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**Collaborative Interaction in the Internationalization of  
Small- and Medium-Sized Enterprises**

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## Collaborative Interaction in the Internationalization of Small- and Medium-Sized Enterprises

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### Abstract

Internationalization of small and medium-sized enterprises (SMEs) involves inter-organizational collaboration between the representatives of SMEs and intermediary organizations such as business consultancies, finance companies or research and innovation centers. This study provides the individual practitioners' view of collaborative interaction in the context of internationalization of Finnish SMEs into China, based on qualitative written data (N = 93). The findings produced using a phenomenographic approach suggest that collaborative interaction in SME internationalization can be characterized as goal-oriented task communication, other-oriented relational communication, and ethics-oriented dialogic communication, having both personal and organizational functions and outcomes. In addition, the study reveals dialectical tensions such as *personal-professional*, *emergent-strategic*, and *stability-change*, inherent in inter-organizational business collaboration. The study concludes with a discussion of both theoretical and practical implications of the findings.

**Keywords:** collaborative interaction, inter-organizational collaboration, interpersonal communication, relational dialectics, SME internationalization

### Introduction

Current working life is characterized by transcending functional, hierarchical, organizational and national boundaries (see Thomas, 2007). Rapid technological changes, scarce resources and the increasing organizational interdependencies have raised the need for collaboration (Thomson & Perry, 2006), which the fluctuation of the global economy has emphasized. The internationalization of small and medium-sized enterprises (SMEs) is an example of a process that requires collaboration across borders, both locally and globally. SME internationalization brings together representatives of various organizations, economic sectors and nationalities as it typically involves collaborative interaction of the SMEs and the intermediary organizations such as authorities, business consultancies, finance companies or research institutions. This paper investigates collaborative interaction (CI) particularly in the context of internationalization of Finnish SMEs into China.

One of the biggest challenges facing a collaborative context is the sheer diversity that exists among the stakeholders and partner organizations as they aim towards some form of collective action (Koschmann, 2010). CI in an international business context can be complicated by the differences in professional languages and technological know-how, organizational and national cultures, or the regulatory environment and economic development (Huxham & Vangen, 2000; Saatci, 2008). The actors from different sectors are likely to be motivated by a variety of goals or approaches, and specific communication goals and processes (Selsky & Parker, 2005, Saatci, 2008). The internationalization of Finnish SMEs into China involves various individuals who act not only in Finland or China but globally, and who are increasingly interdependent of each other. The idea of the current era as the globalization of individuals (Friedman, 2006) fits well to the context of SME internationalization.

Thus far, inter-organizational collaboration has predominantly been studied from the organizational perspectives (for reviews see e.g. Heath & Frey, 2004; or Selsky & Parker, 2005). Communication scholars (e.g. Thomson & Perry, 2006; Keyton, Ford & Smith, 2008; Koschmann, 2010) have criticized the past interdisciplinary research of prioritizing the antecedent conditions, organizational properties and outcomes, or other abstract structural characteristics over the actual human interaction, communication strategies or the individual influences of collaborative partners. However, collaborative exchange does happen among human agencies, collaboration is people interacting (Keyton, Ford & Smith, 2008; Doerfel, 2005). Social interaction creates and sustains collaboration among individuals (Keyton, Ford & Smith, 2008), which is why the present study examines collaboration from the perspective of interpersonal communication. The argument approaches inter-organizational collaboration as CI of the individual representatives of SMEs and the Finnish and international intermediary organizations involved in internationalizing Finnish SMEs into China.

### **Collaborative Interaction in Inter-organizational Relationships**

The concept of collaboration typically refers to the relation between self and other and this relationship is ideally characterized by equality between participants (Keyton & Stallworth 2003; Lewis, 2006). Collaborative interaction requires a shared task or goal but the participation in successful collaborative relationships is

characterized as fundamentally informal and volitional (Keyton & Stallworth, 2003; Lewis, 2006). Organizational representatives whose participation is forced or required may perceive collaborative efforts less worthwhile (Keyton & Stallworth, 2003).

However, CI in inter-organizational contexts, such as SME internationalization, may be complicated by the collaborative partners' differences in terms of budget, staff, status, power and the motivation to participate and promote their specific objectives (see Keyton et al, 2008). The collaborative partners in SME internationalization represent different sectors, and are most often committed to multiple targets including the targets including those of their parent organizations, and they do not necessarily experience the same benefits from collaboration. This may create competition and even a potential imbalance of power (see Keyton & Stallworth, 2003), which questions the equality between collaborative partners, and indeed, Doerfel (2005) provides evidence of the simultaneous existence of cooperation and competition in collaborative relationships in an inter-organizational context.

The varying goals among the individuals, the collaborative groups and their stakeholder organizations and the varying benefits from collaboration can manifest several dialectical tensions (Heath & Frey, 2004). The communicative model of collaboration devised by Keyton, Ford and Smith (2008) reveals previously under-theorized tensions in inter-organizational collaboration such as a tension between public and private that can refer to different kinds of beliefs and assumptions and how they affect information sharing. In particular, the representatives of different economic sectors tend to have competing ideologies and values, and collaborative relationships across the sector boundaries can, hence, be even more complicated than those within the same organization or industry (Koschmann, 2010). Representatives of SMEs may primarily be aiming to improve their business operations (private good), whereas the representatives of intermediary organizations may be more concerned with supporting regional development (public good) (see also Keyton et al, 2008). The individuals often need to balance their organizations' interests to collaborate with the larger goals of the collaborative group (Heath & Frey, 2004), but also the goals or values of themselves and their stakeholder organizations may be divergent. In addition, it is possible that CI reveals personal opportunities that do not benefit the organizations. As Keyton et al (2008) suggest, this tension between individuals and organizations is likely to cause uncertainty of whether individuals or organizations are

collaborating, and the collaborative members' messages may, thus, be interpreted as representing the views of their own or those of their stakeholder organizations.

Presumably, the individual-organization tension also relates to the multiple forms and functions of collaborative relationships. They, like workplace relationships in general, function, for example, as information-sharing, decision-making, and the provision of instrumental and emotional support (see Sias et al, 2002). Workplace relationships have both relational and organizational features (Myers, 2010), which is why such relationships may be complicated (see Waldron, 2003), and evoke different expectations as to how close or distant or formal or informal they should be (see Purhonen, 2010; Rouhiainen-Neunhäuserer, 2009). The development and maintenance of workplace relationships involves evaluation of the partner's potential value in accomplishing the desired organizational goals as well as the evaluation of their social contribution (Myers, 2010).

As diversity always resides in collaboration, it is justifiable to examine CI from a dialogic perspective (Heath, 2007). A specificity of dialogue is that it generates new ideas, thoughts and outcomes, and accounts for the role of diversity in achieving creativity (Heath, 2007). Understanding CI at the level of interpersonal communication could, therefore, be grounded in relational dialectics theory (RDT) formulated by Baxter and Montgomery (1996), the premise of which is that meaning-making emerges from, and interpersonal relationships are shaped by, the struggle of different often competing discourses like integration-separation and expression-nonexpression (see also Baxter & Braithwaite, 2010). These discourses can be understood as worldviews or systems of meaning that can be simultaneously present and mutually negotiating in interpersonal relationships (see Baxter & Braithwaite, 2010). For instance, collaborative parties may at the same time value dependence of and independence from their partners. Whereas RDT has mainly been applied to examine communication in close relationships, especially family communication (Baxter & Braithwaite, 2010), some moves have been made towards applying the perspective in organizational communication contexts. Bridge and Baxter (1992) studied blended relationships which exist between friends who are also work associates, and were able to identify five dialectics inherent in workplace friendships: autonomy-connection, equality-inequality, impartiality-favoritism, judgment-acceptance, and openness-closedness.

Collaborative interaction in SME internationalization from the RDT approach can be understood as grounded in discursive struggles, such as the dialectical tensions of public-private or partnership-competition which are emergent and dynamic but also in dialogue with the social order that exists outside the immediate boundary of the relationship (see Baxter, 2004a, 2004b; Baxter & Braithwaite, 2008). In SME internationalization, this social order is shaped by the diversity of the business community: by the personal, organizational, industrial and national backgrounds of the collaborating participants (see also Varner, 2000; Charles, 2009). As Baxter and Braithwaite claim “it is problematic to draw the boundary of relational communication at the dyadic border, because relationships are sites of culture” (2010: 52). Therefore, an examination grounded in RDT takes the perspectives of both (inter)cultural and interpersonal communication to CI.

Communication research has approached collaboration as actual communication processes (see e.g. Thomson & Perry, 2006) and discourses (see e.g. Hardy et al, 2005) in contexts such as virtual learning teams (Rajan & Kisselburgh, 2010), inter-professional collaborative writing (Palmeri, 2004), and inter-organizational arrangements across economic sectors (Koschmann, 2010). The study of Thomson and Perry (2006) identified the communication processes of governance and administration, reconciling individual and collective interests, forging mutually beneficial relationships, and building social capital norms of trust and reciprocity, as specific to CI. Furthermore, boundary spanners were found to use their social identity and create sub-groups within inter-organizational collaboration to find ways to justify their membership and help orient and organize the diversity in collaboration (Isbell, 2010). This corpus of collaboration research has illustrated the communicative processes and practices, which form the basis of the argument concerning the complex nature of CI. The studies have, however, provided little insight into the perspective of individual practitioners to collaborative relationships or interpersonal communication specific to collaboration. An aspect that is also lacking is the examination of CI in an international business context. The present study provides the practitioners’ view and examines the experience and understanding of the collaborating representatives of SMEs and intermediary organizations concerning CI. The study is guided by the following research questions:

- 1: What is the nature of collaborative interaction in SME internationalization?
- 2: What are the aims, functions and outcomes of collaborative interaction?

3: How are dialectical tensions manifest in inter-organizational collaborative interaction?

## **Method**

### *Participants*

A total of 93 respondents of Finnish SMEs (n=35) and Finnish and international intermediaries (n=58) participated in the study during spring 2009. There was a bias towards Finnish participants (n=83), but the sample was also representative of other nationalities (5 Chinese, 3 Swedish, 1 Norwegian and 1 Taiwanese). The majority of the respondents were men (n=73), with 19 women and 1 unreported and the ages of the participants ranged from 26 to 71 years ( $M = 48.0$ ).

### *Procedures*

I gathered the research data with a web questionnaire constructed in Finnish and English. The data includes the written descriptions of the maintenance of collaborative relationships by the representatives of SMEs and intermediary organizations. I used two open-ended questions to elicit descriptions and perceptions of collaborative relationships in general. These included: 1. Please, describe what the maintenance of collaborative relationships means to you in general? (You can consider, for instance, what you expect from collaboration or your collaboration partners? Which factors can develop collaboration? What does the maintenance of collaboration relationship require?) 2. In your opinion, what is *failed* or *unsuccessful* collaboration in general? (You can consider, for instance, how does unsuccessful collaboration differ from successful? Which factors can cause collaboration to fail?)

The answers varied from single adjectives and word lists to detailed descriptions of collaborative relationships. Altogether the data accounted for approximately 35 pages of text with a font size of 12 and using double spacing.

### *Analysis*

For analyzing the data, I followed the phenomenographic approach (Marton, 1981), which enabled me to understand the phenomenon of CI, through the ways in which people experience, perceive, understand or conceptualize it (see Marton, 1994). The results of phenomenographic analysis form categories of description, which



Åkerlind (2005) explains are qualitatively different meanings or ways of experiencing the phenomenon. The outcomes of phenomenographic analysis may also include structural relationships linking the different ways of experiencing (Åkerlind, 2005).

In the analysis, I focused on the qualitative variety in the ways in which the representatives of SMEs and intermediary organizations experience CI in SME internationalization. Firstly, I searched for the meanings and variations of the answers to the two open-ended questions. Secondly, I grouped and regrouped the quotes according to their similarities and differences. This stage of analysis created conceptual groups that describe CI (see Figure 1). For instance, “keeping up with personal relations” (RN4)<sup>i</sup> was grouped into Description 2B: Function (CI functions as creating, managing and developing relationships). Consequent to this collation I was able to formulate three qualitatively distinct perspectives of collaborative communication (categories of description), which are presented with demonstrative examples from the written data.

## Results

The main result was the formulation, based on the understanding of CI by the representatives of SMEs and intermediary organizations (henceforth the respondents or practitioners), of the three qualitative distinct perspectives of CI: 1. *Collaborative interaction as task communication*, 2. *Collaborative interaction as relational communication*, and 3. *Collaborative interaction as dialogic communication*. These three perspectives were not mutually exclusive but should be viewed as being located on a continuum. Some of the respondents considered CI mainly as task communication, which requires relational communication. By contrast, other respondents referred to CI as relational communication, being the prerequisite of task accomplishment. In the respondents’ understanding of CI, relational communication was also closely connected to respect for, and management of differences which are characteristics of dialogic communication. In the practitioners’ understanding these three perspectives to CI were, hence, interconnected. There were, however, individual variations in the value or importance given to the three perspectives as elements of CI in an inter-organizational context. The practitioners’ views of CI were also critical emphasizing, for instance, that an offering of cooperative or coordinative services should not be confused with ‘partnership’, or ‘collaboration’.

*Perspective 1: Collaborative interaction as task communication.* This perspective views CI as goal-oriented with the key communicative functions of making observations and sharing, managing and applying information, or providing informational and instrumental support. CI as task communication leads to economic success and mutual benefits.

The respondents saw goals, ideally common to all participants, as the prerequisites of CI, as RN45 stated “A shared goal to which both of the participants are committed to”. Parallel to common goals, CI should, as RN40 explained, be based on an actual (as opposed to hypothetical) need to have a collaboration partner: “The basis of collaborative relationship is that both [participants] need each other. This is especially important and challenging in collaboration between Chinese and Finnish: there must be some reason so that a Chinese part wants to collaborate”. Common goals and the need to collaborate provide clarity and certainty to CI.

CI from this perspective has several communicative functions. The respondents contend essential aspects of inter-organizational CI are making observations and having knowledge of the collaborative partner, and the partner’s organization and of the wider business environment. One respondent RN66 specified CI as “Keeping your antennas up and communicating your observations immediately. ‘Helicoptering’ the collaborative partner’s business, that is, the ability to perceive the whole area of operation and its’ structures”. Other respondents perceived CI as sharing, managing and applying new information: “Readiness to share information openly” (RN25), “Mutual problem solving and pondering the issues. Mutual planning of the future” (RN15), and “Innovatively seeking for new approaches to the market” (RN21). The management of information was particularly emphasized at the beginning of a collaboration project, as the following excerpts demonstrate:

When the schedule, budget, goals and procedures have been agreed [together], the implementation of the project is usually easy. In that case, the customer will give information about [their] own organization and the history of activities related to the project, and will support the project with [their] entire organization. (#68)

What is aimed for is actually clear to both participants in the beginning. Both sides audit each other in the first meeting. In addition, the business participants usually know the initial state pretty well. Whether you can trust the other’s competence and solutions or not. (#32)

Another communicative function related task communication was the provision of help and informational and instrumental support. As RN78 pointed out “Our aim

isn't specifically to maintain the collaborative relationships but to help companies in their export endeavors". However, RN31 elaborated that help should be provided in a discreet way that enables the collaborative partner to maintain "status and face". The practitioners also saw that the help and support for collaborative partners can exceed the boundaries of the current project or relationship. They specified CI as "Providing business contacts" (RN55) and "Tips and encouragement even if there wasn't an assignment in progress" (RN58). One respondent described the definition of CI as:

For me, the maintenance of collaborative relationship means taking care of the self-evident, agreed matters, but also knowing the goals of the partner, committing to them and supporting them in the market area of one's entire network. That obligates one to spur the partner with different kinds of business ideas and innovations related to the partner's business or to the mutual possibilities, and to update one's own repertory and network for that day, when the partner needs the services of that network commercially. Supporting the partner in the non-commercial stage assures the flexible transfer to the commercial stage when that is justifiable businesswise. (RN44)

The above excerpt is also an example of conceptualizing CI as contextual (i.e. placed within a larger context). In many cases, the respondents saw that CI involves the partner's entire business and social network and not simply the collaborating partners.

Finally, the respondents emphasized that CI as task communication should result in (economic) success and mutual benefits. As one respondent pointed out, "Essential to collaborative relationship are mutual benefits which can be realized in many ways and the benefits won't surely be the same for both participants" (RN80). Mutually advantageous collaboration sometimes requires further problem-solving as the following quotation suggests:

In order to getting a mutually beneficial partnership you must have two parties that gain on the business relation. This does not mean that you cannot have tough negotiations but in the end result there must be something for both parties. (RN5)

*Perspective 2. Collaborative interaction as relational communication.* The second perspective present in the practitioners' understanding of CI was the perspective of relational communication. From this standpoint, CI is other-oriented communication that functions as creating, managing and developing interpersonal relationships. Seen as relational communication, CI results to both short-term and long-term partnerships. The conceptions of the respondents concerning relational

communication varied, however, in terms of how professional or personal they saw the relationship with their collaborative partners.

The other-oriented nature of CI can be seen in respondents' emphasis on having interest in and taking the collaborative partner into account. As RN25 pointed out, CI is "Adequately unselfish, everything isn't equally important to both participants" while RN76 described that it was important to show that the partner had "a privileged position". From the relational perspective, CI functions as creating, maintaining and developing interpersonal relationship and a positive (working) environment. The following quotation demonstrates both the other-oriented nature and the relational functions of CI:

Taking the other into account and remembering them....Being interested in and caring for the other person and for the shared matters. Even emotional therapy. (RN15)

The respondents' views were, however, various and even contrasting in terms of the personal and professional characteristics of CI. Some of the respondents tend to limit CI strictly to factual contents and leave personal issues outside the collaborative relationship. As RN36 argued:

In business life, collaborative relationships and their functioning and success are an asset, this is why I am ready to put a lot of effort in them. Mainly related to the matter and work, personal issues are easily left with less [attention] and even if the relations to my collaborative partners are good in general, I want to keep my private life separate from them. (RN36)

On the other hand, collaborative relationships were also specifically referred to as personal relationships, even friendship: "Good personal chemistry is a prerequisite, informal friendship is best" (RN89) and kinship: "Collaboration in our case is every now and then like a father-son relationship" (RN19). From these standpoints, the complex nature of CI requires personal attachment and the multiple roles of the collaborative partners, as the following excerpts illustrate:

I appreciate it if there are shared goals in collaborative relationship, participants have respect for each other, for differences and different kinds of competence, and that collaborating is nice, not forced. Knowing the partner deeper than on the professional level relates to this essentially. (RN61)

During the whole 12 years of time when I've had my own company my role has been to act as a "family doctor" to my customers: I know the family, its background and problems – and the connection is getting stronger all the time. They don't need to explain the history to me at the beginning of the project – we are part of the customer's organization. (RN60).

The importance of knowing the collaborative partner's personal background was further stressed in the Chinese business context. The respondents thereby linked the interpersonal relationship to the larger cultural context of China and Chinese ideologies. Some of these particular voices criticized the Finnish tendency to concentrate on task-oriented communication, as the following quotation demonstrates:

It is important to assist the customer from one airport to another or as far as possible personally. The Chinese have that skill. They can also ask how you are, in phone, for instance, even if some [work] matter should be handled urgently. We go straight to the business when we know the partner. (RN74)

However, the conceptions of CI as personal or professional communication were not always dichotomous. In some cases, the personal and professional characteristics were separated by a fine line and some not at all. It was seen, for instance, that a professional business relationship can eventually develop into a personal relationship, or business opportunities can be created from the social networks, as the following examples suggest:

Immediate social interaction not only in business frame but also in other contexts. Management of the social network should be unselfish and base on voluntariness, from which business opportunities can be created. (RN14)

A good collaborative relationship is created by knowing each other for a long time and getting evidence of the partner's competence. You want to develop a good collaborative relationship further than a business relationship, that is knowing each other on a personal level, and even friendship level. (RN30)

Finally, according to the respondents' understanding, CI results in both short-term and long-term partnerships. Indeed, some expectations were linked to understanding collaborative relationships as personal or professional, as RN53 states:

For me collaborative relationship is purely a professional matter. Whether or not it continues, depends on the results of the joint project. It's not always even reasonable to maintain the collaborative relationship. (RN53)

Another respondent echoed the same idea and reflected on the difficulty of developing long-term relationships:

To maintain the relation is difficult. As long as the project is over, then the relation seems to be over, this is more true in [the] professional consulting business. (RN93)

In contrast, some respondents perceived collaboration as continuous. Typical of this view was the acknowledgement of the different active and passive stages in a collaborative relationship, and emphasizing persistence and activity in maintaining the relationship during passive periods, as the following examples demonstrate:

[Collaboration is a] Continuous (irregularly regular) process, which also has room for discussion at those times, when active operations are not in progress. (RN69)

Because I work in an organization that supports internationalization, there are different kinds of stages in collaboration with the collaborative partners (entrepreneurs) => active vs. passive stages, in my opinion it is important to “read” the partner and in that way, contact [them] at appropriate intervals.” (RN57)

It was also noted that the creation and development of your position or face in the social network particularly in China may require years of effort.

*Perspective 3. Collaborative interaction as dialogic communication.* The third qualitatively different way of understanding CI was from the perspective of dialogic communication. In this case, CI can be identified as ethics-oriented communication that functions as managing differences and dialectics. CI as dialogic communication results to learning and benefiting from differences.

The respondents conceptualized CI through several ethical values and norms that can be seen specific to dialogic communication. Those were, for instance, mutual trust and respect, and equality and reciprocity among the collaborative partners. Trust, in particular, was seen as one of the most important building blocks in the maintenance of collaborative relationships. Trust was mainly defined as trusting each other, but also as being able to trust the collaborative partner’s competence and actions, or trusting that the relationship continues even if problems occurred. Mutual trust was also emphasized in complex international business communication:

In these relationships, mutual trust is the most important thing that enhances collaboration. And actually without it, collaboration does not exist i.e. it is a basic requirement, and at the same time, a critical asset. The maintenance of collaboration would require understanding of how trust is created. In this, cultural differences are a challenge. (RN40)

The first requirement for Finnish-Chinese collaboration is mutual trust, which is created through shared activities and shared experiences and success. You must remember that trust can only be lost once! (RN64)

In the respondents’ views of collaborative CI, trust was attached to openness, honesty and transparency. They expected open discussions also of difficult issues, which were necessary, as RN84 suggests that by “revealing the problems and bottlenecks, so that we can truly help them [their collaborative partners]”.

In addition to trust, mutual respect and reciprocity were seen as an essential part of CI. Respect was expected among the collaborative partners, but also towards

differences: “Partners respect each other, [their] differences and different kinds of competence” (RN61), a sentiment echoed by RN27, “In collaboration the partners can keep their special nature and characters, still respecting each other”. Reciprocity was emphasized, for instance, in contacting each other, in information sharing, and in providing help and advice, as the following excerpts demonstrate:

Maintenance of relationships requires reciprocal activities, at least the other participant needs to respond, even if they couldn’t handle the issue right away. (RN74).

Collaboration is reciprocal, and helps both participants to develop operations. In our case, collaboration is occasionally like a father-son relationship, a father gives wise advice to his son, and the son, in turn, tells his father about the new issues he has encountered. (RN19)

From the perspective of dialogic communication, one of the important communication functions of CI was the management of differences, which in the respondents’ views was specified as understanding the context as well as taking into account the different backgrounds of the collaborative partners. As one respondent pointed out, “It is expected that the collaboration partner conducts [their] work non inflicted by politics and personal interests” (RN10), which another echoed:

Collaboration requires openness, and trust, and understanding of the shared goals. In the same way, you need to have understanding of the background of the collaborative partner and of [their] own objectives and try to accommodate them into your own objectives and needs. (RN81)

The importance of accommodation and flexibility as part of CI was noticed by the practitioners. The fact that CI is frequently unpredictable was reflected by RN25’s advice that “[i]n collaboration you need to be ready to encounter difficulties. Everything doesn’t, for sure, go as planned”. Culture was quoted as a reason underlying the need for flexibility in CI, “You need to have flexibility, because Chinese are impulsive, and decide at the last minute” (RN74).

From the standpoint of dialogic communication, the outcomes of CI were seen as learning from difficulties and shared experiences, or benefiting from the cultural, occupational and personal differences. As RN67 concluded, CI is: “Equal, honest and utilizing and bearing the difference, and turning it into a benefit.”

*Dialectical tensions in collaborative interaction.* As argued earlier, the respondents conceptualized CI as both personal and professional communication. In their views, collaborative relationships are developed and maintained in the simultaneous existence of personal (social and emotional bond or affection) and

professional (instrumental goals and expectations) characteristics. In addition, they saw that the creation of new collaborative relationships can be strategic and planned, but new collaboration possibilities are also likely to occur from the informal and volitional social networks. Dialectical tensions such as *personal-professional*, and *emergent-strategic*, can hence be found within the practitioners' understanding of CI in SME internationalization and furthermore, the dialectics of *active-passive* and *stability-change* can be seen as inherent in CI. The dialectic of *active-passive* can be examined as a tension between the collaborative partners and the external collaboration environment. Many of the respondents expected activeness in collaborative relationship, however, as collaborative relationships typically involve larger networks to accomplish their instrumental goals, delays and passive stages are often inevitable. The large and diverse business community also relates to the dialectic of *stability-change*. CI involves a goal and a clear direction, but requires flexibility to manage unexpected changes or cultural differences, as the practitioners saw it. The existence of cultural differences in collaborative relationships was also examined due to the dialectic of *similarity-difference*. The respondents mentioned that even though they shared several characteristics with their collaborative partners, including for instance, shared interests or goals, they still had their differences due to other aspects such as their culture or age. Therefore, and particularly from the perspective of dialogic communication, CI also functions as the management of dialectical tensions including *personal-professional*, *emergent-strategic*, *active-passive*, *stability-change*, and *similarity-difference*.

## Discussion

The purpose of this study was to examine the nature, aims, functions and outcomes of CI as experienced and understood by the practitioners, the collaborating representatives of SMEs and intermediary organizations involved in the internationalization of Finnish SMEs into China. In addition, the study aimed to shed light on the dialectical tensions inherent in CI. The results of the investigation give first-hand knowledge of how individual participants view inter-organizational collaboration. The findings revealed that CI in an inter-organizational setting can be identified as goal-oriented task communication, other-oriented relational communication, and ethics-oriented dialogic collaboration. The study also uncovered relational dialectics and dynamics of *personal-professional*, *emergent-strategic*,



*active-passive*, *stability-change*, and *similarity-difference* as specific to inter-organizational business collaboration. The current findings support the central idea that collaboration is essentially interpersonal communication, and CI is the key site of managing challenges and differences, see also the communicative model of collaboration by Keyton, Ford and Smith (2008). These conclusions have both theoretical and practical implications.

Theoretically, the findings of the study provided support for the applicability of RDT in organizational contexts. The perspective of RDT was found useful to capture the dialectical tensions in the interpersonal level of collaboration. Grounded in the standpoint of RDT, the study argues that CI between the participants of SMEs and intermediary organizations creates and produces meanings through discourses such as personal-professional, emergent-strategic, active-passive, stability-change, and similarity-difference. CI has instrumental means for achieving goals and objectives, but it also creates, manages and develops personal relationships, even friendship. The existing dialectics of personal-professional and emergent-strategic suggest that collaborative relationships in the context of SME internationalization are to a notable extent *blended relationships* that function simultaneously with both personal and role components (see Bridge & Baxter, 1992).

The dialectic between the personal roles and organizational work-roles can also be seen as one of the defining characteristics of the duration of collaborative relationships. Even though it is possible to maintain collaborative relationships by concentrating only on task accomplishment and communication about work-related issues, there is not always the will to maintain the relationship once the instrumental goals of the particular collaboration project have been attained. Based on the results of the present study, the relational or dialogic approaches to CI were not shared by all, but some of the task-oriented practitioners clearly neglected the relational aspect of collaboration. The study reveals that also *depersonalization* (Sias & Perry, 2004), the exclusion of all the personal and other non-work related topics, is present in CI. Depersonalization is an intentional strategy found to be typical of disengagement from workplace relationships (Sias & Perry, 2004). In CI contexts, disengagement from a personal relationship or personal networks related to the given collaboration project may, however, have a negative effect on information-sharing. A study by Sias (2005) examining the connection between the amount and quality of work-related information and the quality of the relationships with peer co-workers, can provide

insights into this argument. Sias's (2005) study corroborated that in the relationships characterized by trust and self-disclosure, the work-related information provided to one another was more accurate, useful and timely than in those relationships that were more superficial and role-bounded. In the same way, ignoring relational communication, or the informal and personal nature of CI in the context of SME internationalization, may result in the isolation of some participants concerning quality information.

The findings of the present study demonstrate how CI is affiliated with the broader contexts and cultures in which it is embedded, which can be seen as manifest in the dialectics of similarity-difference and stability-change. The relational dialectic of similarity-difference essentially defines intercultural communication (Chen, 2002). Collaborative partners share a common ground, a collaborative task, but they bring a diversity of cultures, national, organizational, industrial, or general business, into their relationship. Thus, CI involves discourses both internal and external to the relationship (see also Baxter and Montgomery, 1996; Chen, 2002). The dialectic of stability-change can refer to the typical request of business relationships for following a particular direction but having the flexibility and courage to move in a different way when needed, which Arnett et al. (2009) see as an element of business communication ethics. The ethical perspective can help understand relational dialectics in CI. Ethical communication recognizes the ethical commitments of each collaborative partner, and the contemporary situations and how they all shape, guide and restrain interpersonal communication (see Arnett et al., 2009). Managing differences and dialectics in CI can, thus, be approached as ethical communication.

In addition to the dialogic perspective, the findings of the study place the theoretical examination of CI within the approaches of both strategy literature and learning literature (see the literature review by Hardy et al., 2003). In the strategy literature collaboration is primarily treated as compensation of lacking internal competencies or series of discrete transactions. From this point of view, the selection of collaborative partners is rational and requires formal agreements with clearly identified goals. The opposite view sees collaboration as knowledge creation or organizational learning and acknowledges collaborative relationships as ongoing, synergetic relationships, which can also be initiated informally (see Hardy et al., 2003). However, the central results of the present study address the notion that the creation of new collaborative relationships can be strategic and planned, but new

collaboration possibilities can also occur from the informal and volitional social networks. CI has several, both personal and instrumental, or individual and organizational, functions. Therefore, the creation, management and development of collaborative relationships are strategic and emergent, or formal and informal alike. By ignoring the emergent or informal dimension, the collaborative aims can result in isolation from important business opportunities.

The study also provided insights into CI in practice. By focusing on perceptions and experiences of the participants in inter-organizational collaboration it is possible to identify the challenges that such collaborative arrangements pose to individual practitioners – an aspect that has been partly mystified in previous research literature. Williams (2002) portrays the individual actors in inter-organizational collaboration as boundary spanners who have skills, abilities and personal characteristics which contribute to effective inter-organizational behavior. Williams (2002) identifies these contributions of the competent boundary spanners as managing networks, building effective personal relationships with a range of other actors, managing and negotiating non-hierarchical decision making, connecting problems to solutions and mobilizing resources and efforts into successful outcomes. However, as the ontological nature of CI between the individual participants can be characterized as interpersonal communication, the competence in CI should be examined from the perspective of interpersonal communication competence.

Interpersonal communication competence requires knowledge about effective and appropriate interpersonal communication, motivation to engage in communication, meta-cognitive communication skills, and interpersonal communication skills needed to act in a way that the interactants perceive both as effective and appropriate (Valkonen, 2003; see also Spitzberg & Cupach, 1984). Based on the practitioners' understanding and conceptualization of CI as task communication, relational communication and dialogic communication, competent CI involves i) knowledge about effective and appropriate task communication, relational communication and dialogic communication, ii) motivation to be goal-oriented, other-oriented and ethics-oriented, and iii) interpersonal communication skills in, for instance, sharing information, providing support, creating, managing and developing relationships, and managing differences and dialectics. Interpersonal communication competence in collaborative contexts is an aspect that still warrants deeper analysis and

conceptualization (see Purhonen, 2008) and the examination of to what extent it can be assessed and managed (see Purhonen, Rouhiainen-Neunhäuserer & Valkonen, 2010).

Despite the useful theoretical and practical implications, the study left some unanswered questions and directions for future research. Being a qualitative study, the findings need to be kept in the context (see Patton, 2002). There was a bias toward Finnish participants in the study, but the sample was also representative of Asian and other European nationalities. The respondents as representatives of Finnish SMEs and Finnish and international intermediary organizations can also be seen as representatives of a larger international business community, and some of the findings of this study may also appear in other inter-organizational settings, and international business contexts. Nonetheless, the context of SME internationalization into China probably explains some perceptions of the respondents concerning CI. The phenomenographic approach, as applied in this study, can be seen as descriptive rather than explanatory by nature, which aims to reveal and understand the variation among the different ways of understanding the phenomenon of CI (see Häkkinen, 1996). Therefore, mixed methods of analysis could enhance the credibility of the current findings, as would the triangulation of analysts (see Patton, 2002).

Even though the study captured several tensions and complexities involved in CI, one of the aspects for future research should be a deeper analysis of the specific challenges and barriers to CI in an international business context. The practitioners' strong expectation of trust in CI may refer to the possible risks and threats that this study left partly unnamed. Such threats could be, for instance, opportunism, neglecting the interests of others, or identity damage (see Williams, 2007). The present study contributes to our theoretical and practical understanding of CI at the level of individual collaborative relationships, and is particularly noteworthy for the field of business communication due to its context of SME internationalization. However, further examination of the opposite of CI and the practitioners' views of failed or unsuccessful collaboration is still needed to better understand the complex nature of inter-organizational collaborative arrangements from the collaborating individuals' point of view.

<sup>i</sup> All translations are the responsibility of the author; respondents are referred to anonymously by their randomly selected numbers (RN) to protect their identities.

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Figure 1 Perspectives of Collaborative Interaction (CI) Produced Using a Phenomenographic Approach

