

Relational competence : an answer to opportunism in bank/firm relationships

Purpose :

Opportunism makes the bank/firm relationship problematic. Consequently mechanisms must be enforced to palliate risks relative to potential actors' opportunism.

This paper aims at studying a key network relationship and at showing that the choice of how banking relationships are managed by firms allows to look further than a mere analysis of opportunistic behaviours.

Method :

This study uses a qualitative analysis methodology and case study method approach. Data come from four case studies (four French SMEs). Data are secondary. These data were collected to study the management of bank-firm relationships, focusing on the firms point of view. Data come from extensive qualitative interviews carried out over a period of two years. Content analysis was carried out using N6 software.

Findings :

Four French SMEs developed a relational competence; a common rhetoric area and common rules were then built. Developing such a competence allowed knowledge, a know-how and a know-how-to-be to be built. Such a competence allows a relational management of banking exchanges in which opportunism is not to be found.

Conclusions from findings :

The voluntary social interaction of the firm helps structure the relationship into a relational management. Theoretical analysis focused on relational management in banking exchanges, and the empirical experience of all four SMEs, make opportunism unnecessary.

Implications :

Here, focus is on SMEs' practices of banking relationship management. Then it would be interesting to deepen this research studying the management of banking relationships, focusing on the bank side, especially in times of financial difficulties for firms.