Power dynamics in business relationships in a turbulent environment: focus on anticipated power consequences and value creation

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Abstract

Purpose – I aimed to develop a conceptual model of power dynamics focused on an anticipated power consequences in business relationships in a context of high environmental turbulence. I also intended to discuss the theoretical significance of my findings and indicate future research directions.

Design/methodology/approach – Conceptual article indicating future research directions.

Findings – The proposal of the conceptual model of power dynamics focusing on anticipated power consequences in business relationships.

Research limitations/implications – The limitations of the presented model stem from the critique of the holistic view. My contribution lies in advancing our understanding of power dynamics in business relationships amid significant environmental change. I elucidate how transformative practices relate to power outcomes and value creation in these relationships.

Practical implications – The model highlights the importance of a mindful approach to managing business relationships in a turbulent environment. It emphasizes considering expected power outcomes from activities and their impact on creating value in these relationships.

Social implications – The proposed concept resonates with systems theory, which emphasizes how different levels of business relationships are interconnected. It enables the analysis of power dynamics at the individual level, such as employees, consumers and local communities. These groups often include the most vulnerable individuals impacted by relational business structures.

Originality/value – The focus on anticipated power consequences of transformative practices triggered by high environmental turbulences, while considering the impact of power distribution of relationship actors on the sharing of benefits and costs.

Keywords Structural and behavioral power dynamics, Anticipated power consequences, Value creation, Business relationship, Environmental turbulence

Paper type Conceptual paper

Introduction

Currently, the business-to-business (B2B) environment is experiencing large turbulences, such as restrictions on access to natural resources and electronic components, volatility in energy prices, new restrictive regulations to improve sustainability, the development of...
advanced technologies, and deglobalization (Prasad, 2023). Turbulence in the business environment, particularly in aspects that significantly impact the structures of business relationships, poses a number of challenges in managing B2B relationships.

This applies to different levels of B2B relationships between companies, such as the level of dyadic buyer-seller relationships; the level of direct relationships between a buying company and multiple direct suppliers (e.g. relationships between MNEs as orchestrating buyers and their direct suppliers); the level of business relationships considering indirect links between companies (e.g. within multi-tier supply chains). Let us also note to a broader level regarding relational structures within the business ecosystem, connecting business and non-business organizations, i.e. non-governmental organizations, not-for-profit organizations, governmental organizations, and those associated with international institutions.

Noteworthy, the impact of a dynamically changing business environment on business relationships varies not only according to the types of relational structures, with the possible inclusion of non-business organizations, but also according to the different characteristics of the actors involved in these structures, including the business field (Möller, Nenonen, & Storbacka, 2020, p. 385), the geographical location of the business (Pardo, Wei, & Ivens, 2022, p. 326), or companies’ size (Murphy & Seriki, 2021, p. 741).

In B2B relationships, the literature has long highlighted the relevance of the concept of value in business relationship exchanges (e.g. Doyle, 2000; Lindgreen & Wynstra, 2005). The response of business relationship participants to the challenges of a turbulent business environment involves mitigating the risk of value creation, within existing relational structures. For example, according to Runfola, Milanesi, and Guercini (2023), supply chains will have to balance their focus on efficiency, productivity, and just-in-time production with considerations for resilience, risk, and redundancy. Moreover, research by El Baz and Ruel (2021) now points to building the resilience of supply chains in response to high or extreme levels of environmental turbulence. Although business relationship researchers have long emphasized the need to pay attention to changes in the external environment (Möller & Halinen, 1999), the current scale of these changes, and the significance of the impact on business relationships, has necessitated the development of new capabilities in business relationship actors regarding the survival and continuation of these relationships.

Creating value in B2B relationships involves the necessary processes and actions to produce and provide the benefits offered by a supplier to its customers, whether in financial or non-financial gains (Chesbrough, Lettl, & Ritter, 2018). In business relationships, we should define the value-creation function in terms of the actors’ impact on costs and benefits (Möller & Törönen, 2003) as within the relationship business partners seek to obtain a higher share of benefits and a lower share of costs.

In the article, I highlight the interconnectedness of the concepts of power and value creation in business relationships, which researchers have recognized for a fairly long time (e.g. Cox, 1999; Sheth & Uslay, 2007; Zolkiewski, 2011). Empirical research, especially longitudinal case studies on changing power positions and more broadly on power dynamics in business relationships also address the issue of value creation in relationships (e.g. Siemieniako & Mitreša, 2018; Siemieniako, Makkonen, & Mitreša, 2023). For example, some studies show that when there is a high power asymmetry between actors at the beginning of a relationship, afterward, when the weaker party’s power position improves, the benefit-cost distribution ratio also improves, in favor of the weaker party in the relationship (e.g. Lacoste & Johnsen, 2015; Siemieniako & Mitreša, 2018; Siemieniako, Mitreša, Makkonen, & Pfajfar, 2022). In turn, building an excessive power advantage over business relationship participants can be disruptive to value creation within the relationship (Jin & Shao, 2022) and may encourage some relationship participants to seek other relationships in which they could obtain greater value.

Existing models of power dynamics in business relationships primarily pay attention to the influence of internal factors, while marginalizing or failing to consider factors of the business
relationship environment (e.g. Lacoste & Johnsen, 2015). Nowadays, the significant impact of high turbulence in the business environment on value creation in business relationships provides an important assumption to explicitly consider the impact of environmental factors on the power dynamics of participants in different types of business relationships. This article builds on social exchange theory (Emerson, 1976) and resource-based theory (Salancik & Pfeffer, 1978; Pfeffer, 1987). In turbulent business environments, the impact of actions on power consequences and value creation in business relationships represents the power dynamics. I applied the concept of anticipated and unanticipated consequences of actions, first introduced by Merton (1936) in his seminal work, which researchers have extensively utilized across disciplines, including business, and management research. (e.g. Fairhurst, Cooren, & Cahill, 2002; Fry & Polonsky, 2004; Crecelius, Lawrence, Ogilvie, & Rapp, 2022). Moreover, the actors, resources, and activities (ARA) model (Håkansson & Snehota, 1995) underpins the development of the conceptual model in this article.

In this article, I aimed to develop a conceptual model of power dynamics focusing on an anticipated power consequences in business relationships in a context of high environmental turbulence and to make some propositions for future research.

The main contribution of the proposed model concerns the mechanism of the links between transformative practices, anticipated power consequences, and value creation in business relationships. Apart from its theoretical contribution, the model presented in this article is also valuable in relation to management practice. The conceptual model proposal shows the importance of managing business relationships more consciously in turbulent environments, considering the expected power outcomes of the undertaken activities.

Further on, I will first present a literature review on power, power dynamics, and value creation in business relationships, with particular emphasis on the development of thinking in works such as Siemieniako and Mitrega (2018), Kubacki, Siemieniako, and Brennan (2020), Zadykowicz, Chmielewski, and Siemieniako (2020), Makkonen, Siemieniako, and Mitrega (2021), Siemieniako and Kaliszewski (2022), Siemieniako, Mitrega, Makkonen, and Pfajfar (2022), Kubacki, Szablewska, Siemieniako, and Brennan (2023) and Siemieniako, Makkonen, and Mitrega (2023). Next, I will present the conceptual model and the resulting proposals with a focus on future research.

Value creation and power asymmetry in business relationships
The role of value has gained more attention since the recognition of co-creation in business relationships (e.g. Vargo & Lusch, 2004, 2008). The processes of value creation and B2B relationship dynamics are undoubtedly very important in the development of collaboration, and hence researchers focus on the necessity of better understanding them. (Siemieniako & Gębarowski, 2016; Chesbrough et al., 2018). Therefore, there is a need for a more nuanced theory of dynamic relationships between actors (Ponte, 2019). An example may be social exchange theory (Emerson, 1976), which can help to explain the basis for the agreement of cooperation between parties to a business relationship (Tanskanen, 2015). According to this theory, four social constructs such as trust, commitment, reciprocity, and power structure help preserve collaboration (Wu, Chuang, & Hsu, 2014). I examined one component of SET theory, that is, power in business relationships, which is interrelated in causal logic with the value creation function of business relationships (see Makkonen et al., 2021).

We may understand the power within the social exchange as “the potential to affect another’s behavior, manifests when a firm demands something incompatible with another firm’s desire, and the firm receiving the demand shows resistance” (Cowan, Paswan, & Van Steenburgh, 2015, p. 142). Scholars draw attention to power imbalances (or power asymmetries) in business relationships (e.g. Belaya, Gagalyuk, & Hanf, 2009; Nyaga, Lynch, Marshall, & Ambrose, 2013) and how this affects the formation of business
relationships and the obtained benefits. Power asymmetries in business relationships imply not only differences in resources between partners, but also the potential to use the power resulting from these asymmetries to change the distribution of resources within the relationship itself, thus influencing power dynamics (Pérez & Cambra-Fierro, 2015; Siemieniako, Mitręga, Makkonen, & Pfajfar, 2022; Siemieniako & Kaliszewski, 2022).

On the one hand, the asymmetry of power between parties of a business relationship is a natural phenomenon and sometimes even desirable for partners entering into a business relationship, if only for the sake of complementarity of resources or to obtain economies of scale and learning (Hingley, Angell, & Lindgreen, 2015). On the other hand, significant power asymmetry can be risky (Nyaga et al., 2013), because the stronger side of the relationship may take advantage of the weaker side (Munksgaard & Medlin, 2014). Moreover, it may be risky due to the undervaluation of the value created within the relationship, not only from the perspective of the weaker side, but also the stronger one (Makkonen et al., 2021, p. 13). Research on power in business relationships examines either the extent of power asymmetry or the degree to which power advantages in creating value in such relationships. Using paradox theory, Jin and Shao (2022) provided evidence that excessive amounts of power can hinder the benefits of innovation networks.

Structural and behavioral power dynamics

Research on power in business relationships focuses on capturing how power shapes interorganizational interactions and guides relationship development. The literature on power in business relationships distinguishes between structural power and behavioral power, or otherwise the use of power. In this article, I define power as the combination of these two inseparable concepts of power. We may base the understanding of power in structural and behavioral aspects on the assumptions of resource-based theory (Salancik & Pfeffer, 1978; Pfeffer, 1987), in which business actors influence each other through unequal access to resources, which in turn creates dependencies between them. This is because the link between resources, power position (structural power), and the actions of using power (behavioral power) is apparent in such a wider understanding of power.

Structural power refers to the potential of actors to use power. In other words, structural power represents a capacity that may manifest itself in behavioral power or it may represent only the potential to use power (Oukes, von Raesfeld, & Groen, 2019). Structural power refers to the sources of power (see French & Raven, 1959; Oukes et al., 2019), which we may see partly as objective properties of the actors in a business relationship, and the subjective perceptions thereof held by both the power source and the power object (see Imai, 1989, in: Siemieniako, Makkonen, & Mitręga, 2023). For example, Chamanara, Goldstein, and Newell (2023) adopted a static perspective on the study of structural power by examining the perceived power asymmetry between actors in the beef industry supply chain. Meanwhile, Makkonen et al. (2021), analyzed asymmetries in structural and behavioral power from the perspective of the parties’ perceptions of their own structural power and that of the other actor. Noteworthy, this perception may be more or less limited or biased (Rutherford & Holmes, 2008).

Behavioral power is a very important aspect of power research because it refers to actions of relationship partners taken to either benefit from the existing power structure or to change the existing power structure (Lacoste & Johnsen, 2015; Siemieniako & Mitręga, 2018; Siemieniako & Kaliszewski, 2022).

Apart from static research on power in business relationships, there is a growing body of research from a dynamic perspective (e.g. Lacoste & Johnsen, 2015). Most researchers focused on the structural issue of power dynamics (Benton & Maloni, 2005; Siemieniako & Kaliszewski, 2022; Zadykowicz, Chmielewski, & Siemieniako, 2020), but rather neglected the
perspective of behavioral power dynamics. However, recent years have seen an increased interest in the study of behavioral power dynamics (Lacoste & Johnsen, 2015; Makkonen et al., 2021; Siemieniako, Mitrega, Makkonen, & Pfajfar, 2022; Siemieniako, Makkonen, & Mitrega, 2023). We may understand behavioral power dynamics through the prism of frequency and intensity (Makkonen et al., 2021). In general, researchers investigate the change in power between relationship partners using longitudinal data (Siemieniako & Mitrega, 2018; Makkonen et al., 2021; Siemieniako, Mitrega, Makkonen, & Pfajfar, 2022; Siemieniako, Makkonen, & Mitrega, 2023). Consistently, I adopted an understanding of power dynamics through the lens of changes in both structural and behavioral power (Oukes et al., 2019), including both objective and subjective perception aspects. This understanding of power dynamics is useful from the point of view of tactics to change the power configuration between actors in business relationships (Lacoste & Johnsen, 2015; Siemieniako & Mitrega, 2018; Siemieniako, Mitrega, Makkonen, & Pfajfar, 2022). A notable occurrence is when, due to different reasons, the balance of power shifts, making the once weaker party in the relationship stronger (Lacoste & Johnsen, 2015; Siemieniako, Makkonen, & Mitrega, 2023).

In the study of power dynamics, the perspective of variation in actors’ perceptions of structural power, both their own and their exchange partners’ is important. In various studies, we may find holistic models for the study of structural and behavioral power dynamics with the subjective perspective of actors in business relationships (Makkonen et al., 2021; Siemieniako, Mitrega, Makkonen, & Pfajfar, 2022; Siemieniako, Makkonen, & Mitrega, 2023).

In both similar models of structural and behavioral power dynamics proposed by Makkonen et al. (2021, p. 6, 11) and Siemieniako, Mitrega, and Makkonen (2022, p. 33), scholars emphasized the perception-based framework: “The cases exemplify perceptions as a means through which the objective state of power institutionalizes the relationship’s power” (Makkonen et al., 2021, p. 10). In both of these models, the basis was the IMP approach to B2B relationships. Therefore, researchers focused on business relationship interactions and actions within events of power dynamics, which they analyzed dyadically through longitudinal case study research. The theoretical implication of these models is that the perceptual approach emphasizes that power is a combination of an objective entity (i.e. the actual elements of the use and possession of power) and the subjective perception of actors involved with the relationship (Rutherford & Holmes, 2008). Moreover, the theoretical contribution of these models evidences that the interplay between structural and behavioral power is a constant factor that influences power dynamics and overall power in a relationship. This suggests that researchers should consider both structural and behavioral power when studying power dynamics.

In a recent empirical article with a theoretical contribution, Siemieniako, Makkonen, and Mitrega (2023) used a nuanced account of power dynamics in business relationships, focusing on the roles of individuals from the buying center and selling center, and their perceptions and actions. They also examined events at both the organizational and business environment levels that impact power dynamics in these relationships (Makkonen, Olkkonen, & Halinen, 2012). Siemieniako, Makkonen, and Mitrega (2023, p. 105) using an interrelated structure-to-action mechanism (Oukes et al., 2019; Buvik & Reve, 2002), “conceptualize events that are perceived, interpreted and acted upon, i.e. that materialize in the relationship as a structure-to-action mechanism . . . Secondly, the perceived manifestations of BC/SC activities that produce, reproduce and renew prevailing shared attitudes, norms and beliefs within the BC/SC comprise the action-to-structure mechanism.” This allowed them to propose a power dynamics model in a buyer-supplier relationship (Siemieniako, Makkonen, & Mitrega, 2023, p. 100) in a form of power mechanism of actors’ activities and their perceived power-related outcomes in connection with the opportunity of value co-creation within the focal relationship or outside of it (e.g. in an alternative business relationship).
Power consequences and value creation in business relationships

Antecedents and consequences of power in business relationships

Research on power and power dynamics in business relationships also deals with antecedents and consequences regarding the power of relationship actors. Already in the works of the classics, there is encouragement to deal with precisely the aspect of power-related consequences in research. Because of the uncertainty associated with identifying the distribution of power between different actors in social relationships, March (1966, p. 41) proposes that the emphasis should instead be on examining the consequences resulting from different power distributions.

For example, researchers address the antecedents of power change of actors in business relationships (Siemieniako & Mitrega, 2018; Siemieniako & Kaliszewski, 2022). The literature points to intentional and unintentional tactics and actions of changing power, especially of the weaker side of the relationship (e.g. Nyaga et al., 2013; Cowan et al., 2015; Zadykowicz, Chmielewski, & Siemieniako, 2020; Siemieniako, Mitrega, & Makkonen, 2022). Moreover, scholars study the antecedents of power as factors preceding the use of power (behavioral power) in business relationships to maximize benefits and minimize costs. The antecedents of power can also be the unintentional actions of business relationship actors pursuing each actor’s business goals, which change the power configuration of these actors.

We may understand power-related consequences for actors as a result of actions taken within the business relationship, connected to the utilization of power (Chamanara et al., 2023; Siemieniako, Makkonen, & Mitrega, 2023; Vann Yaroson, Breen, Hou, & Sowter, 2023).

The concept of anticipated and unanticipated consequences of action and power research

Researchers in the business and management field have utilized various categories of consequences of action proposed by Merton (1936) (e.g. Harrison, Koppel, & Bar-Lev, 2007; Sveiby, Gripenberg, Segercrantz, Eriksson, & Aminoff, 2009), i.e. direct vs indirect; anticipated vs unanticipated; desirable vs undesirable. The consequences of a purposeful action, which are anticipated, can be twofold, direct (those that are solely the result of the action) and indirect (causally related). The literature presents the direct consequences of purposeful action as anticipated and desirable, while the indirect consequences of such action are presented as desirable and both anticipated and unanticipated (Sveiby et al., 2009). Merton (1936) distinguishes between various factors that limit an actor’s ability to anticipate both direct and indirect consequences. The concept of unanticipated consequences has been widely used, including in the discipline of business and management (Fairhurst et al., 2002; Fry & Polonsky, 2004; Harrison et al., 2007). In literature, this type is associated with undesirable direct and indirect consequences (Sveiby et al., 2009). Figure 1 presents these links of anticipated and unanticipated consequences of intentional and unintentional actions.

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Source(s): Based on Merton (1936) and Sveiby et al. (2009)
The existing literature on power consequences in business relationships does not explicitly address the categories of anticipated and unanticipated consequences of intentional and unintentional actions. However, the literature commonly discusses three types of situations regarding anticipated and unanticipated power consequences, i.e.: (1) power shift or power change as power consequence resulting from intentional activities of one or more parties of a business relationship, (e.g. countervailing power; Lacoste & Johnsen, 2015; Siemieniako & Mitrega, 2018); and this is rather desirable consequence; (2) business goals oriented activities which unintentionally impact on structural and behavioral power dynamics (Oukes et al., 2019; Siemieniako, Makkonen, & Mitrega, 2023) may result in unanticipated and undesirable direct consequences, at least from one partner’s point of view, and further anticipated or unanticipated indirect consequences; (3) power-related events in business environment, which may impact power dynamics and power structures changes in business relationships (Makkonen et al., 2021), both as anticipated or unanticipated and desirable or undesirable power consequences.

**Power consequences and the levels of business relationships**

In studies of power consequences in B2B relationships, some researchers address only consequences directly related to structural and behavioral power, power asymmetry, or perceived power (e.g. Makkonen et al., 2021; Siemieniako & Kaliszewski, 2022), not considering the impact of power consequences on value creation. However, most studies on power-related consequences in business relationships also look at the impact of direct power consequences on financial and non-financial performance. In a study on value and power, Zolkiewski (2011) showed the alignment of activities and resources using the ARA model to capture the dynamics between value and power as well as the consequences of this interaction. Zolkiewski (2011) used an empirical study on a healthcare network example to reveal these interactions and their consequences. Siemieniako, Makkonen, and Mitrega (2023) showed the relationship between antecedents and consequences of power. For example, An example from Siemieniako et al. (2023) depicts how a supplier leverages relationships with surgeons, who are end-users of a product, to pressure a stronger customer (distributor) into ordering new product types from the supplier to replace old ones. This resulted in an increase in structural power on the supplier’s side and in the supplier gaining a profit from the sale of new product types.

The impact on financial performance relates to the perspective of a single organization in a business relationship. For example, Mitrega (2023) studied the impact of the use of coercive power by stronger partners on SMEs’ export performance. In particular, the study results of 250 SME manufacturers showed that the use of network development capabilities by these SMEs is limited by the coercive power advantage on the side of export retail partners.

Research by Cuevas, Julkunen, and Gabrielson (2015) shows that power asymmetries in business relationships cannot be inferred to be associated with negative or positive consequences for value creation. The findings of these authors demonstrate that it is rather goal congruence that is a condition for favorable relationship outcomes. Behavioral power can then serve to successfully organize coordination and facilitate the resolution of conflicts in relationships (Bachmann, 2001). Makkonen et al. (2021) indicate that subjective perceptions of power by relationship parties can lead to negative consequences for value creation, due to the parties’ misuse of power to obtain value in the relationship. Makkonen et al. (2021) list two characteristic approaches in this regard, i.e. “overpowering,” and “underpowering.” The former indicates that an actor’s use of power surpasses its current structural power. The latter approach means that the use of power is lower than the potential of structural power. Studies of asymmetric relationships between weaker suppliers and stronger buyers identify practices on the supplier side that contribute to improving their power sources and the impact of these on increasing the benefits of weaker suppliers in the relationship with stronger
buyers (e.g. Lacoste & Johnsen, 2015; Pérez & Cambra-Fierro, 2015; Siemieniako & Mitrega, 2018).

In the case of multi-tier relationships, there is little research related to power, and the focus is on power sources as antecedents. For example, the study by Marttinen and Kähkönen (2022) represented antecedents to power. These authors investigated power sources in multi-tier supply chains in the context of cascading sustainability requirements from focal firms further down to lower-tier suppliers. Similarly, in the case of business relationships involving non-business organizations, empirical research on power consequences is also lacking. One example might be the conceptual article by Kubacki et al. (2020), who analyzed the effects of power asymmetries of different stakeholders (Freeman, 1984) on social marketing systems (Hastings & Domegan, 2017). According to Kubacki et al. (2020, p. 482), “all stakeholders act to mitigate the consequences of their vulnerability by using their power to shape these relationships and interactions and to create or recreate power asymmetries.”

Studies on the effects of actions by business relationship actors on power consequences do not clearly connect these consequences to financial and non-financial outcomes in business relationships (e.g. Cuevas et al., 2015). Therefore, scholars should examine power-related consequences including an anticipated and unanticipated power consequences framework in association with the value creation in business relationships (e.g. Cox, 1999; Siemieniako, Makkonen, & Mitrega, 2023; Sheth & Uslay, 2007; Zolkiewski, 2011).

Environmental turbulence and business relationships
Business relationship research highlights the need to consider the impact of a dynamic and complex business environment (e.g. Möller & Halinen, 1999; Möller et al., 2020). Currently, a number of factors cause business relationships to operate in an environment subject to intense turbulence, which include, but are not limited to: pandemics, supply chain disruptions, high global inflation, geopolitical friction, instability in supply and energy prices. We may define environmental turbulence as the frequency and amplitude of environmental change and general uncertainty (Duncan, 1972). Today, we refer to the business environment as a VUCA World, i.e. volatile, uncertain, complex, and ambiguous.

Three megatrends, i.e. the sustainability imperative, digitalization, and deglobalization, significantly contribute to dynamic changes in the business environment and require business relationships to transform (Möller et al., 2020, p. 380). The need for sustainability arises from the awareness across all levels of society of various problems and challenges linked to the traditional model of social and economic development. We may see an example of the change in the governance model due to the adoption of the sustainability imperative in the transition from a linear economy to a circular economy within business-to-business linkages, challenging the creation of value in business relationships (Harrison, Prenkert, Hasche, & Carlborg, 2023). Currently, many studies present the impact of new technologies such as the Internet of Things (IOT) and artificial intelligence (AI) (Pardo et al., 2022) or Industry 4.0 (Małczyńska & Okoń-Horodyńska, 2020, p. 10, p. 13) on the functioning of business relationships. Researchers of business relationships draw attention to deglobalization, which, among other things, contributes to decisions to move goods production closer to markets (Prasad, 2023). They also stress that it is not clear whether we are currently experiencing deglobalization or a new opening to globalization (James, 2021). Thus, it is not clear to what extent to consider the criterion of the geographical narrowing of supply chains, where the alternative is the possibility of reconfiguring global business networks with global chain management mechanisms adapted to the new world conditions. Undoubtedly, these factors significantly impact value creation in business relationships. We need actions to strengthen the resilience of both individual actors in the relationship and the broader stakeholders in the business ecosystem.
As a result of dynamic changes in the business environment, and increased complexity, including collaboration within the business ecosystem, contemporary researchers advocate a shift away from narrowly defining the business environment through the lens of the traditional market. Rather, scholars suggest considering new business realities that require facing the complexity and uncertainty of value creation by all participants in the business relationship (Lilien, 2016). Therefore, Möller et al. (2020) call for a transformation of mainstream business marketing from relationship management to ecosystem orchestration.

In today’s turbulent business environment, conditioning forces, as top-down forces (macro to micro), and transformational processes, as bottom-up forces (micro to macro), are dynamizing the linkages between the layers of the system much more than was previously the case (Möller et al., 2020).

In summary, turbulence in the business relationship environment may contribute, firstly, to changes in structural power between business relationship actors (Marttinen & Kähkönen, 2022; Siemieniako & Kaliszewski, 2022) and, in general, to an increase in power dynamics in different types of relational structures. The reference of the high turbulence of the business environment to structural and behavioral power is presented in their research by, among others, Cheung, Myers, and Mentzer (2010). Similarly, Siemieniako et al. (2022, p. 38) point to the relationship between changes in the business relationship environment and the power dynamics within these relationships.

Conceptual model of power dynamics in business relationships focusing on anticipated power consequences

Regarding previous considerations, Figure 2 presents a conceptual model of power dynamics in business relationships, depicting the links between transformative practices, anticipated power consequences, and value creation. High environmental turbulence and power imbalances between actors trigger transformative practices, impacting costs and benefits in business relationships.

Ignoring environmental turbulence leads the model of power dynamics in business relationships to primarily focus on internal factors within the relationship. For example, a situation of structural power improvement of a weaker supplier in a relationship with a stronger buyer may result from organic development of the business relationship (Makkonen et al., 2021), mutual learning between the two partners (Siemieniako & Kaliszewski, 2022; Zadykowicz, Chmielewski, & Siemieniako, 2020) or expansion of cooperation between them (Lacoste & Johnsen, 2015; Siemieniako & Mitrega, 2018).

High turbulence in the business environment is an important factor to consider as an external event influencing power dynamics in business relationships. The model shows that

**Source(s):** Own elaboration

![Conceptual Model of Power Dynamics in Business Relationships](image-url)
the factor of high environmental turbulence not only affects transformative practices but can also cause changes in the structural power arrangement contributing to power asymmetry dynamics. The arrangement of power asymmetries causes actors’ impact on value creation in business relationships, which can be operationalized into the impact on costs and benefits in business relationships (Makkonen et al., 2021).

Transformative practices triggered by high environmental turbulence can serve to maintain the resilience of relational structures and the value generated in these structures in relation to these turbulences. For example, Ruel, El Baz, Ivanov, and Das (2021) indicate that in the case of high environmental turbulence, building resilience of business relational structures appears to be an adequate response, addressing the urgency of relational structures actors to respond by absorbing short-term impacts and simultaneously reconfiguring, for example, supply chain structures in the long term (Ramos, Patrucco, & Chavez, 2023). The essence of building resilience, which constitutes transformative processes, is adapting to changed conditions rather than doing the same thing over and over again. It is not about preventing something, it is about how to respond if something happens. The essence is the ability of the business relational structure to withstand the pressure, rebuild, and adapt its core functions and objectives to the post-disruption conditions. This constitutes a transformative process. Ramos et al. (2023) call this process a jump forward and an adaptation to a “new” normal. Implementing these transformative practices will lead to various expected and unexpected power outcomes, both positive and negative, affecting all types of actors in business relationships, both directly and indirectly.

An example of building resilience as an implementation of transformative practices can be seen in the response of supply chain actors to high environmental turbulence caused by the need to meet the requirements of new restrictive sustainability regulations and the associated threat to value creation between supply chain actors. Chamanara et al. (2023) examined perceived power from a systems perspective in the beef supply chain, in terms of the global environmental impacts associated with livestock production. The main rationale for this study was the need to implement complex and costly changes in beef production throughout the supply chain to comply with new environmental regulations. This process brings about a radical transformation of the entire value system within the supply chain. It involves complex processes across various analytical layers of the business environment, with different actors playing various roles. Transformative practices in building business relational structure resilience may have exemplary anticipated power-related consequences, such as the risk of an increase in coercive power from stronger supply chain actors, an increase in the gap between perceived and realized power, the impact of coercion from a stronger actor on the increase in expert power of a weaker actor, an increase in the dependency of weaker actors on stronger actors. These exemplary anticipated power consequences can lead to anticipated consequences regarding the capture of value by different supply chain actors.

**Theoretical implications, future research directions, limitations, and managerial implications**

The model (Figure 2) contributes to understanding power dynamics in business relationships amid high environmental turbulence. The originality of the model is the proposal to focus on the anticipated power consequences of transformative practices triggered by high environmental turbulences. It considers how the power distribution among actors in relationships affects the sharing of benefits and costs in business relationships. Moreover, I highlighted the dimension of perceived structural power of business relationship actors, and consequently subjectivity in the assessment of actors’ structural power, as a component of structural and behavioral power dynamics. Power dynamics constitute the mechanism that regulates value creation in business relationships (see Siemieniako, Makkonen, & Mitrega, 2023).
With the proliferation of inter-organizational contexts in business relationships, including the influence of non-business stakeholders, the issue of power is becoming increasingly multidimensional and linked (Makkonen & Olkkonen, 2017; Kubacki et al., 2020; Siemieniako, Kubacki, & Mitrega, 2021; Siemieniako, Mitrega, & Kubacki, 2022; Kubacki et al., 2023) with different temporal (past-present-future) and hierarchical dimensions: individual, organization, inter-organizational relationship, business ecosystem.

Arguably, the lack of research on power-related consequences in more extended business relational structures (i.e. multi-tier relationships and business and non-business relationships), stems from the fact that both researchers and managers providing information find it hard to observe these consequences empirically. Therefore, I propose to introduce the category of anticipated consequences (desirable and undesirable), first introduced by the sociology classic Merton (1936) and used in research in business and management (e.g. Fairhurst et al., 2002; Fry & Polonsky, 2004; Harrison et al., 2007), but not used in power research in business relationships setting.

In empirical research, it would be difficult, if not impossible, to set managers the task of recognizing post facto what actions implemented under the influence of high environmental turbulence have produced anticipated or unanticipated consequences and what impact they have had on value creation in relational structures. Therefore, the proposed framework (Figure 2) served for predictive research, in which managers anticipated what power consequences of transformative practices for value creation might emerge.

Based on the reviewed literature on structural and behavioral power dynamics in business relationships (e.g. Lacoste & Johnsen, 2015; Makkonen et al., 2021; Siemieniako, Makkonen, & Mitrega, 2023) I suggest that future research should inquire about three aspects of power dynamics concerning expected power outcomes. First, how will the structural power between business partners change due to transformative practices? Second, how will transformative practices affect behavioral power dynamics? Third, how will perceptions of structural and behavioral power change under the implementation of transformative practices?

Future research should also consider unexpected outcomes of power during transformative actions triggered by turbulent environments. As power-related consequences are difficult to anticipate, it is worth noting not only the anticipated and desirable power consequences, but also the unanticipated direct and indirect consequences that may be undesirable.

The conceptual framework (Figure 2) contributes to research on transformative processes in business relationships (e.g. Möller et al., 2020; Ojansivu, Medlin, Andersen, & Kim, 2022; Siemieniako, Mitrega, & Kubacki, 2022). In the current era of a highly turbulent business environment, the proposed concept (Figure 2) resonates with systems theory (Boulding, 1956; Bertalanffy, 1968; Möller et al., 2020; Rybicki, 2022), which emphasizes the interconnectedness of the levels of business relationships. This allows us to analyze power dynamics in business relationships at the individual level, including employees, consumers, and local communities, who are often the most vulnerable individuals impacted by relational business structures. Therefore, future research on power dynamics in business relationships should emphasize the use of systems theory. Moreover, research on the links between intra-organizational and inter-organizational power in business relationships should prove to be contributory. There is also a need for more research, combining micro, meso, and macro levels, on power-related transformative practices and their anticipated consequences in different specific contexts, such as the practices of reducing modern slavery in global value chains and the role of power in a systems perspective (Kubacki et al., 2023).

The presented model aligns with Möller et al. (2020) proposal to shift traditional business marketing from managing relationships to orchestrating ecosystems, considering both top-down and bottom-up influences. The limitations of the presented model (Figure 2) stem from
the critique of the holistic view, which requires a simplistic approach to understanding the components of the model.

This article discussed various levels of business relationships. However, to propose a conceptual model that can be broadly applied, I had to generalize and did not delve into analyzing contextual differences, such as the industry type, the field, and the size of the companies, abandoned. I recommend that future research based on the model presented, both empirical and conceptual, take into account the context of activities affecting value creation and the consequences associated with power in different types of business relationships.

The model shown in Figure 2 can assist business professionals in managing relationships, particularly concerning expected power outcomes, across various relational setups. It also helps in understanding how these outcomes affect value creation, such as the distribution of costs and benefits among different partners. Increased awareness of the mechanism discussed will be useful to managers both at the planning and forecasting stage and in historical analysis as well.

References


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