sub>2</sub> is the same level of meaning in each phase. However, as shown

in Figure 3, it seems that some significant differences can be expected in the end/dormant phase.

Figure 3. Mean scores and their 95% confidence intervals determined for CER<sub>2</sub> in terms of the phases of the IOR life cycle



Source: visualization made using Statistica ver. 13.

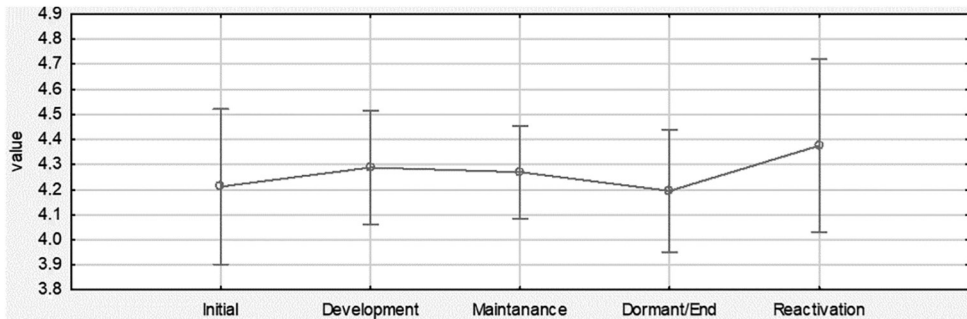
Therefore, the only one statistically significant difference found in pairwise analysis was the difference Maintenance-Dormant/End. Indeed, the post-hoc analysis based on Tukey's test does not show any significant differences between the other pairs of phases. Thus, it can be concluded that at the end of the IOR life cycle the CER<sub>2</sub> decreases significantly.

The final part of the analysis focuses on the changes in the level of capability of ending the relationship in economic terms of breaking with a deficient strategic partner (CER<sub>3</sub>). Although the plot seems to suggest variability in the CER<sub>3</sub> levels across considered phases of the IOR life cycle (Figure 4), ANOVA shows no significant differences ( $F = 0.21, p = 0.92$ ). It has been found that respondents use equal procedures enabling slow phasing out the relationship with deficient partners at the entire development path of this relationship.

To conclude, our results give solid grounds for rejection of  $H_{CER}$  assuming that the *capability of ending the relationship increases across the subsequent phases of the relationship life cycle*.

Nevertheless, although the differences are not statistically significant one would notice that in the case of CER<sub>1</sub> and CER<sub>3</sub> the highest levels are observed when the relationship is reactivated. Moreover, CER does not increase all the time. Indeed, it increases when IOR pass from the initial to the development phase but then it decreases, and reach the lowest level when the relationship ends. Nonetheless, in the case of CER<sub>2</sub>, capability increases till the maintenance phase and decreases at the end of the IOR life cycle. In contrast to CER<sub>1</sub> and CER<sub>3</sub>, CER<sub>2</sub> is the highest in the maintenance, not in the reactivation, phase. Interestingly, in the case of all of the facets of CER their lowest levels are observed in the first, initial phase of the IOR life cycle.

Figure 4. Mean scores and their 95% confidence intervals determined for CER<sub>3</sub> in terms of the phases of the IOR life cycle



Source: visualization made using Statistica ver. 13.

## Conclusion

Our study contributes to inter-organizational relationship literature in several ways including addressing cognitive and empirical gaps.

First, we synthesize existing literature and identify four main and classically linear phases (i.e., initiation, development, maintenance, and dormant/end) with an additional, non-linear phase remaining aside from the main development path, namely the re-activation phase. Additionally, we provide operationalizations for the distinguished phases (see Table 1).

Second, as desired in the literature [e.g., Jap, Anderson, 2007; Palmatier et al., 2013; Restuccia, Legoux, 2019] we present results from quantitative, large-scale studies on the life cycle of inter-organizational relationships. In particular, we provide evidence that IOR are exploited in several phases (see Figure 1), however more than one-third are relationships in the maintenance phase. This we see as an original contribution, as the maturity of IOR actively exploited by firms has not been – to our best knowledge – investigated so far. Importantly, our recognition of the frequency distribution supports claims made by Batonda and Perry [2003] assuming that some IOR – in our study 10% – are re-activated. Indeed, given a more detailed view, most of them have been re-activated in the maintenance phase (6.37%), while only some of them are in the initial (1.88%) or development (1.75%) phases. It suggests, that the risk of dormancy of IOR refers to all phases of the life cycle before ending the relationship, but it is the highest in the maintenance phase. It is logical as maintenance is considered as the long-term exploitation of IOR.

Third, the capability to terminate the relationship is seen as relevant but knowledge on it remains limited [Mitreğa et al., 2012; Ritter, Geersbro, 2011; Mitreğa, Pfafar,

2015; Zaefarian et al., 2017], thus as targeting directly indicated empirical gap we see this paper as developing knowledge cumulatively. In particular, our study shows that even if CER is perceived as a component of relational capability acknowledged as dynamic and changeable over time, its changes over subsequent phases of the IOR life cycle are not statistically significant ( $H_{CER}$  is rejected). It may suggest that the dynamic nature of relational capability is determined by its other facets, namely by the relationship ending capability preparation in terms of Zaefarian et al. [2017] or by the capability of initiating new relationships and capability of partner development in terms of Mitreğa and Pfaifar [2015]. In other words, our study shows the capability of ending a relationship as stable.

Even though we see our study to be pushing the knowledge further, we are aware of its limitations. First and foremost our large-scale study was both country and industry limited. On the one hand, IOR are claimed to be sensitive to research context [Svensson, 2004; Kusari et al., 2013] so we saw it methodologically reasoned to make this context bounded and cohesive. On the other hand, to measure the capability of ending a relationship we used the scale developed and validated in studies on firms operating in Poland [Mitreğa et al., 2012; Mitreğa, Pfaifar, 2015; Zaefarian et al., 2017]. Nonetheless, besides the above argumentation, our results can be seen as generalizable only in the given context [Finfgeld-Connett, 2010]. To make the conclusions and generalizations broader we recommend replications of our study in other industry contexts or/and in other countries. Considering other avenues for future research we would like to point to the verification of the obtained results in the context of social relationships more and more often explored in the context of strategic management, and competitive advantage in particular [Ratajczak-Mrozek, 2017; Glińska-Neweś et al., 2018; Lechman, 2018].

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## A CAPABILITY OF ENDING RELATIONSHIPS – THE CHANGES ACROSS THE LIFE CYCLE OF A RELATIONSHIP

### Abstract

This paper investigates if the capability of ending inter-organizational relationships increases when the relationship evolves over subsequent phases of its life cycle.

First, we outline the literature-based operationalization of five phases of the inter-organizational relationships' life cycle: initial, development, maintenance, dormant/end, and reactivation. Second, based on a study of 800 relationships of software developers operating in Poland, we present how the three facets of the capability of ending relationships (i.e., general procedures to end non-desirable cooperation, formal regulations dedicated to end specific cooperation; rules of passing out a deficient partner) change when the relationship goes through the subsequent phases of the life cycle.

Our findings provide evidence for the dominance of inter-organizational relationships in a maintenance phase, quite intensive exploitation of re-activated inter-organizational relationships (approx. 10% of relationships), slight and not significant differences in the levels of capability of ending the relationship in subsequent phases of the inter-organizational relationships' life cycle.

**KEYWORDS: IOR, RELATIONAL CAPABILITY, RELATIONSHIP TERMINATION, COOPERATION, RELATIONSHIP DEVELOPMENT**

**JEL CLASSIFICATION CODES: L14, L2, C71**



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## ZDOLNOŚĆ ZAKAŃCZANIA RELACJI – ZMIENNOŚĆ NA PRZESTRZENI CYKLU ŻYCIA RELACJI

### Streszczenie

W artykule zbadano, czy zdolność zakańczania relacji międzyorganizacyjnych rośnie wraz z ewolucją relacji w kolejnych fazach cyklu życia. Po pierwsze, w opracowaniu przedstawiono – opartą na wynikach analizy literatury – operacjonalizację pięciu faz cyklu życia relacji międzyorganizacyjnych: początkowej, rozwoju, utrzymania, uśpienia/zakończenia, a także reaktywacji. Po drugie, opierając się na wynikach ilościowych badań 800 twórców oprogramowania działających w Polsce, w opracowaniu zaprezentowano, jak zmieniają się trzy przejawy zdolności do zakańczania relacji (tj. ogólne procedury kończenia niepożądanego współpracy; formalne regulacje kończenia konkretnej współpracy; zasady pomijania niepoprawnego partnera), gdy relacja międzyorganizacyjna przechodzi przez kolejne fazy cyklu życia.

Wyniki przeprowadzonych badań wskazują na dominację relacji międzyorganizacyjnych w fazie utrzymania, dość intensywne wykorzystywanie reaktywowanych relacji międzyorganizacyjnych (ok. 10% relacji współpracy), niewielkie i nieistotne statystycznie różnice w poziomach zdolności zakańczania relacji międzyorganizacyjnych w kolejnych fazach ich cyklu życia.

**SŁOWA KLUCZOWE: IOR, ZDOLNOŚĆ RELACYJNA, ZAKOŃCZENIE RELACJI MIĘDZYORGANIZACYJNEJ, WSPÓŁPRACA, ROZWÓJ RELACJI MIĘDZYORGANIZACYJNYCH**

**KODY KLASYFIKACJI JEL: L14, L2, C71**