THE BUSINESS ACTOR AND BUSINESS MANAGEMENT

INTRODUCTION

The IMP literature (impgroup.org) developed over the last forty years totals several thousand articles and a number of books that attempt to provide an analysis of the complexity of the business landscape and the processes within it. From the outset, this analysis has run counter to the prevailing trend in the managerially oriented marketing and purchasing literature. This managerially oriented literature has sought to separate out from the complexities of business a set of discrete sub-processes that may be associated with one or other managerial functions. But any attempt to provide prescriptions for particular functional managers within the complexities of the business landscape carries risks of unrealistic assumptions about the extent of managerial knowledge; of its predictive ability; its access to and control over resources; its freedom to act and not least, of the passivity of the surrounding world.

In contrast, IMP literature has highlighted the environmental complexity in which business management operates and the limits to managerial knowledge and discretion. IMP literature has attempted to make sense of the nature of business and of the ways in which managers and their companies interact with the wider business world. It has provided tools for analysis of that world, of the relationships that provide its structure and the process of its evolution. However, there are many conceptual and empirical areas that have not been fully addressed, one of which will be highlighted here is the ways in which individual actors, subgroups of actors and companies manage and relate to each other.

The aim of this paper is to add to our understanding of what it is to be a manager in the complex interactive business landscape. We try to achieve this by examining how ideas of the business company, the business manager and the process of management have been developed within IMP literature. This
literature refers to business companies and the managers within them as *actors* and so the central questions of the paper can be expressed as follows:

How have the IMP conceptualisations of the business actor and hence of the business manager and the business company been developed over time?

What problems arise in attempting to use the IMP conceptualisation for the analysis of business management?

How can we further develop analysis of the process of business management in an interactive landscape?

Can the IMP conceptualisation of business management be translated into a set of capabilities that are required of the business manager?

The paper uses Leximancer¹ analysis to examine how the idea of the business manager has been developed over 40 years, by concentrating mainly on four influential IMP books: Håkansson (1982); Håkansson and Snehota (1995); Håkansson, Ford, Gadde, Snehota, and Waluszewski (2009) and Ford, Gadde, Håkansson, and Snehota (2011). These books may be said to encapsulate the conceptual development of the IMP research by drawing on many empirical studies and referring to many of the thesis and articles conducted in the broader IMP community. Additionally, these books have received close to 10,000 citations and have formed a basis for a wide range of empirical research published elsewhere.

**THE DEVELOPMENT OF THE IMP CONCEPTUALISATION OF BUSINESS MANAGEMENT**

An initial analysis of the four IMP books using Leximancer analysis provides a count of the most common concepts used within them (Table 1).

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¹ An explanation of the Leximancer methodology is provided as an Appendix to the paper.
The analysis shows the extent to which IMP literature throughout its development has been consistently associated with the concept of the relationship. The term “relationship” has been used in the four books to refer to a continuing and substantive process of interaction that takes place between two or more companies and which has effects on the resources, activities and the individuals and sub-groups associated with both of the companies. Further analysis of the literature shows how the relationships with which a company is associated are
used to describe the position of a company in the business landscape, or in later work, to more precisely define the identity of that company. More fundamentally, each of the books builds an analysis of the structure and process of business which is separate from any single company.

IMP literature does not use the concept of the business relationship normatively to suggest how appropriate or efficient behaviour for an individual or company should be developed. Nor does the literature envisage a business relationship as an inevitable progression towards some ideal state or “partnership” between companies. Within IMP literature, a relationship between companies is viewed as something distinct from the related companies themselves or from individuals within them. It is envisaged to have its own dynamic driven by multiple parallel and sequential interactions. Thus, a business relationship is not viewed as the property of any single company, nor is it something that any company is able to exclusively manage or control.

The concepts of single or network of relationships in IMP literature are used as contextual or explanatory variables through which the evolution of single or combinations of companies can be examined. Relationship emphasises that business interaction is a continuing process. The continuity implicit in the concept of relationship infers that a relative stability will exist across the business landscape. Stability is a recurring theme in IMP literature. Stability is said to be reinforced by the interdependencies that are likely to develop between companies through their interaction. The continuity that is implicit in a business relationship and the interdependencies that may develop within it highlight the restrictions on the freedom and the constraints under which all companies operate. IMP literature interprets the management process as that of working within relationships with outcomes that are the result of multiple interactions. This interactive view contrasts sharply with the more conventional transactional view of the business company as an independent decision-making body, seeking advantage over others within a market.
THE DEVELOPMENT OF THE CONCEPT OF THE BUSINESS ACTOR

So far we have highlighted the use of concepts across the four selected IMP books and in the ways in which they describe business. In this section we will analyse some of the differences and developments between the books by using Leximancer to determine which concepts occur most commonly in each of the books. This section will provide insights on the conceptual development of the notion of business actor, which is central to IMP ideas on business management.

Figure 1 shows a Leximancer concept map displaying the differences between the four books. The figure displays the nine most common themes displayed as circles. For more information see the Appendix. The ten most common concepts (from Table 1) are illustrated in the map with white italics. The differences between the four books are visually represented by file tags (marked with black capitals) which are placed in the four corners of the map. The 1982 and 2011 books are situated in the lower part of the map and the other two books from 1995 and 2009 in the upper part. The 1995 and 2009 books are shown closest to the concept ‘actor’ (displayed in the upper part of the map). This indicates that these books to a greater extent discuss the notion of the actor, than the other two books.
1982: Questioning the Language and Practice of Business Management

The first IMP book, Håkansson (ed), (1982) introduced and discussed the interaction approach as both an analytical concept and a methodological tool to
investigate the processes through which companies and the individuals within them develop complex, dyadic relationships. This book did not explore the nature of business management or of the business actor. The book was expressed throughout in the conventional terminology of suppliers and customers and the processes of business marketing and purchasing.

The concepts extracted from Leximancer, which characterise the first book when compared with the others are shown in table 2. The likelihood listed in the table indicates the probability that discussions of a concept appear in this particular 1982 book, as compared to any of the other books. Thus the 1982 book to a greater extent than the others is based study of the conventional business concepts of ‘purchasing’, ‘markets’ and ‘marketing’.

<table>
<thead>
<tr>
<th>Concept</th>
<th>Count</th>
<th>Likelihood</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power</td>
<td>153</td>
<td>85%</td>
</tr>
<tr>
<td>Purchasing</td>
<td>259</td>
<td>65%</td>
</tr>
<tr>
<td>Markets</td>
<td>138</td>
<td>62%</td>
</tr>
<tr>
<td>Marketing</td>
<td>240</td>
<td>61%</td>
</tr>
<tr>
<td>Strategy</td>
<td>171</td>
<td>54%</td>
</tr>
<tr>
<td>Technical</td>
<td>244</td>
<td>52%</td>
</tr>
</tbody>
</table>

*Table 2: Concepts most likely to appear in the 1982 book as compared to the other books*

The use of these terms in the 1982 book laid the ground for later IMP thinking on the nature of the business actor by arguing that business purchasing and supplying are essentially similar activities, so that the role of the business actor is the same irrespective of the conventional label applied. Both suppliers and customers are involved in counterpart search and relationship development. Interaction is largely seen in this book as a phenomenon that operates between companies as single entities. However empirically, the analysis of each of a company’s major relationships was investigated through interviews with a so-called “marketing/purchasing operative” while the company’s overall approach to
its relationships is investigated through separate “manager” interviews. The book does not explicitly seek to separate the interaction between business activities, resources or actors. But the book is notable for the distinction that it draws between a company’s approach to a national market and the extent and effects of its commitment to a particular customer or supplier. In particular the book and contemporaneous IMP literature emphasised that rather than operating in an atomistic and homogeneous market, a business marketing company is likely to be dependent for a majority of its sales, purchases and for the direction of its development on a relatively small number of individually significant customer and supplier relationships.

The 1982 book initiated discussion of how the idea of the interaction-defined business actor contrasts with the more conventional view within the strategy and marketing literature of a more-or-less clearly defined company each with its own individual identity, represented seamlessly by its managers and staff. This view envisages a company to be in control of its own discrete set of resources and to be able to develop and implement its own strategy for those resources which it directs towards a more or less generalised “market” (e.g. Achrol & Kotler, 1999; Day, 2000; Gale, 1994; Kotler, 1999; Pettigrew, 1997).

Subsequent IMP literature has added to these discussions in the 1982 book by arguing that the complex interdependencies that operate between companies mean that the characteristics of a company are inseparable from the characteristics of its counterparts. The characteristics of a business company cannot be defined by a list of the internal resources that the company appears to control. Similarly, the evolution of a single company cannot be portrayed by describing its past or present strategy, its successes and its failures alone.

1995: Developing a Network Perspective

The second IMP book, Håkansson & Snehota (1995), is similar to the 1982 book by being based on a large number of case studies undertaken in several countries. The 1995 book developed the idea of business interaction as a multiple-level process involving the three elements of activities, resources and
actors (ARA). This book also initiated a view of the structure of a business landscape as a network of activity links, resource ties and actor bonds which stretch across the business landscape. Table 3 envisages the characteristics of discussions in 1995 book as compared to the other books. The concept of the ‘network’ and its ‘change’ and ‘development’ are discussed to a greater extent in the 1995 book when compared to the others.

<table>
<thead>
<tr>
<th>Concept</th>
<th>Count</th>
<th>Likelihood</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperation</td>
<td>107</td>
<td>78%</td>
</tr>
<tr>
<td>Case</td>
<td>252</td>
<td>44%</td>
</tr>
<tr>
<td>Change</td>
<td>309</td>
<td>43%</td>
</tr>
<tr>
<td>Network</td>
<td>519</td>
<td>40%</td>
</tr>
<tr>
<td>Activities</td>
<td>683</td>
<td>39%</td>
</tr>
<tr>
<td>Development</td>
<td>397</td>
<td>36%</td>
</tr>
</tbody>
</table>

Table 3: Concepts most likely to appear in the 1995 book as compared to the other books

The IMP conceptualisation of the structure of the business landscape is not one of companies that operate as independent strategizing players in control of and responsible for a set of resources, activities and individuals. Instead, the conceptualisation is one of related elements of activities, resources and actors. These elements evolve and develop through interaction, which may or may not be designed, purposive or managed by the interventions of actors.

The 1995 book further examines how an actor is characterised by and obtains a singular identity through interaction. Table 4 summaries the thesaurus² associated with the concept of the business actor with illustrative quotes as extracted from Leximancer drawn from the 1995 book (Håkansson and Snehota).

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² Information on the thesaurus tool in Leximancer is provided in an Appendix to the paper.
<table>
<thead>
<tr>
<th>Thesaurus</th>
<th>Illustrative quotes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td><em>Bonds are a prerequisite for creating and exploiting the opportunities of linking and tying...they will consequently be more valuable in situations when the potential for these is large. If the counterpart has few alternatives the bonds are less valuable.</em></td>
</tr>
<tr>
<td>Web</td>
<td><em>Actor bonds in a relationship between two companies become...an element in a broader web of bonds among actors. Bonds between actors have an organizing effect on the web of actors and thus on the business network as a whole. They are, therefore, an important factor in the development of the actual ‘character’ of a company. A company’s position in the overall web of bonds, whom it is committed with, its existing bonds, affects its identity as well as its character.</em></td>
</tr>
<tr>
<td>Identity</td>
<td><em>What an actor can and will do depends on the reactions of the counterpart, and vice versa. What they can do for each other is reflected in their mutual identities and what they will do for each other is reflected in their mutual commitments.</em></td>
</tr>
<tr>
<td>Attributed</td>
<td><em>Companies are actors because they are attributed the identity of an actor by those who interact with the company. As an actor is perceived to act and react it is attributed intentions and attributes – it is given an identity. This process works, of course, both ways and identity attribution is mutual.</em></td>
</tr>
<tr>
<td>Perceptions</td>
<td><em>While the perceptions and interpretations of the individuals differ, they are developed on some kind of common ground of shared understanding, or else the coordination of activities and mobilization of resources would not be possible. Hence there is some kind of collective network logic that makes interaction possible and thereby is also the ground for changes.</em></td>
</tr>
</tbody>
</table>

*Table 4: Thesaurus words and illustrative quotes associated with ‘actors’ in Håkansson and Snehota (1995) identified through the Leximancer query tool*

The 1995 book emphasises that the identity of a business actor is the outcome of interactions with others. A company exists as an actor because it is attributed the identity of actor as, “a distinct intelligible entity” by those with which it interacts (page 195). The attribution of identity is an acknowledgement that an actor can or does intervene in the interaction process in ways that affect the
adaptation, development or exploitation of a particular single or combination of activities, resources or actors. The identity of a business actor evolves and is expressed through the development of multiple bonds with its counterparts. Bonds are manifestations of developing expectations, commitments and interdependencies between counterparts. In the same way that business companies do not have an independent existence, so do the bonds between companies form part of a web of interdependence that stretches across the business landscape.

The 1995 book distinguished between the bonds that exist between corporate actors and those which develop between individuals in separate companies. Bonds between individuals in different companies simultaneously contribute towards and reflect learning from bonds which operate at the corporate level.

The 1995 book did not develop the issue of discrepancies which may occur between the approaches to interaction with a counterpart company, whether planned or unplanned taken by different individuals within a single company (Ford, Håkansson, & Johanson, 1986). Variations between the interventions of different individuals or subgroups may complicate or confuse the attributed identity of a corporate actor. More generally, the 1995 attributed the identity of a corporate actor to its interactions with multiple counterparts, some of which will be central to that identity.

The 1995 book marked a switch from the relationship-defined actor to the network-defined actor. However, the book did not discuss the possibility of multiple, discrepant identities for an individual or corporate actor in different relationships. Nor did the book explore the process of change in an actor’s identity (La Rocca, 2013) or the effects on interaction of discrepancies between the wider “network pictures” of different actors (Ford & Redwood, 2005; Henneberg, Mouzas, & Naudé, 2006; Kragh & Andersen, 2009).
Finally, the 1995 book introduced the term “networking” to describe the process of change in the network. This term was used to counter the interpretation that the change for a business company arises from the taking and implementing of independently arrived-at entrepreneurial decisions or as a result of changes in external conditions. Instead, “the change process is driven by interactions in relationships” (Page 271).

2009: The Characteristics of the Business Network

The 2009 book (Håkansson et al.) elaborates on the networks of resources, activities and actors that form the structure of the business landscape. This book has the strongest focus on the business actor. As illustrated in table 5 the Leximancer analysis reveals how the likelihood to encounter discussions on ‘actors’ is 64 % for this particular book as compared to the other books.

<table>
<thead>
<tr>
<th>Concept</th>
<th>Count</th>
<th>Likelihood</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>143</td>
<td>89%</td>
</tr>
<tr>
<td>World</td>
<td>169</td>
<td>79%</td>
</tr>
<tr>
<td>Actors</td>
<td>889</td>
<td>64%</td>
</tr>
<tr>
<td>Interaction</td>
<td>665</td>
<td>57%</td>
</tr>
<tr>
<td>Economic</td>
<td>206</td>
<td>53%</td>
</tr>
<tr>
<td>Production</td>
<td>266</td>
<td>49%</td>
</tr>
</tbody>
</table>

*Table 5: Concepts most likely to appear in the 2009 book as compared to the other books*

In this book the actor is also discussed as part of a ‘web’ of interactions as listed in Table 6. However, this book explicitly discusses how actors are selective in their way of relating to each other as it departs from the others by addressing the issues of actors’ intentions and the interpretations of interaction in terms of ‘jointness’, ‘commitment’ and ‘selectivity’ as listed among the thesaurus words in Table 6.
The 2009 book developed the notion of networking, previously introduced in the 1995 book. The 2009 book is largely concerned with networking in a dyadic context. Rather than simply being used to describe a generalised process, networking is seen to be at the core of the management in the business landscape. Networking is defined as the pattern of managerial intervention in the process of interaction. The book emphasises that networking is a continuing process so that all interventions in interaction and all responses to them are based on previous interactions and take place at a particular position in network space and time. This position is described in terms of the jointness or the
developed links between the involved actors, the heterogeneity of the resources in
the interaction and the interdependencies that have developed between the
interacting activities. The continuing effects of managerial interventions in the
interaction between these elements are then reflected in the coevolution of the
actors, the path of resource evolution and the specialisation of the interacting
activities. The 2009 book introduces a language for the management process in
the interactive business landscape. This language provides for analysis of the
process within a paradoxical managerial situation. The business actor in this
paradoxical situation is able to use counterpart actors to facilitate development
whilst being simultaneously constrained by the wishes of those counterparts.
The actor must operate in a world in which the outcomes of interaction are
influenced by the actor’s own interventions, but in which the actor itself is the
outcome of those interactions. Finally, the actor faces the paradox that in
seeking to control the landscape in which it operates, the actor inevitably loses
the benefit of the initiatives of those it controls.

The 2009 book develops a simple taxonomy of managerial interventions in this
paradoxical business landscape. At the tactical or day to day level, managers
face choices of which aspects of their interactions they should seek to change or
confront and which they should, or would need to conform. This aspect of
management is expressed in terms of agenda setting and timing. More broadly,
management in interaction faces issues of if, when or how to create change or
consolidate the structure of the actor’s relationships. Finally and perhaps more
significantly for the direction of development of an actor, its associated activities
or resources, its relationships and its counterparts, an actor faces choices on
when and in which situations it should interact on the basis of its own knowledge
and ideas by seeking to coerce a counterpart and when it should concede to
following the direction determined by a counterpart.

2011: Managing Relationships

The 2011 reemphasises the centrality of the relationship to an understanding of
management in the business landscape. The book starts with the statement that,
“business relationships are quite simply the basis of business, and without them no company can operate” (page 1). The book takes as its theme the development of the managerial tasks that are associated with the adaptation, development and exploitation of activities and resources within business relationships. The book develops the generic concept of the business actor to relate more to the individual personnel interacting on behalf of companies in relationships (page18). This orientation is reflected in the concepts that the Leximancer analysis highlights in Table 7. The likelihood listed in the table indicates the probability that discussions of a concept appear in the 2011 book, as compared to the previous books, so that “real world” issues such as ‘price’, ‘costs’ and ‘operations’ come to the fore in relationships with customers and suppliers.

<table>
<thead>
<tr>
<th>Concept</th>
<th>Count</th>
<th>Likelihood</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>143</td>
<td>60%</td>
</tr>
<tr>
<td>Costs</td>
<td>257</td>
<td>53%</td>
</tr>
<tr>
<td>Customer</td>
<td>808</td>
<td>47%</td>
</tr>
<tr>
<td>Suppliers</td>
<td>866</td>
<td>46%</td>
</tr>
<tr>
<td>Operations</td>
<td>132</td>
<td>46%</td>
</tr>
<tr>
<td>Network</td>
<td>469</td>
<td>36%</td>
</tr>
</tbody>
</table>

*Table 7: Concepts most likely to appear in the 2011 book as compared to the other books*

The 1995 book introduced the three elements of activities, resources and actors to provide a terminology to discuss the characteristics of the business landscape and relationships within it. The 2011 book develops an analysis of variations in the *substance* of these elements in different relationships. This is illustrated in Table 8 which summarises the thesaurus associated with the concept of the business actor, drawn from Leximancer analysis of the 2011 book.
Table 8: Thesaurus words and illustrative quotes associated with ‘actors’ in Ford et al. (2011) identified through the Leximancer query tool

The 2011 book focusses on the ‘effective’ management of business relationships and from the different perspectives of customers and suppliers. The book also explores the ways that actors’ understand and are able to relate their own interactions to a wider network of relationships. Two related aspects of this understanding stand out:

The first is provided by the concept of intermedation. All business actors are intermediaries in that they have relationships with both suppliers and customers. The network perspective of intermedation contrasts with the conventional separate analysis provided by the concepts of distribution and supply which examine the flow and adaptation of goods and services from the single perspectives of a supplier or customer. These two concepts relate closely to the idea of the independent decision making company that is assumed to be able to manage “its” distribution channel or “its” supply chain. In contrast, the concept of intermedation provides for analysis of the separate positional (or relational) resources and technological resources of interacting companies.
The second aspect of actors’ understanding highlighted in the 2011 book is a further development of the concept of networking. This development examines the issues raised by networking within a single relationship as previously discussed. But the book also examines networking between direct relationships to create a new pattern or to consolidate on an existing structure and also the practice of networking to produce wider network effects. These developments highlight that an actor is linked to even remote counterparts within the network by the coordination, linking or activation of activities and resources using intermediaries and third parties.

Finally, the 2011 book reinforces the theme that runs through each of the four books we have analysed. This theme is the central role of the business relationship in an understanding of the business actor and of business management; “Managing in relationships is not an issue of ‘buying (or selling) the right products at the right time and the right price’ but of managing the possible utilisation of resources of competent and knowledgeable key suppliers (and intermediaries) over long periods” (page 74).

**Development of the Concept of the Business Actor**

Table 9 summaries the development of the IMP conceptualisations of the business actor and business manager.
<table>
<thead>
<tr>
<th>BOOK</th>
<th>THE BUSINESS ACTOR</th>
<th>BUSINESS MANAGEMENT</th>
</tr>
</thead>
</table>
| 1982 | No direct use of business actor concept.  
Challenges the conventional thinking of business companies as single, independent entities. | Discusses business purchasing and marketing as essentially similar activities influencing the role and task the business manager. |
| 1995 | Characterises the business actor by an identity obtained through interaction.  
An actor’s identity develops and changes through the multiple bonds with other actors. | Business management is not directly discussed, but the notion of networking is introduced to be used by the business actor to intervene in interactions to affect adaptations and development of activities and resources. |
| 2009 | Has the strongest focus on the business actor.  
Characterises actors as selective in relating to others building commitment and jointness. | Effects of networking, viewed as a pattern managerial intervention, are reflected in coevolution of actors, resource path dependencies and activity specialisation.  
Develops taxonomy for business managers’ interventions in interactions. |
| 2011 | Develops the generic concept of the business actor as an individual interacting on behalf of a company in relationships.  
Explicates the actor as linked to even remote counterparts in the network. | Focusses on ‘effective’ management by means of intermediation since the manager needs to jointly relate processes of supplying and buying based on the actors’ understanding of relations between own interaction and the wider network of relationship.  
Issues such as price, costs and operations come to the fore to be dealt with in relationships. |

Table 9: Summary of the development of the concepts of the business actor and business management

A comparison of the summary of table 9 with the initial count of concepts most commonly used in IMP literature in Table 1 shows that IMP literature is heavily
dependent on the traditional and separate concepts of ‘suppliers’ and ‘customers’. Across the four books the concept ‘suppliers’ is counted 1870 times and the concept ‘customers’ is counted 1724 times. The generalised individual and corporate concept of ‘actor’ is much less frequently used (counted only 1399 times). The first of our research questions asked how the IMP conceptualisations of the business actor and hence of the business manager and the business company been developed over time. It is significant that the Leximancer analysis gives no indication that the four books have addressed the connections between the concepts of the individual and corporate actors. These connections comprise a major area of attention for managers operating in the business landscape and the lack of attention in these books points to a significant area of underdevelopment in IMP literature.

**BUSINESS MANAGEMENT AND THE IMP CONCEPTUALISATION**

The second research question in this paper is, “What problems arise in attempting to use the IMP conceptualisation for analysis or management?

The conceptualisation of the business actor developed in the books that we have examined is one in which the direction of an individual, subgroup or corporate actor is determined through its interactions in a number of individually significant and idiosyncratic relationships. This interactive view complicates the idea of the business company and of its management for both researchers and managers, for example:

**Opaque Interaction:** If a business company is inseparable from the particular interaction processes in which it is involved then the multiple causations and specific outcomes of those processes can never be ascribed to just its own deliberations, intentions or actions alone. Further, although some of a company's interactions may be observable in its negotiations and developments with other companies, much of the process of interaction is hidden from view. It is through this *opaque interaction* that resources and the activities and actors associated with them evolve through multiple adaptations, developments and teaching and learning (Anderson, Håkansson, & Johanson, 1994; Wilkinson &
Young, 2002). The opaque process of interaction makes it difficult for a researcher or manager to identify the interpretations, intents or separate initiatives of counterparts. All interaction has multiple effects within and outside the notional boundaries of the company and the opaque character of interaction means that it is effectively impossible to relate specific actions or interventions to specific outcomes (Araujo, Dubois, & Gadde, 2003; Richardson, 1972).

**Interaction between Elements:** The interactive business company and the multiple activities, actors and resources with which it is associated are each interdependent with others elsewhere. These associations mean that there is no clear boundary around a combination of elements which any company could be said to control. Hence, there is no clear boundary around the company itself. The absence of boundaries means that the evolution of each company and relationship is the outcome of its own multiple interactions and of the parallel, related and often remote interactions between other companies, activities and resources on which it depends.

**The Issue of Intent:** Interactions between business companies are influenced by the immediate issues and problems that each of them face, by their respective intentions and by their previous experiences and expectations of the future. But a large proportion of the interactions observed between companies cannot be interpreted solely in terms of some corporate intent: interaction and its effects may be unintentional or be driven by the concerns, prejudices, fears and aspirations of individual actors who are directly involved. Similarly, the business activities and resources associated with companies also interact, adapt and evolve without intentional or at least without observable intervention. This apparently “Darwinian” evolution of interacting activities, resources and actors through multiple interactions over time makes it difficult for the analyst to explain the reasons for the specific interaction approach of any actor. More importantly, these complications severely limit the analyst’s ability to explain the reasons for the evolving relationship-defined characteristics of a company.
**The Problem of Language:** The conventional language of business that is used by both practitioners and academics is firmly located in the idea of the independent business company with a discrete identity. This identity is defined by a set of physical and financial assets which it is assumed to control and by its observable position in one or more offering-defined, but generalised “markets”. The language of business provides the means for us to discuss the supposed “strength” or “weakness” of such a company or to refer to those companies that are growing or declining. The language of business also provides us with commonly accepted, although imprecise terms with which to categorise companies such as manufacturer, retailer, supplier or customer. These categorise provide a common-sense way of discussing the role, position and intentions of a company and are combined with well-accepted, but perhaps deceptive ways of assessing the position and performance of a company in terms of asset-value, cash-flow and profit (e.g. Coughlan, Anderson, Stern, & El-Ansary, 2006; Dwyer & Welsh, 1985; Heide, 1994; Kumar, Stern, & Achrol, 1992).

But if the structure of the business landscape is made up of interdependent resources, activities and actors and if the core processes of management centre on interaction between these elements, then this cuts across our everyday language and poses many questions for both analysts and practitioners about the practice of business management. For example:

How can we analyse how “well-connected” a company is to the resources and activities of others through its multiple relationships?

How can we compare the effectiveness of different companies in using the skills and resources of their counterpart customers and suppliers, or their skills in short and long-term interactions with others?

How would we make sense of a company that seems to be “peripheral” when compared to others in a network that by definition has no centre or boundary?
Would it be possible to usefully measure how “assertive” or “reactive” a company is or how skilled it is in integrating its own operations with the “external” activities and resources on which it depends?

How do we account for movements of cash and capital in an interdependent network?

How do we value relationship-specific assets that may have no real “market value” (e.g. Blankenburg & Johanson, 1992; Halinen, Salmi, & Havila, 1999; Håkansson & Olsen, 2015; Kraus, Håkansson, & Lind, 2015; Wilkinson & Young, 2002).

How can we analyse the role and effectiveness of particular managers or companies in evolving interacted outcomes?

What if any are the specific characteristics of business interaction from the perspective of a “supplier”, “customer” or development counterpart?

How do we make sense of the connections between interacting individuals and their companies?

How do we make sense of the role and effectiveness of particular managerial interventions in an interacted world?

How can we assess the skills required of a business manager in order to operate effectively in an interactive business network?

Answering these questions is beyond the scale of a single paper, but in the next section we will point to an approach to the analysis of the business actor and business management within the third research question in this paper, “How can we further develop analysis of the process of business management in an interactive landscape?

ANALYSING THE BUSINESS ACTOR AND BUSINESS MANAGEMENT

We now seek to answer this third research question under two headings; context and process, building on our earlier analysis of the IMP conceptualisation.
Context

IMP research places the individual or corporate business actor within a complex combination (or web) of relationships and interdependencies. This contextual view of the actor is highlighted by the Leximancer thesaurus analysis which highlights that the ‘identity’ or, more appropriately multiple “identities” of an actor develop through its connecting ‘bonds’ with other actors and which form part of a ‘web’ of relationships in the business landscape (Tables 4, 6 and 8). The identities of an actor are a function of its connections to those activities, resources and to the other actors which surround it and form the platform for its interactions. Thus, IMP suggests that the essence of a particular business actor can be analysed from an external standpoint, at a point in time, in terms of what and who it relates to, rather than any supposedly intrinsic, internal or self-developed characteristics. Each of the multiple identities of a business actor at any point in time exists in the perceptions of the actor and those of a particular counterpart (La Rocca & Snehota, 2016). In turn, each identity will have arisen through dyadic interactions between the counterparts over time, as well as through their respective interactions with others and their view of the wider network. An actor’s interactions with each counterpart will take place on the basis of their respective views of each other’s identity and those interactions will evolve as those views develop (La Rocca, 2013).

A starting point in a contextual approach to the analysis of a business actor describes the position of the company in terms of the range of activities and resources on which it depends, the location of these elements in the network, the broad characteristics of the relationships through which they are accessed and the interdependencies which surrounded them. For example, an internet-based company may have developed through a close relationship with a particular software-house rather than on the basis of its own in-house development. The company’s relationship with this software-house may be heavily interdependent because the internet company relies on recouping development spending in this relationship which it then exploits elsewhere in other significant and connected relationships which in turn affect the initial one. In contrast, the position of some
companies has been characterised by only limited inter-dependent relationships with suppliers or by an unwillingness to commit to long-term customer relationship development.

A contextual analysis of a business actor will initially be at a single point in time, but it should not be purely descriptive in approach. Instead it needs to capture dynamics through the observed effects of relationship development and interdependence. For example, dependence on an initial customer relationship has been shown to be critical in the development of new ventures by companies which lack either existing relationships or in-house marketing skills (La Rocca, Ford, & Snehota, 2013). Similarly, the development of interdependence in relationships has been shown to be important in optimising resource investment between counterparts and in developing adaptation and innovation (Ford & Håkansson, 2013).

A major problem in the contextual analysis of the business actor arises if that analysis is actor-centric. In other words, the context for a business actor may not be accurately defined simply by the view of relationships and network from the actor’s own perspective but must also assess position from the perspectives of relationship counterparts. Further, the view of a network surrounding an actor cannot realistically be analysed within the “small-world” in which it operates and which may indicate local stability or turbulence (Håkansson et al., 2009; Milgram, 1967). Business networks are never uniform and all actors are subject to remote effects.

A second problem in analysing the business actor within the IMP conceptualisation concerns the nature of the actor at different organisational levels from individual to corporate. The multiple levels of the business actor within a company each have their own identity derived from interactions within the company and with others elsewhere. This complexity was acknowledged, but not developed in the 2009 book. As long ago as 1986 Ford, Håkansson and Johanson highlighted that interaction between companies is likely to involve many people and that, “the parties do not usually have a clear, consistent and
common view of where they stand” (Ford et al., 1986:29). Inconsistency in interaction is both a problem and an opportunity for the business actor. A consistent approach to interaction is often a management goal in order to show a coherent “corporate identity”. But this goal is difficult to achieve or manage both between multiple individuals or subgroups, each with their own identity or in multiple interactions over time. Inconsistency in interaction also provides the opportunity for the corporate actor to accommodate different identities for particular subgroups. Thus, contextual analysis of the business actor needs to acknowledge that, “an adequate understanding of company behaviour can only be provided by also analysing the company as a collection of interactions by individuals and subgroups which are more or less inconsistent with each other and over time” (Håkansson et al., 2009:85).

**Process**

IMP research has emphasised the connections between the “network picture” of the business landscape held by an actor, the actor’s networking and its perceptions of outcomes (see e.g. Henneberg, Mouzas, & Naudé, 2006). Interaction provides the central processional aspect of the concept of the business actor and interaction reinforces the idea of the externally-defined business actor. In the Leximancer count of concepts in Table 1 ‘interaction’ is counted 1165 times. The starting point for a processional analysis (Pettigrew, 1997) of the business actor within the IMP framework emphasises the limits to managerial control or even to the level of its involvement in the interactive business landscape. The management of all business companies is vulnerable to the “decision fallacy”: the idea that a company evolves solely in a direction of its own volition. Indeed, the network of interdependencies which enmesh a company suggests that external elements: activities, resources and other actors are likely to have more influence on the direction of a company than its own internal activities, resources or intentions. These external factors are highlighted by the Leximancer thesaurus analysis in the way that the books discuss how actors are ‘attributed’ an identity through the process of interactions and how the
‘effectiveness’ of management depends on an actor’s ability to link and combine external to internal activities and resources (Tables 4 and 6).

The universally related elements of activities, actors and resources that interact and evolve through multiple influences form “an ever shifting sea in which all must swim”. An acceptance of the complexity of this situation forms the starting point from which to trace the process in which an actor is engaged and which contributes to its identity. All elements in and around a particular relationship interact and all evolve. Neither of the counterparts in even the simplest dyadic relationship control their interaction, neither can have full knowledge of the precursors of their interaction or its outcomes. In particular the interfaces between resources and their development have been shown to influence the economic investment of firms as well as their innovation activities (Gadde & Lind, 2016; Prenkert, 2016). The framework in Figure 1 provides a basis for describing the interactive process in which a company is engaged (Ford & Mouzas, 2013; Håkansson et al., 2009).

<table>
<thead>
<tr>
<th>Activities</th>
<th>Resources</th>
<th>Actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interdependency</td>
<td>Heterogeneity</td>
<td>Jointness</td>
</tr>
<tr>
<td>Specialisation</td>
<td>Path</td>
<td>Co-evolution</td>
</tr>
</tbody>
</table>

**Figure 2: Analysis of interaction process**

The interdependency between activities, the heterogeneity of resources in a particular relationship and the developed jointness of actors provides a description of the state of interaction in which an actor is engaged at a point in time. Processional analysis examines how the actor co-evolves with significant counterparts, the ways in which major resources inside and outside of the actor follow a path of greater or lesser heterogeneity and the ways in which significant activities are becoming more or less specialised. A more developed processional analysis is illustrated in Figure 2. This analysis seeks to show the ways in which...
A company is involved in processes that affect significant resources at the level of a single relationship, across the companies that made up the “small world” of familiar counterparts and across the wider network.

<table>
<thead>
<tr>
<th>The level of the relationship</th>
<th>Resource layer</th>
<th>Activity layer</th>
<th>Actor layer</th>
</tr>
</thead>
<tbody>
<tr>
<td>The level of the small world</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>The level of the wider world</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
</tbody>
</table>

Figure 3: Processional analysis across the network

A realistic processional analysis of a business actor has to accommodate the difficulty of examining a process as opaque as interaction. It also has to cope with interaction’s linear characteristics and the difficulty of understanding both interaction’s precursors and the differing future perspectives of the participants as well as the complex interconnections between processes.

From a preceding analysis of the context of a business actor, the analyst may seek to identify a range of typical interaction processes of varying intensity and significance. From this, the analyst can move to identify the types of interaction in which the company is typically involved (Ford & Håkansson, 2016). These types range from those associated with a zero-sum game to those characterised by close cooperation.

**THE CAPABILITIES OF THE BUSINESS ACTOR**

The final research question for this paper was; “Can the IMP conceptualisation of the business actor be translated into a set of capabilities that are required of the business manager”?
In this paper we have seen that IMP research has emphasised the limits to the knowledge and understanding under which both a corporate and an individual business actor must operate. These limits relate to the actor’s inability to predict or manage outcomes, its dependence on others and its vulnerability to forces beyond its control. But business companies do manage: they do select counterparts, follow through initial contacts and build relationships. More importantly some of them are extremely successful at these things and they grow rich while others fail. Sometimes success comes to just one of the counterparts in a business relationship, sometimes to both. In this final section we seek to identify a number of the capabilities required of the business actor drawing on our analysis of the IMP literature and the literature on capabilities.

Capabilities in the literature are generally regarded as processes such as Lean Manufacturing or Efficient Consumer Response or Category Management that a business actor has learned through experience and interaction with others and which may generate hoped-for outcomes (Adner & Helfat, 2003; Eisenhardt & Martin, 2000; Teece, 2007; Winter, 2003). Capabilities may originate within a few interconnected companies but spread quickly to broader business networks. For example, every car manufacturer now knows how to achieve rapid equipment turns on an assembly line and every retailer knows how to implement Electronic Data Interchange and Continuous Stock Replenishment. But more recent research on ‘dynamic’ capabilities (e.g. Teece, 2007, p. 1319) has emphasized distinct skills, processes and organisational routines which are difficult to develop, deploy or imitate and which are likely to be associated with a particular business actor or set of relationships (Gratton & Ghoshal, 2005). It is these dynamic capabilities that enable an actor to intervene or network in its interactions with others that form the basis for the operations of the business actor in an interactive business landscape (Abrahamsen, Henneberg, & Naudé, 2012)(Ford & Mouzas, 2013; Ritter, Wilkinson, & Johnston, 2004).

The capabilities necessary to operate in the interactive business landscape encompass many aspects of analysis, planning, implementation and evaluation on many levels: both at the level of single episodes and of an overall relationship,
within particular single relationships and across a wider portfolio, within the immediate small world of an actor’s direct contacts and experience and across the wider network in all its forms. In this concluding section we briefly highlight six issues that influence the capabilities required of the business actor and which arise from the ideas on the business actor presented in this paper:

**Applying and relating purpose:** Business interaction involves actors in multiple episodes between multiple individual actors, resource and activity elements that are connected both simultaneously and sequentially. Business interaction involves investment of time and money to adapt resources, actors and activities (Ford & Håkansson, 2006). Successful interaction requires both time and range and actors must be capable of developing, relating and applying purpose to multiple relationships, episodes, elements and time periods. Purpose in interaction requires the actor to understand and manage inconsistency. Purpose in an interactive context relates less to an individual strategy in terms of easily identifiable outcomes for a single company. Instead, it involves flexible and evolving criteria for both proposal and response across complex interaction. Purpose for the business actor is expressed in terms of an approach to the specialisation of activities, to the paths followed by resources and to the co-evolution of actors. Critically, the capability to pursue purpose for an interacting actor extends to beyond the actor itself and to its counterparts.

**Behavioural context analysis:** We have emphasised that a central theme in IMP research is to consider the business actor within a physical, economic but also a behavioural context. A business actor must be capable of relating effectively to each of these. The behavioural context is manifested within particular relationships in specific actor bonds comprising patterns of obligation, adaptation, learning and teaching. These bonds both constrain and facilitate the actor’s strategy development and implementation (Håkansson & Ford, 2002). More widely, the behavioural context takes the form of both a formal and an unwritten constitution of rules and norms with effects across the small world of the actor’s counterparts (Mouzas & Ford, 2009). This constitution can serve to protect the business actor but also may impose the “pressures of the herd” (Ford
The business actor must be capable of assessing when it should work within the existing constitution of the network and within the developed norms of a particular relationship. The actor must also be able to know when and how to “break the rules”. The business actor must have the capability to analyse the context in which it operates. Perhaps more importantly, the interactive business actor must be able to examine that context from the perspective of significant direct and indirect counterparts.

**Coherent adaptability:** No business actor in an interactive landscape has complete control over the activities, resources and actors on which it depends and all business actors are likely to develop different identities within their interactions with a range of counterparts. Interdependence between an actor and others can reduce costs and contribute towards optimisation of investment in activities and resources for all counterparts, but at the expense of reduced control over each actor’s direction and development. Operations within multiple identities are an outcome of the actor’s adaptability to the requirements of specific counterparts within interaction. The business actor must be able to manage in range of different relationships in terms of their intensity and interdependence, ranging from short-term or single-episode advantage-seeking to long-term, multi-actor cooperation (Ritter, Wilkinson, & Johnston, 2002). But it is unlikely that the experience and capabilities of a business actor will be uniform across this range. These adaptations are likely to increase the actor’s costs and lead to its operation within relationships for which it is ill-equipped (Håkansson & Ford, 2002). The business actor must be capable of balancing its necessary dependence on others and adaptability in its identities against the need for coherency in its own development.

**Decipherable intentions:** Analysis of the intentions and interpretations of others provide the actor with a view of the potential and the limitations of interaction. To operate successfully, the actor also needs to be able to make own intentions decipherable and legible to other actors. The ability to communicate intentions provides a basis on which to demonstrate commitment and build trust with others (Wilkinson, Young, & Freytag, 2005) and to influence the evolution of an
actor’s identities (Håkansson & Snehota, 1995) through the development of selectivity, commitment and jointness.

**Effective implementation:** Implementation for the business actor does not imply that an actor knows in detail what to do in each episode or is able to follow its own predefined purpose or strategy. Implementation for the business actor requires the capability to prioritise issues to confront against those to which it will continue to conform to current ways of interacting. Implementation of an actor’s purpose also depends on the capability to judge when to attempt to coerce a counterpart over an issue or when to concede to the knowledge and intentions of another, when to give and when to seek consent. Business interaction takes many forms in its extent, its intensity and in the motivations of those involved in it, ranging from complex cooperation to short term zero-sum trades. The business actor must be capable of operating effectively within each form of interaction with a single counterpart and to move interaction in a direction that relates to their purpose (Ford & Håkansson, 2016).

**Fusing interests:** The character of business interaction is determined by the different interests and preoccupations that actors bring to it. The business actor has to be able to navigate between its self-interest in interaction and collective interests shared with others (Medlin, 2006). The business actor must be able to consciously create connections between its own interests and those of others. In turn, this ability relates to being able to ‘read’ and understand the interests of others to be able to connect them to its own business interests (Munksgaard & Medlin, 2014). Thus, it is not just network position that brings success to the skilled actor. The ability to act on and react to interests and events in the network is of importance (Möller & Halinen, 1999; Svendsen, Dubourcq, & Håkansson, 2014). The skilled actor is likely to be one that is able to analyse the collective interests in interaction and fuse these into self-interest gains (Munksgaard and Medlin, 2014). Part of the ability to converge self and counterpart interests over time are the social skills of the business manager and its ability to show and create commitment and trust with others.
APPENDIX: METHODOLOGICAL ISSUES

Our examination of the evolution of the concept of the business actor within IMP literature uses the Leximancer software (leximancer.com). Leximancer is a text-analytical software designed for analysing the content of natural language (e.g. interview transcriptions, academic books or research journals). The software is founded on corpus linguistics, computational linguistics and psycho-linguistics (Leximancer, 2010, page 4). Research in these fields argue that word occurrence in natural language is a rich source of information about aspects of human language learning, comprehension and performance. In other words, use of words in text and speech correlates with human learning and performance (Smith & Humphreys, 2006). Leximancer builds on the linguistic assumption that a word can be defined by its context in use and that the use of words tends to correlate with other words over a certain range within a natural language text stream. Very simply put, we use Leximancer to look at the meanings which lie behind the associations of terms used in text.

For the present purpose we have used Leximancer as a starting point to discuss and compare differences in how the selected literature refers to the notion of actors and especially how the understanding of actors has evolved. For this we have used three rather simple tools in Leximancer. As a first tool we have explored which concepts extracted by Leximancer that appear most often across the four books (see table 1). The software offers automatic coding of text and thus performs content analysis examining the semantic patterns of document sets. In this process concepts are derived from the text. Leximancer automatically identifies these concepts based on words that most often appear in the text (for this the software uses statistical algorithms – see leximancer.com for further details). A concept identified by Leximancer is a cluster of words that ‘travels together’ in the text. Essentially, Leximancer does two forms of content analysis (Leximancer, 2011; Smith & Humphreys, 2006): 1) Conceptual where concepts are automatically learned from the text by the software. For each concept the software produces a thesaurus containing a ranked list of words from the text that define and describe each concept. 2) Relational where relationships between
the learned concepts are examined to create information on how some of the
learned concepts might occur more often together in the text than others.
Whereas the first conceptual phase extracts concepts in forms of words that are
often associated in the text, the second phase provides information on the how
these learned concepts are related. The concepts extracted from the text are not
to be mistaken for theoretical concepts although these may take names from
theoretical concepts used in a text. Whereas Leximancer can assist in extracting
textual concepts from natural language text, the correlation between those
textual concepts and the ideas or mental states of those employing them is
acknowledged to be abductive.

As a second tool provided by Leximancer, we have examined the thesaurus
behind the concept ‘actors’ as extracted by the software (see e.g. table 4). The
thesaurus is used for examining the direct development of the concept of ‘actors’
within the four books. The thesaurus is Leximancer’s dictionary for the concepts
extracted from the text. Manual coding for content analysis of text includes using
a pre-specified thesaurus or coding scheme for associating collections of text to a
specific concept. However, in Leximancer the thesaurus is automatically
generated and well-grounded in the text. Thus, the thesaurus provides an
opportunity for the researcher to make sense and gain an understanding of the
meaning of each concept extracted by Leximancer. This analysis recognizes the
multi-component nature of the concepts that summarize the text and explores
the concepts’ content via examination of words in their thesauruses. Insights
from this tool allow us to interpret on the differences and similarities of the
concept of the interacted actor in the four books.

Thirdly, an additional query tool further assists us providing illustrative quotes
from the text (see e.g. table 4) on which the concepts and thesaurus are drawn in
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