INTER-ORGANIZATIONAL RELATIONSHIPS: PROMOTERS AND RESTRICTIVE FACTORS IN THE FORMATION OF COOPERATION NETWORK

RELACIONAMENTOS INTERORGANIZACIONAIS: FATORES INFLUENCIDORES, FACILITADORES E DIFICULTADORES NA FORMAÇÃO DE REDE DE COOPERAÇÃO

RELACIONES INTER-ORGANIZACIONALES: FACTORES DE INFLUENCIA, FACILITADORES Y DIFICULTADORES EM LA FORMACIÓN DE RED DE COOPERACIÓN

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RESUMO
O presente trabalho teve como objetivo identificar fatores dos relacionamentos interorganizacionais que facilitam e dificultam a formação de rede de cooperação de empresas a partir de dois níveis de análise (organizacional e interorganizacional). Para tanto, foi desenvolvido um estudo descritivo de natureza qualitativa, com prospecção de dados primários e secundários em uma rede de cooperação. O universo foi composto por 41 empresas conveniadas à rede em análise, sendo que o processo de amostragem se deu por acessibilidade e conveniência dos pesquisadores. Como resultados, identificou-se que a rede analisada pauta-se por objetivos de cooperação entre as empresas participantes, além de representar o setor e prestar serviços de interesse dos associados. Os principais fatores influenciadores para a formação da rede foram: central de negócios, marketing e treinamento, sendo que apenas este último foi alcançado de maneira satisfatória, segundo os respondentes. A central de negócios e o marketing ainda não foram plenamente desenvolvidos, sendo ambos identificados como fatores dificultadores. Palavras-chave: Redes; Redes de cooperação; Varejo farmacêutico.

ABSTRACT
The present paper had as aim to identify factors of inter-organizational relationships which promotes and restricts the formation of companies’ cooperation network, from two levels of analysis (organizational and inter-organizational). To achieve this goal, it was developed a descriptive-qualitative study, with prospecting for primary and secondary data on a cooperation network. The universe was composed by 41 participating companies associated to the analyzed network. The sampling procedure was for researcher’s accessibility and convenience. As a result, it was identified that the network is guided by goals of cooperation among the participating companies, in addition to representing the sector and provide services in the interests of the associates. The main factors influencing the formation of the network were: business center, marketing and training; but only training has been achieved satisfactorily. The business center and marketing factors have not yet been fully developed, being both identified as restrictive factors. Keywords: Networks; Cooperation networks; Retail Pharmacy.

RESUMEN
Ese trabajo tuvo como objetivo identificar factores de las relaciones inter-organizacionales que facilitan y dificultan la formación de red de cooperación de empresas a partir de dos niveles de análisis (organizacional e inter-organizacional). Para eso fue desarrollado un estudio descriptivo de naturaleza cualitativa, con prospección de datos primarios y secundarios en una red de cooperación. El universo fue compuesto por 41 empresas que tienen acuerdo con la red en análisis, y el proceso de amuestra ocurrió por accesibilidad y conveniencia de los investigadores. Como resultados fue identificado que la red analizada es guiada por objetivos de cooperación entre las empresas participantes, allá más de representar el sector y prestar servicios de interés de los asociados. Los principales factores de influencia para la formación de la red fueron: central de negocios, marketing y formación, y sólo este este último fue alcanzado de manera satisfactoria, de acuerdo con los respondientes. La central de negocios y el marketing todavía no fueron desarrollados plenamente, y los dos fueron identificados como factores dificultadores. Palabras-clave: Redes; Redes de cooperación; Venta al por menor en campo farmacéutico.
1 INTRODUCTION

Nowadays, the theme companies’ network is considered by several authors (GRANDORI; SODA, 1995; BARRINGER; HARRISON, 2000; DYER; NOBEOKA, 2000; BALESTRIN; VERSCHOORE, 2008) as an important factor for economical businesses actions, which join themselves towards common objectives. Through this interaction and cooperation, the businesses interact with environment and search higher competitive edge in the market, because the companies which work in isolated may do not achieve all the necessary resources (ALDRICH, 1979; OLIVER, 1990; GRANDORI; SODA, 1995; HALL, 2004).

Authors such Oliver and Ebers (1998) reinforce the need of empirical studies about inter-organizational relationships, since the academic specific literature in this matter is still inexpressive. Therefore, the theme of organizational relationships is relevant because the complexity inherent to the phenomenon of companies association in a network. To understand and evaluate the results of relationships arisen from this insertion in a network, it was necessary understand what expectations the companies have from this cooperation.

The theoretical framework research formulated in this work shows the factors that promote, influence and restrict the development of inter-organizational relationships in the formation of a cooperation network have been studied in an isolated way; or that the analyses do not approach the three levels of variables jointly. In this way, this study aims to enlarge the knowledge about this complex phenomenon from the joint analysis of these variables. It is important highlight that this research intends to analyze the results from data collected with members of the Pharmacy Network analyzed and from companies associated to it.

Considering the mentioned above, this work has as aim identify factors of inter-organizational relationship that influence, promote or restrict the formation of this kind of cooperation network from two levels of analysis: organizational and inter-organizational. Then, the question-guide proposed for this research is established as follows: What factors of inter-organizational relationship do have influence, facilitate and complicate the formation of a cooperative network in the retail Pharmacy in São Paulo state, considering two levels of analysis (organizational and inter-organizational)?
From the practice viewpoint, this research may bring useful contributions for company networks management, as well as for the management of companies which work in networks. Thus, the research is appropriate for a better comprehension of the theme in company networks and also in isolated companies, in order to show the consequences from collective actions instrumented by the network to the companies associated with it.

2 THEORETICAL REFERENCES

2.1 STRATEGY IN BUSINESS NETWORKS

The essence of study in business networks may be carried out by several theoretical approaches, as well as by two main sources; in other words, some authors study networks by highlighting the structural organization of business, while others emphasize the relationships between them (BALESTRIN; VERSCHOORE, 2008).

About the mentioned relationships, Barringer and Harrison (2000, p. 370) highlight the logical of theoretical approach related to the cooperative relationship is based on the “strategic choice theory, which studies the factors that provide opportunities for business increase their competitive edge or market power”. The authors argue that profits and growth are the main objectives which drive the strategic behavior; in other words, the organizations insert themselves in cooperative relationships if financial benefits are higher than the costs. In this context, the formulation of strategies is vital for any organization, once their insertion is also an important factor to be considered because they do not act singly in the environment that they are inserted (LOPES; MORAES, 2000).

It is known that strategy is considered a relevant tool for any kind of organization. Then, it is possible notice that strategy is directly inserted in business networks, for those there are two study approaches of this economy (POWELL; SMITH-DOER, 1994). By the first one, business networks are observed under the governance prism, which is more multidisciplinary and prescriptive and that see the networks as a kind of organizational logic or a way to govern the relationships among economical actors. By the second one, the networks are understood in an analytical way, and they are studied by the emphasis on the
social relationships within the companies that act in the network, as well as the inter-organizations relationships in their external environment (SACOMANO NETO; TRUZZI, 2004).

Thereunto, the strategy of participation in a business network involves something else than only change of information about works that an organization group performs singly. To be situated in a network, it implies in the business commitment to perform concrete jointly actions, sharing values and acting in a flexible way, transposing geographic, hierarchical, social and policy borders (OLIVIERI, 2003).

2.2 BUSINESS NETWORKS

The networks constitute a joint of information linked by specific relationships, structured from definition of roles, of attributions and of relationships among constitute elements. It involves factors related to the structure, heterogeneity and hierarchy, which need to be properly defined and explained (WHETTEN; LEUNG, 1979; HAKANSON, 1987; OLIVER, 1990; WILDEMAN, 1998; CANDIDO; ABREU, 2004).

On the Castells (1999) understanding, formation and function of a network are consequences of two fundamental factors: connectivity and coherence. In this sense, Perim and Filho (2007) assert that connectivity is about the structural capacity to facilitate the communication without clatter among components; in other words, with no misunderstanding. The coherence occurs according as the existence of sharing interests among the objectives of the network and its actors, further a common planning as a whole. Olave and Amato Neto (2005) highlight that the formation of business networks occurs by establishment of partnerships, proper from the competitive or turbulent environment with fast changes.

Balestrin, Vershoore and Reys Junior (2010) propagate that actors from a business network have different behavior, priorities, motivation and perception of the environment that they are inserted. In this way, the coordination is necessary to avoid anarchy and inefficiency in the network. Ring and Van de Ven (1994) complement this context detaching that when the formulation of a network does not achieve the complete commitment of participants with inter-organizational relationships, it may be related to the recognizing of actors about the possible benefits from the cooperation.

Thus, the resources have to be mutual to work, like conditioning rules and ethics among members of the networks; the infrastructure is understood as the practical ways of
actions (budget, local and material); the knowledge needs to be shared among the members, and finally, the communication is important for the relationship among the members, according to assert Balestrin and Vargas (2003).

2.3 INTER-ORGANIZATIONAL RELATIONSHIPS – IORS

Inter-organizational relationships are from the search by efficiency which may be observed as a way of negotiation; in other words, each organization searches to increase at the maximum its advantage to obtain and allocate fundamental resources for its survivor (OLIVER, 1990; HALL, 2004; FRANCO, 2007; CASTRO; BULGACOV; HOFFMANN, 2011). Thus, flows and links of resources relatively long are considered inter-organizational relationships, which occur between two or among more organizations (OLIVER, 1990).

Authors like Whetten and Leung (1979), and Castro, Bulgacov and Hoffmann (2011) draw the attention for the fact that an organization may constitute inter-organizational relationships due to its instrumental value; in other words, the authors consider that the degree of a given link may contribute to the achievement of organizational goals. In this context, the search of efficiency detaches the importance of resources acquisition for the organizations involved, what provides rationality as the organizations search to maximize their earnings from this interaction (WHETTEN; LEUNG, 1979; OLIVER, 1990).

In the theory proposed by Van de Ven (1976 apud PERIM; FILHO, 2007), when two or more organizations are involved in a relationship, they constitute a social system with the following elements: a) the behavior among relationship may occur as a unity and it has a unique identity, separated of its members.

For better comprehension of inter-organizational relationships, it is also necessary understanding what are their motivation, and the results that these relationships bring to the organizations, as well as comprehend promoter and restrictive factors (CASTRO; BULGACOV; HOFFMANN, 2011). These factors are represented by environmental and organizational aspects which stimulate or inhibit determined relationship; in other words, have influence in its formation (OLIVER, 1990; CÂNDIDO; ABREU, 2004). They also may be illustrated as those factors which induce the occurrence of inter-organizational relationships, thus representing pre-conditions or backgrounds for these interactions occur (HALL, 2004).
Regarding the motivation for inter-organizational relationships, the power may be mentioned as a motivating factor, because of the potential that a relationship has to provide an organization to exert power on other organization or its resources (OLIVER, 1990). When the power is mentioned to explain inter-organizational relationships, we suggest that lack of resources may motivate the organizations to exert power, influence or control on other organizations which have the required resources, contrasting with the assumption that lack of resources motivates the organizations to cooperate among them.

The organizations also institute inter-organizational relationships as a way of become more stable face on environmental uncertainties; in other words, they use the relationships as adaptive response to the uncertain environment in which they are inserted (CASTRO; BULGACOV; HOFFMANN, 2011).

The conception of confidence among the actors of a network certainly is one of the more mentioned factors by the academy, and it is a prerequisite of cooperation. Notwithstanding, the lack of confidence may also be a restrictive factor in inter-organizational relationships (HAKANSSON; KJELLBERG; LUNDGRENN, 1992; HOFFMANN; SCHOLOSER, 2001; MELLAT-PARAST; DIGMAN, 2008; CASTRO; BULGACOV; HOFFMANN, 2011). The confidence is something to be constitute in long term (JARILLO; STEVENSON, 1991; PARK; JUNGSON, 2001), because basic attributes like honesty, willing and efficacy only may be understood in long term (LAJARA; LILLO; SEMPERE, 2002).

When studying the actions of organizations in a strategic context, it is important understand how their actions have impact on their results. In the case of networks, the literature has indicated that organizations which promote cooperative inter-organizational relationships achieve better results than those which do not act in this way (CASTRO; BULGACOV; HOFFMANN, 2011). Then, it is possible consider that the organization uses their relationships to achieve strategic goals, and the results may be measured in terms of achievement of collective and individual goals (PARKHE, 1993; YAN; GRAY, 1994).

It should not be considered the fact that the relationship network is constituted of individual organizations, because the results of these relationships depend on the organizations inserted in the network. Thus, the economical result added of an individual organization offers bases for any cooperative strategy (PEREIRA, 2005; CASTRO; BULGACOV; HOFFMANN, 2011). Besides, the results of relationships may be evaluated in terms of
achievement of expected goals from the interactions among actors involved in the network (GERINGER; HEBERT, 1989).

Therefore, inter-organizational relationships succeed from social relationships that occur on the economical behavior of institutions which regulate them (GRANOVETTER, 1992). In this same consideration, Burt (1992) argues that inter-organizational relationships may be formed from networks, whereby the actors may intermediate connections among different unconnected fields, emphasizing ties among them as source of social capital.

3 METHOD

This research is characterized as a descriptive study. For Sampieri, Colado and Lúcio (2006, p. 100), a descriptive research searches “describe situations, events and accomplishments; in other words, it is possible say how determined phenomenon happens”. The purpose of this research, theoretical perspective and the problem point to the adoption of a qualitative and descriptive approach, as also for the use of primary and secondary data. This approach is considered the more appropriate to explore processes which occur in organizations, once it allows interpret and explain these phenomena (GODOY, 1995; YIN, 2010).

The type of analysis used in this study was the case study, according to the classification proposed by Eisenhardt (1989), Stake (2000) and Yin (2010). The case selected reflected on a business network from the Pharmaceutical retail which works in São Paulo state, and composed by 41 enterprises associated. The theoretical model of research is combined by two categories designed by the motivational factors; in other words, by perspectives of relationships, by the factors which promote and restrict, which influence on the formation of inter-organizational network in the inter-organizational scope and by the participation of members in the network within the scope of organizational analysis.

The sampling process was restricted to 11 enterprises of Refarma network. The choice of this study occurred considering the kind of relationship (formal in horizontal type), existence time of network (15 years), and the local, because the enterprises selected are situated in São Paulo city, given the enterprises chosen are considered the bigger in the network analyzed and also by accessibility and convenience for the researchers. Thus, the
sample analyzed is representative, once the enterprises selected represent the older associates in the network, working since from the foundation. In this way, the director and 11 companies’ owner-managers who work in São Paulo capital were selected.

Regarding the data collection, this research uses primary and secondary ones, collected in two stages. The first stage had qualitative approach and the data were obtained through interviews with semi structured guide, answered by the owners of 11 participant companies, as well as the director of the network. Each interview took from 30 to 60 minutes.

In this stage, the documental research was also used through printed and electronic documents, such the network and enterprises websites, further Refarma network statute, specialized publications of the area (The Journal of Brazilian Association of Pharmaceutical commerce – ABCFARMA in Portuguese acronym –, as well as the Refarma network magazine) and also the data from official institutions for regulation of Pharmaceutical sector.

According to Eisenhardt (1989), and Human & Provan (1997), with the data collected in the first stage and based on theoretical reference formulated, the research instrument was constituted and used in the second stage of this field research. The questionnaire employed a Likert-type scale of five points, applied with owners of each of 11 enterprises chosen for this study.

The analysis of data collected involved two stages: a) analysis of interviews and documents, and b) analysis of structured questionnaires. Regarding the first stage of analysis, the interviews were transcribed and submitted, with the other documents, to the analysis of content technique (LAVILLE; DIONNE, 1999; FLICK, 2004). On the second stage of the analysis of data from the structured questionnaire, the following techniques were used: frequency and average, by virtue of the number of enterprises is restricted to 11 elements.

4 PRESENTING AND ANALYSIS OF RESULTS

4.1 BRIEF HISTORY OF REFARMA NETWORK

The network that is focus of this research was created in 1998, through an agreement of the Pharmacy syndicate of São Paulo state (SINCOFARMA in Portuguese acronym), and it
was expanded in a convention and posteriorly becoming in association. The term of membership consolidate the agreement of service for development of business management of pharmaceutical commerce, under the name of Brazilian Pharmacies and Drugstores Network (REFARMA in Portuguese acronym), registered on the National Institute of Industrial Property (INPI in Portuguese acronym), and under the register of brand and patent number 824778456 (REFARMA, 2012).

The structure of services of the network researched count with three base pillars, explicitly registered in its formation statute: a) Central of business: negotiate commerce advantages; b) Training: lectures, courses (popular pharmacy and legal and tax advice); and finally c) Marketing: strategies for convened enterprises.

Another item explained of Refarma network is toward the obligations of associated, who have to be regularly according with the credit protection institutions and with federal, state and municipal institutes. Associates which are localized in São Paulo pay a tax of R$ 80.00 (eighty reais – Brazilian currency) by month, and associates localized in São Paulo countryside pay a tax of R$ 130.00 (one hundred and thirty reais) by month. It is explained on the statute that the enterprise which wants to be associated to Refarma must have a distance of 2 km from another network store (REFARMA, 2012).

By the research, it is evidenced that most enterprises (5) is localized in the east São Paulo, followed by North (4) and South (2). There is no enterprise associate working in the Central or west zones.

However, it is possible assert that the formalization of relationships is achieved when consider that the participation in the Refarma network is ruled by norms (statute among others) which regulate the relationship and establish rules among actors involved. Before these aspects, Refarma network may be characterized as an inter-organizational cooperation network in a formal type according to the classification proposed by Amato Neto (2000) and Marcon & Moinet (2000).

4.2 COMPANIES’ PROFILES

It was identified that 91.8% of subjects of field research are the companies’ owners; and the 8.2% remaining are managers or Pharmacists with power of decision. Regarding to the education, 54.5 % declared to have complete higher education, followed by 37.3% with
complete high school and 8.2% pointed having incomplete high school. Regarding the gender, 76.7% are men and 23.2% are women.

The average operating time in the company of subjects who answered is near to 18 years and half. The company 3 is the one with elder businessman, 32 years of acting; followed by the company 10, whose owner has 30 years as business managing. Regarding the operating time of companies in the Pharmacy market, the company 7 is working 67 years, currently with 3 employees, and associated to the Refarma network 14 years. It is observed the company 3 with 62 years, 15 employees and 10 years associated to Refarma network. The company 8 is 60 years, has 3 employees and is associated 6 years to Refarma network. The average time in the Pharmacy sector is a little over 37 years. The average of employees was 4.2. The average associating time to Refarma network was 10.3. The company 3 has the higher number of employees and is associated to the network only 6 years.

Regarding to the size of companies associated to Refarma network, it was observed on the Complementary Law number 139/2011 (RFB, 2012), which consider as microenterprise (ME) the legal entity with annual gross revenues until R$ 360 hundreds (in Brazilian currency), and small business (EPP in Portuguese acronym) those with annual gross revenues until over R$ 360 hundreds, and equal or superior than R$ 3.6 million. The Law number 10,165/2000 (BRASIL, 2012) consider middle size enterprises those with annual gross revenues over R$ 1.2 million and equal or less than R$ 12 million. From the two laws matching, it was possible identify that, among the 11 companies analyzed in Refarma network, 5 are classified as microenterprises (ME); 4 as small business (EPP) and 2 as middle enterprises. From the results, the size of enterprises associated to Refarma network analyzed in this study, the concentration is between micro and small enterprises (45.5%); 36.4% is EPP; remaining 18.1% as middle size enterprises. The companies searched in the sample work long time in the Pharmacy Market, once the time average is 37.1 years.

The manager’s report of the associate companies advise that the law “is a benefit because many people is such illegal, do not have business license and they are opened and, like or not, they are blemishing the image of small pharmacies and it must have rules and they have to be followed” (Company 1). Another company associate to the network reported that the law “helps because we have to work by these rules. Then, one of the
factors that make me find Refarma network was know these rules. Because without these laws you cannot work” (Company 6).

Thus, most entrepreneurs associated to Refarma network (63.6%), when asked about how they face the competition, they reported that they use to apply a differentiated attendance, followed by perfumery and other products (27.3%), and only 9.1% reported to face the competition by selling diversified generic and non-generic medicines.

It is possible observe these companies associated to Refarma network cannot compete by price in the retail pharmacy market, because the interviews in loco was identified that any company have competitive price to face the great retail networks currently working in the national market. In this way, what difference them from the big networks is the personalized attendance in order to orient the medicine dosage, giving injections, bandages, measure blood pressure and specific orientation to the clients with chronic diseases; in other words, they are some actions developed by companies analyzed in order to achieve better positioning in the retail pharmacy market.

Refarma network plays a central role when communicate all the associates about strategic actions adopted successfully by one network’s member. When interviewing the director of Refarma network about the comprehension of competition among associates, we search to understand if there are competition rules or patterns for them, as well as about the predominance: cooperation or competition? The director reported that it is no parameter of competition among associates, but the network reports successful actions among associates because it takes good results in selling and would be disclosed to other associates; in other words, there is an information exchange and the actions may help each other. According to the director, “a company implants determined covering for clients assistance and other mentions an example that had an identical action with good results”. For the director, there is no competition among associates, what predominates is the cooperation among the members.

However, it is possible assert that the formation and function of Refarma are consequences of two fundamental aspects: connectivity and coherence disseminate to associates. Connectivity is regarded to the structural capacity to facilitate communication without clutter among associates; in other words, with no damage to the network. Coherence occurs when there are shared interests among the goals of network and of its
associates, further a common planning for all the involved (CASTELLS, 1999; PERIM; FILHO, 2007).

Associates were asked about the importance of the network, and 45.5% declared that is important, followed by 27.3%, who indifferent. Other 18.1% attested that the network is very important, and finally 9.1% indicated there is no importance. It is interesting highlight that, through the analysis of interviews, this requirement evidenced may be related to the fact that the network did not reach its goals for which it was created originally.

Some entrepreneurs also attested that the network did not reach the goals originally designed, because the Company 2 reported that: “not yet, but it is on the way”; the company 6 considers that “did not do it yet”; Company 10 observed that, “in my opinion, it still needs to improve greatly”. These reports seem corroborate the results about associates’ satisfaction with the network, because over half respondents (54.5%) indicated they are not satisfied or unsatisfied.

In short, it is possible conclude, in the characterization of Refarma network, that it is classified as a horizontal cooperation network. It has as characteristic the establishment of cooperation relationships that occur among companies, which offer similar products and belong to the same working area; in other words, among competitor companies. These networks are specifically defined as typical cooperation relationship among small business (HOFFMANN; MOLINA-MORALES; MARTINEZ-FERNANDES, 2004; CARRÃO, 2004).

Regarding the aspects of formalization, Refarma network may be considered as a formal network, with declaration of contractual relationship which has as aim ensure fulfill established rules in order to avoid inappropriate behaviors that could damage the relationships among members (LANIADO; BAIARDI, 2003; HOFFMANN; MOLINA- MORALES; MARTINEZ-FERNANDES, 2004).

Finally, regarding the power of decision, Refarma is classified as not orbiting, in which the members have the same capacity of decision (HOFFMANN; MOLINA-MORALES; MARTINEZ-FERNANDES, 2004). Before the facts exposed, it is possible conclude that Refarma network may also considered dynamic, once it is characterized by intense and variable relationship of companies which are linked and they interact in order to achieve common goals (CORRÊA, 1999).
4.3 INFLUENCE, PROMOTE AND RESTRICT FACTORS IN THE NETWORK FORMATION

Influence factors on the network formation which was analyzed are presented in this section, considering information collected in the field search by secondary data (documental sources) and primary ones (structured guide interviews). From data collected in this stage and as well as the base established on the theoretical reference, the categories which orient the process of analysis were defined. Then, firstly it is important list the formally declared goals by the network statute. Refarma network was formed from the following goals disposed in the Frame.

Frame 1 – Refarma network goals

<table>
<thead>
<tr>
<th>Refarma network obligations</th>
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<tbody>
<tr>
<td>I - Regular evaluation meetings with companies’ owners who are REFARMA’s system members;</td>
</tr>
<tr>
<td>II – Counseling training for associate companies’ owners and employees;</td>
</tr>
<tr>
<td>III – Visits and regular evaluation of physical characteristics of REFARMA’s system members;</td>
</tr>
<tr>
<td>IV – Advice orientation to implement a computing system with specialized company;</td>
</tr>
<tr>
<td>V - Negotiating differentiated conditions and advantages with manufacturers, distributors, service providers and others, for members’ benefits;</td>
</tr>
<tr>
<td>VI – Making the Pharmacy Law available for members practice commercial activity in this market area;</td>
</tr>
<tr>
<td>VII – The activities from this contract will start when the providers release credit for the new members; thereunto, the members must be regular with providers complies and documentation with competent institutions.</td>
</tr>
</tbody>
</table>

Source: From Refarma (2012).

To attend the goal of identify influence factors present in the formation of Refarma network, the board of directors was asked about which objectives have triggered the network appears. On the other hand, from the identification of motives that lead the companies to participate in the association, the board of directors was also asked about what objectives lead the company to associate to the network. The respondents also were asked about possible variations in promote factors during the relationship; in other words, the factor which restrict and promote the formation of the network, and also if the network reached the goals for which were created, according to the respondents’ opinion.

In a general way, it is possible notice that Refarma network is based on cooperative objectives among companies of the Pharmacy field, further to search representing the sector and provide services of interest to associates, according to its statute presented in the Figure.
1. From data collected in the field search, the aims of network formation are: business central, marketing and training. Only one of the objectives was fully achieved: the training.

Addressing the questioning focus to the managers of Refarma network companies and even searching understand if the objectives for it was created were achieved, respondents also reported that it were not reached. The company 2 reported that “they still were not reached, but it is on the way”; company 6 asserted that “it still did not reach them”; and company 10 corroborated this though when expressed that, “in my opinion, it has to improve a lot”. Regarding other interviewed managers, all of them asserted that the network did not reach all the guiding objectives for its foundation.

It is interesting highlight that, from the guiding objectives for which was created, only the training was reached. Perhaps we could consider that this objective was reached because it is addressed to management; in other words, to the consulting in entrepreneur management, which involve tax management and training for employees and entrepreneurs, among others. The implantation of Popular Pharmacy is also linked to the training. Popular Pharmacy is a federal government’s program that Refarma network provides to the entrepreneurs with no additional costs.

In order to prove these statements, we have to consider that the objective reached is linked to the business management; this requirement may be linked to the companies’ size, because most of them are microenterprises (45.5%) and Small business (36.4%); in other words, aspects related to management are fundamental for the success by smaller companies. Because they are small companies, they need management consultancy services; on this account, when questioning the director of the network about what are the main actions, they reported: “we have a timeline which establish participation in events, and information about what happens in the market”, for example, “most Refarma members, we work for they were licensed by the program Here is a Popular Pharmacy from government”.

Before the exposed facts, the formation of Refarma network corroborates the concepts exposed by Wildeman (1998), who asserts that the motives which lead companies to organize themselves in a network are diverse, and they depend on the network objectives; in other words, they are related to efficiency improvement or better adaptation to socioeconomic changes. Both aspects are related to the access to knowledge, reducing costs and risks, scale, maximization of use of actives and development of skills.
The context verified in the network analyzed is also related to the Olave and Amato Neto’s purpose (2005), for who the formation of networks occurs through the establishment of partnerships, inherent of competitive and turbulent environments and with fast changes; in other words, the main objective for the formation of Refarma network regards on collaborative relationships, which should overcome the competitive perception of small pharmacies related to big networks, transforming the competition in partnership, introducing new roles and new management ways. The authors also assert that the objectives for create a network may be reached jointly or in parts: in the case of Refarma network, notably training - while other objectives, like business central and marketing – are still in development.

Regarding promoting factors for the formation of a network, it was asked both for directors and also for managers. Companies consulted reported that Refarma network has brought good results, because the brand characterizes a network and it helps the competition. Most of managers reported that consumer is influenced by Pharmacy’s brand, mainly regarding retail pharmacies network. They were also asked about restrict factors according to the managers and directors’ viewpoint. Respondents reported that restrict factor is “the contact among the enterprises, meetings and conventions. What restrict more is meet entrepreneurs cannot find time to do other things” (Company 7), “because pharmacies cannot survive alone, then Refarma was a kind of running to try to improve, but I do not have time to go to the meetings” (Company 10), and “the days when the meetings happen” (Company 11).

According to the interviewees’ reports, the factors which also restrict the formation of the Refarma network was the difficulty to attend the associates’ meetings, the days that the meetings take place, the occurrence, perception of consumer regarding the network is a franchising and not an independent company, and finally the associates’ trust. In short, promoting and restricting factors exposed for the formation of Refarma network are according to the literature; in other words, for the formation of a cooperative network, there are promoting and restricting aspects which influence its formation, in development and maintenance of relationship among companies, permeating and giving presence in negotiation, in the deals and in the routine of associate companies. Thus, it is possible consider as promoting and restricting factors for inter-organization relationships, the
INTER-ORGANIZATIONAL RELATIONSHIPS: PROMOTERS AND RESTRICTIVE FACTORS IN THE FORMATION OF COOPERATION NETWORK
Marcos Antonio Gaspar - Rosângela Sarmento Silva

environmental and organizational aspects which may instigate or avoid determined relationship; then, those which influence the formation or maintenance of cooperative networks (WHETTEN; LEUNG, 1979; OLIVER, 1990; CÂNDIDO; ABREU, 2004). In this view, it is possible conclude that promoting and restricting factors for the formation of Refarma network involve environmental and organizational aspects (OLIVER, 1990; CÂNDIDO; ABREU, 2004).

Another aspect collected with entrepreneurs associate to Refarma network was addressed to investigate if managers knew the motives to form the network. The interviewees’ reports were as following: “conditions for buying that they have with distributors because they have different discounts from distributors” (Company 1); “their idea is get facilities for the pharmacies, mainly in the buying field. However, in my viewpoint, this aim was not reached” (Company 2); “the market of big networks, there is where the idea is from” (Company 5); “the difficulty that pharmacies had to buy by themselves because of the big networks” (Company 6); “it gives better quality for independent pharmacies and can offer competitive edge with big networks” (Company 7); “the reason why small pharmacies want to survive and they think that Refarma would give better support [...] I’ve though they almost stop in the middle of way [...] they should give more impulse to the pharmacies” (Company 10); “helping independent and small pharmacies to survive in the pharmacy market, which is so competitive due to the big networks” (Company 11).

It is observed that associates to Refarma network know the reasons to create the network due to the companies are associated almost from the foundation. According to facts previously exposed, the time average of association is 10.3 years; in other words, the company that is less time in the network presents 6 years of association. Therefore, knowing the motives for creation of the network corroborates with the parameters exposed by Balestrin and Verschoore (2008), according which the inter-organizational cooperation presuppose convergence of interest in order to concretize actions which could benefit the collectivity of the network. In this case, what associates to Refarma network had as collective interest was buying medicine with competitive prices in order to compete with big retail networks in the pharmacy field, and also savings in scale.

The entrepreneurs’ search when they associated to Refarma network, according to the interviewee’s reports is addressed to the improvement of competitive edge and legal
advice, as well as specialized business guidance. In this case it is possible relate the results from the field research to the theory by Brandenburguer and Nalebuff (1995). These authors attested there are two assumptions to form a network: the first one is the idea that the whole is bigger than the sum of parts; in other words, the competitive edge that associates want in retail pharmacy sector; and the second one is the benefits for all the members in an organization like this, called network organization.

In this sense, the entrepreneurs were asked about what make their company remain associated to Refarma network. It was also argued with the director of the network what it does to keep its associates in the network, and also what are the main difficulties that Refarma faces to maintain the associates within it.

According to the director’s report, the great difficult is meet the associates, due to the network is not imposed, but the it makes efforts to demonstrate the better solution for the associates in services provided from its statute. The network negotiates with suppliers and pass the benefits reached to the associates; the associate can buy or not, once there no imposition by the network. The network also carries out services addressed to business management that, in this case, is towards a specific service that more motivates the companies to remain associated to Refarma network.

In addition, the associates’ reports indicate factors that motivate to remain in Refarma network: the network’s brand, management services that involve Popular Pharmacy Program and lower mensal cost when compared to other networks. Then, despite the absence of entrepreneurs in the meetings, according to the director’s report, also for some entrepreneurs, and the network did not reach its guiding objectives, the brand Refarma and the management services provided corroborates with the associates mention about their remaining in the network. It is also important highlight the director’s report, according to the Figure 1.

Figure 1 – Motives which make companies remaining associated to Refarma
The figure 1 evidences a duality in the relationship, both from entrepreneurs to the network and the opposite. The work performed by the network for the entrepreneurs remain associated corresponds to what the entrepreneurs search in the network. Notwithstanding, each entrepreneur has some different needs, we have to detach the common needs among entrepreneurs which the network provides properly. Thus, the actors’ duality in the network evidenced by the field research is regarding to the cooperation, in which coordination is required, according to Balestrin, Vershoore and Reys Junior (2010). The authors reported that once the independent actors have different behavior, priorities, motivation and perception of the environment where they are within, the coordination is necessary to prevent anarchy and inefficiency. Then, this is exactly the role played by Refarma network in order to ensure the reaching their common objectives.

Like all the for-profit organization, the objective of companies associated to Refarma network is obtaining interests. According to entrepreneurs’ reports, even they cannot have competitive advantage from the prices of products the associates try to differentiate from the big retail pharmacy networks by specific actions, such the client attendance. This fact is based on the observations during the managers’ interviews. It was possible identify the attendance in loco, when pharmacists orient clients about the appropriate dosage of acquired medicine, mainly about schedules, if the medicine correspond correctly to the

**Network motives**
- People management
- Work management
- Fiscal and tax management
- Store resources management
- Employees management

**Entrepreneurs’ motives**
- Monthly taxes
- REFARMA’s brand
- Legal advice
- General advice
- Prices
- Employees’ training
- Services provided by the network
- Popular Pharmacy

Source: Developed by the authors (2012).
patient’s feelings, about blood pressure measurement, manipulation of bandages and even orienting clients regarding chronic diseases. The National Agency of Health Surveillance (ANVISA, 2009) by RDC number 44/2009 (Resolution of Collegiate Direction in Portuguese acronym), considering the pharmacist attention provided in retail stipulates physiological parameters: blood pressure and body temperature, and also biochemical parameters, like glycaemia, medicine administration and domiciliary pharmacist attention.

Regarding the main difficulties faced by associate managers, it is important highlight those collected from the interviews: “competition” (Company 1); “competition is very strong” (Company 2); “tax burden” (Company 8); and “high competition edge” (Company 05).

Then, according to the interviewees’ reports, the main difficulties are competition and tax burden. These indications may be related to companies’ size, because most is composed by microenterprises (45.5%) and Small business (36.4%). Regarding the competition edge in the retail Pharmacy field, large scale buying performed by big networks may be a factor to consider because they can compete with price. However, the differential of pharmacies associated to Refarma network is providing personalized attendance. In a market with fierce competitiveness, the competition edge in large scale brings advantages, but the competition based on the service providing also can bring advantages, mainly for small business. In this field, the more searched service by associates is training, exactly one of the motives to create the network. The training is directly linked to the capacity of differentiation in the pharmacy service providing, further the aspects linked to legal advice and assistance in business management; then there are cooperation from the network to its associates. Even the appropriate development still was not reached, it is important to detach the appropriate attendance of some needs from associates to the network analyzed.

Before the associate entrepreneurs’ reports, the results are cohesive to the theory by Scott (2003), according to which environmental stabilities and instabilities may mold the companies of a network. This fact occurs because of structures and results verified: the approach of depending on resources demonstrated that companies try to adapt themselves to their environment changing the aspects of their structure in order to reach an appropriate adequacy to the environment around them.
Regarding the companies planning, respondents reported that any organization is important, no matter its size; because the planning consists on relate a business with its work environment. Thereunto, it is possible notice that companies associated to Refarma network develop a planning to search competitive prices and good market positioning. The company 3 searches partnerships with laboratories for its strategies; the company 4 searches new providers and differentiate its attendance; the company 6 searches enlarge its products portfolio; the company 10 reported that also develop a planning and when the difficulties appear, ask to the Refarma network. The planning is important because its formulation relates the organization to the business environment, further the identification of basic structural characteristics of market which may determinate, together the joint of competitive forces working in the company.

The main results in the field research about the formulation of network are presented below:

Influence factors: Refarma network is based on cooperative objectives among companies from the sector, further represent the field and provide services of associates’ interest. In a general way, associates demonstrated that cooperation is the main motivator for participation in the network, in a counterpoint an environmental context where the competition prevails. In a specific way, associates search the improvement of relationship among providers, strength and protection in the sector (better price competition before big networks with differential attendance). All the companies showed them up motivated with the service Popular Pharmacy provided by the network with no additional costs, and the mensal costs are lower when compared to other networks from the sector.

Promoting factors: the formation of the network was promoted by the experience of its current president, who has a history of cooperation; the absence of adhesion tax; flexibility in decisions; union to strength themselves and search better resources from the market; Refarma brand; and the associates which know the motives for what the network was created, due to these companies are associated almost from the network foundation.

Restricting factors: the objectives according which the network was created are not completely reached; the members meeting (days in the meetings occur); bad examples of associations implantation which occurred unsuccessfully; possibility of enlargement by
Franchising, what generated distrust by members; and the lack of knowledge about network by members.

In this sense, it is possible assert that, from data collected, despite Refarma network could not promote a better relationship among companies from the sector, the network seems to perform appropriate actions to reach it. It is also highlighted, according to Beamish (1987), the results of a relationship are positively affected by time. In this way, according to Ring and Van de Ven’s vision (1994), and the formation of a network did not reach the cooperation stage with its relationships because companies do not know completely the benefits which could come from the cooperation actions provided by the network.

5 FINAL CONSIDERATIONS

This work had as aim identifying the factor which influence, promotes and restrict the formation process of a cooperation network from two levels of analysis (organizational and inter-organizational). Thereunto, the Frame 2 presents a comparison among main characteristics listed in the theoretical reference about inter-organizational relationships and its respective practices performed by Refarma network in its formation, as well as the desired or undesired results.

Frame 2 – Summarized frame of main reached results

<table>
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<th>Influencer factors</th>
<th>Practices performed by the network</th>
<th>Desired results</th>
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<td>Oliver (1990); Wildeman (1998); Hall (2004); Olave &amp; Amato Neto (2005); Franco (2007); Castro, Bulgacov &amp; Hoffmann (2011).</td>
<td>• Medicine collective buying; • Negotiation with new providers; • Advice for associates.</td>
<td>• Competitive advantage in medicine buying; • Minimization of negotiation power of providers; • Reduction of scarcity of resources in medicine buying to compete with power against big pharmacies networks; • Network adaptation to socioeconomic changes; • Access to new knowledge; • Costs reduction in large scale buying; • Risks reduction by maximization in the use of actives and development of associates’ skills.</td>
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<tr>
<td>• Acquisition of resources for collectivity of network; • power; • environmental uncertainty; • Cooperation.</td>
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<tr>
<th>Facilitator factors</th>
<th>Practices performed by the</th>
<th>Desired results</th>
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The analysis of researched network identifies an alignment of inter-organizational relationships to the literature in this theme, according to illustrated in the Frame 2. It was evidenced that in the collective level, the network analyzed was formed in order to promote development in the Pharmacy sector close to the small pharmacies, and it is based on cooperative objectives among retail companies in the sector.
In individual analysis of company members of the network, associates demonstrated that cooperation of their participation in the network is the main motivator to compete before other competitors. All the companies analyzed presented themselves motivated by Popular Pharmacy Service, in which the network helps the companies with no additional costs. There is another factor related to the mensal costs for membership maintenance in the network, which is lower than other networks in the retail pharmacy sector.

From the results of field research, it is possible notice that the promoting factors of the network formation are related to the environmental aspects, like associations and flexibility. These factors are related to the current president’s experience, because he has a history of cooperation in the sector analyzed. Other criteria were indicated by owner-managers researched, such as absence of adhesion taxes, flexibility in decisions and also the union of network to strength themselves and search better resources in the market.

Regarding restricting factors for formation of network, these are based on environmental uncertainties, due to the regulation of sector by government, also the working time in the network and interaction among associates, what may have negative influence in communication, as well as the confidence existent in the network members.

Limitations in this study are addressed to the difficult to access information considered strategic by the network analyzed, as well as by the companies associated to it. Besides, it is important highlight the transversal interregnum, which captive the results in a determined moment, specific of the network analyzed.

This work opens up other possibilities of future complementary or extensive researches, searching the analysis of reality in other networks with similar characteristics regarding to the cooperation among members. Thereunto, it is possible point to suggest studies in other industries and sectors, further explore other regions in order to verify their specifications related to the theme studied.

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