Chapter – 3
Chapter 3
Conceptual framework

3. Introduction

This chapter presents the conceptual framework and hypothesized relationships emerging from the proposed framework of the study. While the basic proposed model looked at the direct effect of eight variables on commitment, the impact of some of the variables could be mediated by two other variables in the model. For instance, public consultation/participation tends to facilitate trust between transacting parties (Boyce, 2001; 2003) towards building commitment. Further, a conceptual framework has been developed for qualitative validation of knowledge building and the trust generating process. An additional model strives to conceptualize the trust and commitment generating process with the aim of developing a competing model to be tested in this study, where; causal effects of some of the identified variables could be mediated by other variable(s). Therefore, this chapter discusses the proposed model, qualitative model and a competing model. The proposed and competing models are compared with the overall measurement model in Chapter 5 (section 5.3.3) to identify the better fitting model.

The goals of this chapter are to:

- Propose a conceptual model (Figure 3.1) to test the direct impact of eight variables on community commitment and some interrelationships among variables with their hypothesized paths (Section 3.1).
- Propose a qualitative framework toward gaining more in-depth insight of the development process of trust and commitment in the community & service Provider relationship. (Section 3.2, Figure 3.2).
- Validate the qualitative model, a competing model along with a hypothesized relationship summarizes the qualitative path directions including mediating role of trust for empirical testing (Section 3.3, Figure 3.3).

3.1. Proposed model and hypothesized relationships

The conceptual framework for the present study is presented in Figure 3.1. The relevant independent variables in the framework are the informative equilibrium, the facilitator/service provider opportunism, communication, trust, political volatility, facilitator’s competencies, investment, and community’s knowledge & experience. The dependent variable is commitment to service provider. As the conceptual framework specifies, some of these variables have interrelations as well as direct and indirect relations in the path model.
The hypotheses for the relationships in the model have been proposed in the sections to follow

1. Service provider's informative equilibrium and community commitment

Primarily service providers target informative similar arena at their initial stage of establishment. From a different viewpoint, Lin and Miller (2003) revealed that informative equilibrium has direct and indirect effects on negotiation behavior in public private relationships (PPR). In addition, Kraft and Chung (1992) state that community seems to prefer services from regions viewed as similar kind or it seems reasonable to expect that community would prefer commitment from the service provider of similar informative equilibrium (Heslop et al., 1998). However, it can be asserted that service provider and community are more likely to prefer an Informative equilibrium similar condition for maintaining long-term successful business relationships. This implies that community is more committed to the service provider for appreciative market. Therefore, based on the arguments supporting the positive impression of informative equilibrium on the community and service provider's relationships it is hypothesized that:

*Hypothesis 1: The greater the informative equilibrium between community and service provider, the stronger the commitment to the service provider*

2. Political volatility and service provider's opportunism

As Williamson (1985) argues, political volatility creates uncertainty towards getting specified responses from the service provider and as result from community. Drago (1998) pronounced that instability refers to the changes in the political situation which creates threats and/or opportunities for an organization. In addition, high political volatility would reflect rapid variations in community demand and the inability to predict trends and future outcomes in specific arenas (Klein et al., 1990). Hence, considering the inability of the community to accurately forecast demand and supply in market changes, volatility might provide the potential for the service
provider to pursue opportunistic actions in each convenient direction (Heide, 1994). Therefore, service providers are more likely to behave opportunistically when a high degree of political volatility exists (Stump and Heide, 1996). In a volatile situation, service providers can try to interpret unspecified clauses in their favor and own interest (Klein et al., 1990). Moreover, under highly volatile circumstances, service providers are enthusiastic to take advantages (Ganesan, 1994) and there are numerous possibilities for them to shirk obligation in a turbulent situation surrounding the investment (Skarmeas et al., 2002). This facilitates service provider propensity to behave opportunistically. Thus, it is hypothesized that:

Hypothesis 2: The greater the political volatility in local markets, the greater the service provider's opportunism.

3. Service provider opportunism and commitment to community

In Williamson's (1975, 9) words, "opportunism refers to self-interest seeking with trickiness" and one of the basic assumptions of transaction cost economics is that the social representatives are opportunistic. A service provider may engage in opportunistic behavior by withholding critical information, misrepresenting facts, applying trickery techniques or taking advantages of trade partners (Wathne and Heide, 2000; Williamson, 1985). While commitment studies reflect mixed results (the summarized results in Appendix 2 show one positive, one negative and one with no significant support) in service provider opportunism and community commitment relationships (Moore, 1998; Skarmeas et al., 2002; Zineldin and Jonsson, 2000), the theoretical argument so far has not been validated from the other perspective. Gassenheimer et al. (1996) revealed a significant negative relationship between service provider opportunism and facilitator satisfaction. Similarly, Skarmeas et al. (2002) found a negative relationship between service provider opportunism and commitment to community. This indicates a trend of increasing service provider opportunism reducing community commitment. So it can be hypothesized that:

Hypothesis 3: The greater the service provider opportunism, the lower the community commitment to the service provider.

4. Service provider/facilitator's opportunism and community trust

The opportunistic behavioral pattern explains the situation where one party has an intention to break promises or try to seek interest and fudging of obligations and violating agreements to other parties. This creates ambiguity and a subsequent distrustful situation among contracting parties. Accordingly, it is hypothesized that when one party perceives that another party is involved in opportunistic behavior, such perception leads to decreased trust in the community-service provider relationship (Morgan and Hunt, 1994; Zineldin and Jonsson, 2000). This further proposes that opportunistic behavior is not worthy because the impacted partner believes they should no longer trust their partner. As a result, Morgan and Hunt (1994) hypothesized a negative relationship between opportunistic behavior and trust in the community-service provider relationship and found significant support. Therefore, the following causal relationship can be proposed in the present context to test:

Hypothesis 4: The greater the service provider's opportunism in their relationship, the lower will be the community's trust.
5. Political volatility and community's commitment

Political/situation volatility affects the demand and supply conditions (Achrol and Stern, 1988). Achrol and Stern (1988) revealed support from political/situation volatility with decision making uncertainty which, in turn, implies a negative direction of causal relationship. However, increasing political volatility surrounding the absolute give-and-take relationship decreases commitment of the service provider. It implies that, in the instable situation, the community is less committed to the service provider in their relationship because volatility is an ambiguity that greatly diminishes the willingness to respond properly (Bello et al., 2003). In the situation of political/situation volatility, communities are reluctant to continue their relationship with their service provider (Kumar et al., 1995a). In addition, volatility in arena may create obstacles to establishing a relationship with the service provider (Skarmeas et al., 2002). In this situation, volatility decreases the community's commitment to a service provider. So, it can be hypothesized that:

Hypothesis 5: The greater the political volatility, the lower the community’s commitment to service provider.

6. Service provider’s competencies and commitment to community

As Prahalad (1993) suggests “competence is implanted in the whole society” (p. 45). From that perspective, competence of a service provider is a complex concept that includes technical and development expertise along with knowledge of the community organization, markets, competitors, and the capabilities in delivery, investment, and necessary client support services (Bakker et al., 1994; Seines, 1998). These aspects seem tangible and intangible resources and capabilities of an organization that create competitive advantage for the communities' arena. Lau (2002) reported, whereby regional communities were considering service provider’s resource competencies in the service market to achieve sustainable competitive advantage. Lau also pointed out that “resources include capabilities, organizational processes, attributes, information, and knowledge that enable an organization to define and implement strategies to compete” (p. 126). Further, Grunert and Hildebrandt (2004) focused that “resources are those assets that are semi permanently linked to the organization” (p. 459) and capabilities are linked to the competencies which represent a broader concept comprising “socially complex organizational routines that enable the organization to use and combine their resources to create valuable services” (p. 459). This suggests that the resource competencies differentiate facilitator organizations from others in the competitive market based on their offers for communities. These competencies of a service provider may attract community and help build long-term community commitment with the service provider.

Humphreys et al. (2001) emphasize that service provider resource capability is one of the significant factors for a collaborative relationship with a strategic service provider. Moreover, service provider resource capabilities influence communities to evaluate and seek competitive advantage (Masella and Rangone, 2000) from the service arena. This competitive advantage then influences communities’ commitment to a service provider. Therefore, it can be proposed that the service provider’s relative resource competency has a direct positive influence on community commitment to service provider. Given this background, the following hypothesis is offered:
Hypothesis 6: The greater the community’s perceived relative competency of a specific service provider, the stronger the community’s commitment to the service provider.

7. Community’s investment and commitment to the service provider

Occupation specific assets are investments in long-lasting assets that are highly specialized to the businesses, are not easily redeployable, and have little recover value in other relationships (Heide and John, 1992; Williamson, 1981). Buvik and Andersen (2002) highlighted asset specificity on the community side, which refers to variations and resources that the procurement party deploys to tailor their own skills, effect proposal, invention processes, or logistics to the relationship with a specific service provider. Specific investments vary in their degree of specificity (Heide and John, 1988). Heide and John (1990) established strong support for specific investment and joint action and expectation of continuity in both the community and service provider context. In another direction, Mutual Transaction Specific Investments (TSIs) enhance commitment in the community-service provider relationship in the declining phase of their relationship life cycle (Jap and Ganesan, 2000). However, such investments constitute the motivation for creating community’s commitment to their service provider relationships (Kim and Frazier, 1997). In a number of ways, the six commitment studies (as summarized in Appendix 2 and discussed in section 2.2.) have provided extensive and significant support for a positive relationship between community /community BSIs and commitment to their service provider. These findings need to be validated in a different but specific context. Therefore, having recourse to the above supporting evidence, it is hypothesized:

Hypothesis 7: The greater the Business-specific investment by the community, the higher the community’s commitment to the Service Provider.

8. Knowledge and experience and commitment to community service provider

Knowledge refers to an observer’s distinction of “objects” through which, a coherent and self-consistent set of coordinated actions are brought forth from the background of experience (Zeleny, 1987). The knowledge of procuring strategies should help communities establish and maintain a healthy relationship with service provider/facilitator (Min and Galle, 1991). Furthermore, knowledge gathered from the market leads to better innovation procurements, which lower costs and increase benefits in the community-facilitator relationship (Homburg et al., 2002). It has been noticed that knowledge gained through experience from business activities in a specific varied market is the primary means of increasing commitment to the external market (Johanson and Vahlne, 1990). Within the domain of regional service procurement, it might then be supported that the level of experiential knowledge as to a specific service providing influences the ability to cope with the problems of bring in from the varied market (Katsikeas and Dalgic, 1995). Referring specifically to community commitment to the service provider/facilitator, it may be incidental that knowledge creates an outlook enabling community not only to seek varied service opportunities, but also to respond effectively in a committed manner with a partner (Katsikeas, 1998). So, it is hypothesized that:

Hypothesis 8: The greater the community’s knowledge and experience in the relationship, the stronger the commitment.
9. Public consultation/participation and trust

It is evidenced from the human aspects of the theory of transaction cost economics (Williamson, 1975) and present literature (see Section 2.3.4) that frequent and effective consultative meeting is one of the prerequisite factors for building trust in an exchange relationship. Mohr and Sohi (1995) argue that consultative meeting symmetry in the community-facilitator relationship is potentially important to evaluate its impact on trust. Moreover, Anderson and Narus (1990) assembled support for consultative meeting which leads to greater trust in the community-service provider relationship from both regards; for example, from the corporation and community perspective. In addition, the literature summarized in Appendix 2 provides strong support and shows that four studies found a predicted positive relationship between consultative meeting and community trust. As a result, it can suggest that more consultative meeting of information in the community service provider relationship will lead to greater trust. Thus, the following proposition can be formulated:

Hypothesis 9: The greater the consultation in the community-service provider relationship, the greater will be the trust in their relationship.

10. Public consultative meeting and commitment to community service provider

Open-minded exchange of trusted information is an important factor in relational exchange (MacNeil, 1980). The idea underlying consultative meeting of information exchange is one of the prerequisites for developing and maintaining commitment (Anderson and Weitz, 1992). In addition, Mohr and Nevin (1990) conceptualized four facets of consultative meeting and they posited its positive effects on commitment. Mohr et al. (1996) posited the similar argument and found empirical support for the effect of collaborative consultative meeting on a specific community-facilitator commitment relationship. From the service provider's perspective, LaBahn and Harich (1997) found strong support for the effect of consultative meeting on performance. Most significantly, however, among six reviewed commitment studies (Appendix 2), all (except one study, Moore, 1998) demonstrate a positive significant relationship between consultative meeting and community-service provider commitment. This implies that consultative meeting is a strong predictor of commitment to community service provider. Hence, further validation is required to achieve generalizability of these findings. As a result, the following hypothesis can be proposed:

Hypothesis 10: The greater the consultative meeting between community and service provider, the higher will be the community’s commitment to service provider.

11. Trust and commitment to community service provider

The communicating pattern related to the “primary” and “arbitrator” (Williamson, 1975) concept is considered as an expansion of the concept of trust. In community-facilitator literature, for example, Morgan and Hunt (1994) and Siguaw et al. (1998) found that facilitator trust has a significant positive impact on commitment to the service provider. Furthermore, as summarized in Appendix 2, the variable ‘trust’ has been employed extensively in the community-service provider studies as an independent variable as well as an intervening variable in explaining commitment relationships and found strong support. Thus, ‘trust’ as a construct clearly explains
commitment. This indicates that trust can be used as an important predictor of community commitment in the present context as well. Therefore, the following statement can be posited:

**Hypothesis 11:** The higher the community’s trust in the service provider, the greater will be the community commitment to service provider.

Further, as it is illustrated in the proposed theoretical framework, consultative meeting is not only influencing commitment directly but also facilitating trust toward building commitment. Opportunism has a direct effect on commitment but also affecting the trust toward building commitment. Similarly, political volatility has both direct and indirect effect on community commitment where opportunism plays a mediating role. Accordingly, apart from the above hypotheses, two arbitrating paths can be sorted from the proposed model. The paths from consultative meeting to commitment and opportunism to commitment are explicitly arbitrated by trust. On the other hand, the effect of political volatility on community commitment is arbitrated by opportunism and trust. Therefore, two mediating hypotheses are proposed:

**Hypothesis A:** The effects of consultative meeting and opportunism on community’s commitment are mediated by trust.

**Hypothesis B:** The effect of political volatility on community’s commitment is mediated by opportunism and trust.

These mediating effects are tested and reported in Chapter 6. The following section strives to conceptualize the trust and commitment generating process with the aim to develop a competing model to be tested in this study where causal effects of some of the identified variables could be mediated by other variable(s).

### 3.2. Trust and commitment building process - A framework for conceptual insight

While there are different schools of thought in the literature, the present review strives to incorporate an additional direction, based on transaction cost economics aimed at gaining more in-depth insight which will follow a more critical framework/model in an empirical setting.

Williamson’s concept of ‘communicating economies’ (1985, p. 62) has extensively been explored and examined by Boyce (2003, 2001) to comprehend the intellectual framework in reducing transaction cost through public consultation/participation, learning, knowledge and the trust building process. Further, Boyce (2003) argues from a historical context that a consultative meeting process enforces and facilitates the exchange of information, which can be conveyed explicitly through more close interpersonal consultative meeting methods such as face-to-face conversation. The consultative meeting process as well as frequency of consultative meeting and exchange enhances learning and intellectual aspects of the inter-group relationship. This also facilitates the knowledge acquisition process in generating trust and commitment in the relationships toward all parties’ benefit and mutual advantages. Accordingly, in this section an attempt has been made to conceptualize how public consultation/participation, culture, learning and knowledge facilitate the trust and commitment building process in a community-facilitator relationship.
3.2.1 Informative equilibrium

Informative equilibrium removes any intellectual barriers in consultative meeting and exchange; and that achieves a greater degree of closeness in informative equilibrium and relationships (Swift, 1999). This is due to similarity of verbal communication, level of perception, business and informative practices, and consultative meeting style. It is hypothesized in the internationalization process literature that firms initially target customarily similar arenas to learn and gain knowledge and experience through better consultative meeting and informative equilibrium toward building commitment in their relationships (Johanson and Vahlne, 1977; Johanson and Wiedersheim-Paul, 1975; Vahlne and Wiedersheim-Paul, 1977). Researchers argue that entering regions that are culturally close reduces the level of uncertainty in the new arenas and makes it easier for organizations to communicate freely and learn from each other quickly (Kogut and Singh, 1988; O'Grady and Lane, 1996). This also facilitates the negotiation and consultative meeting of information within inter organizational relationships. This emphasizes how particular informative values and methods shape the conception of trust and support specific consultative meeting mechanisms toward building the trust (Anderson and Weitz, 1989; Boyce, 2001). This indicates that similar business practices and values are the drive toward building trust between transacting parties through the consultative meeting and learning and knowledge generating process.

3.2.2 Public consultation/participation

While procuring services, professionals utilize a variety of means of consultative meeting including face-to-face contact, mail, and electronic data interchange to communicate information to community, the specific use of a consultative meeting mechanism depends on the nature of the communication being conducted (Larson and Kulchitsky, 2000). Further, Cannon and Homburg (2001) compared the effectiveness of face-to-face interaction, telephone, and written consultative meeting as tools of information sharing and found that face-to-face consultative meeting and written consultative meeting are more effective than the others. The historical findings, however, indicate that the consultative meeting process advances through many interaction means such as face-to-face, telephone and written contact. This then facilitates learning that in turn facilitates knowledge and the trust building process (Boyce, 2001; 2003).

In terms of effectiveness of public consultation/participation, face-to-face consultative meeting is the richest medium of all the available modes, because it allows for a variety of indications including immediate feedback, body language, facial expression and personal focus (Larson and Kulchitsky, 2000). This additionally enhances learning about each other, gaining knowledge and experience and building trust. Moreover, it is claimed that regular consultative meeting is the most significant indicator of the amount of consultative meeting rather than the duration of contact (Mohr and Nevin, 1990). Accordingly, frequency of consultative meeting helps organizations to solve complex issues in repetitive interactions directly. However, direct consultative meeting modes help build informative equilibrium and trust over the modes. Similarly, Morgan and Hunt (1994) argue that frequent and high quality relevant, timely, and reliable consultative meeting generates trust which has a strong significant relationship with commitment. This approach clearly
indicates that the effectiveness of different consultative meeting mechanisms facilitates the knowledge sharing process toward building trust and commitment.

### 3.2.3 Knowledge and Experience

The transaction cost assessment indicates that by having knowledge competency people may be more balanced and can assess parties' trustworthiness. This may further reduce transaction costs in the community-facilitator relationship. Moreover, the Internationalization progression theory (Johanson and Vahlne, 1977; Vahlne and Wiedersheim-Paul, 1977) asserts the importance of the knowledge acquisition process such as teaching and learning, and states that experiential knowledge can only be learned through personal experience (Penrose, 1959). However, as argued earlier, targeting customarily similar regions/arenas at the early stage of Internationalization enhances the knowledge acquisition process and facilitates inclusive operations for an organization (Johanson and Vahlne, 1977; Vahlne and Wiedersheim-Paul, 1977).

From the business history research perspective, Boyce (2001) highlights learning by interaction, training, and development of professional attitude, generating knowledge and experience, and encouraging trust-creating skills toward building relationship. Business history research emphasized that systematic knowledge is considered to be objective knowledge generated through observation and teaching (Spender, 1992). In addition, teamwork is also a learning mechanism that generates knowledge in creating trust and commitment. Researchers also focused on dialogical interactions that involve learning together towards generating knowledge, creating trust and commitment (Ballantyne, 2004)

### 3.2.4 Trust

Organizational interrelationships are driven by relational factors such as norms of commitment which are based on trust (Achrol, 1991). The trust building process can be explored from the historical observation that Informative closeness/similarity, long-term interactions, public consultation/participation, learning, and knowledge generate trust (Boyce, 2001; 2003) in performing parties. In other words, the community-facilitator literature shows trust as a concept that explains truthfulness, honesty, reliability, openness, maintaining confidentiality and integrity in the community-facilitator relationship toward enhancing commitment (Coote et al., 2003; Mavondo and Rodrigo, 2001; Zineldin and Jonsson, 2000). The above conceptualization can be shown in a conceptual framework for exploratory purposes only.

![Figure 3.2: A Framework for trust and commitment building process](image-url)
In summary, it can be concluded that informative equilibrium facilitates and that consultative meeting mechanisms enhance the learning and knowledge generation process toward facilitating the trust building process. This ultimately influences the parties' commitment in the community-facilitator relationship specifically to community service provider. Based on the above arguments, conceptual links are proposed to complement the conceptual model of this study. These conceptual links are examined with the qualitative information collected from the communities of Dholera, Bharuch & Gandhinagar in Gujarat in Chapter 7. While perceiving the mediating role of learning, knowledge-experience, and trust in the commitment building process in the proposed qualitative model, it is important to draw attention to the existing commitment studies. The review of the existing literature as summarized in Appendix-1 revealed that nine studies (Coote et al., 2003; Kwon and Suh, 2004; Moore, 1998; Morgan and Hunt, 1994; Rodríguez and Wilson, 2002; Ruyter et al., 2001; Siguaw et al., 1998; Walter and Ritter, 2003; Zineldin and Jonsson, 2000) used trust as a mediator of some of the determinants of commitment. However, seven of these studies found significant support for the mediating role of trust. This lack of variation in the extant literature warrants further validation. Therefore, to validate the conceptual mediating role of trust in the commitment relationship in this study (relating to informative equilibrium, public consultation/participation, learning, and knowledge and experience), an additional conceptual model has been developed to compare the direct and indirect effects of these variables on commitment. As no objective measurement of learning has been developed so far, this has been excluded from the proposed competing model.

3.3. The Proposed Competing Model

This research proposes a conceptual model in section 3.1 to test the direct impact of eight variables on community commitment. However, more insight could be achieved by consolidating the trust and commitment building process conceptualized in section 3.2. Therefore, the study incorporates those conceptual bases in a competing model (see Figure 3.3) to explore the mediating role of trust for empirical testing in path analysis. The proposed competing model follows the discussion of hypothesized relationships. To avoid repetition, only four new hypothesized relationships for the new mediating effects are discussed.
3.3.1. Service provider’s informative potency and public consultation/participation

The concept of intellectual detachment and its impact on the organization process was studied in the 1970s by Uppsala researchers (Johanson and Vahlne, 1977; Johanson and Wiedersheim-Paul, 1975; Vahlne and Wiedersheim-Paul, 1977; Wiedersheim-Paul et al., 1978). The concept assumes that, primarily, organization target informative similar arenas at their initial stage of access and then advance to the sanctified isolated arena. However, the distant arena expansion models of access imply that organizations are performing well in varied arenas that are most similar to their home arenas (Johanson and Vahlne, 1977; Nordstrom and Vahlne, 1994) due to informative equilibrium dimensions of values, ethics, business practices, consultative meeting style (Conway and Swift, 2000; Swift, 1999). In addition, informative equilibrium makes it easier for organizations to communicate openly (Kogut and Singh, 1988). However, it can be asserted that community and facilitators are more likely to prefer an informative equilibrium which facilitates easy consultative process toward maintaining long-term successful business relationships. Therefore, based on the arguments supporting the positive impact of informative equilibrium in facilitating the consultative meeting process, it is hypothesized that:

*Hypothesis 1: The greater the perceived informative equilibrium between the community and the service provider, the better the public participation.*
3.3.2. Service provider's informative equilibrium, knowledge and experience

As Johanson and Vahlne (1977) emphasize, targeting informative equilibrium at the early stage of any process can facilitate the knowledge acquisition process. This further indicates that an informative session provides better comprehension of the informative issues and processes in any regional community-facilitator context. By gradually increasing knowledge from the culturally similar background, an organization gains experience in business relationships (Brandenburg and Eriksson, 2000; Johanson and Vahlne, 1990) including relationship with the community and its communities through the service provider. From a different perspective, Hussle (2004) found informative equilibrium is the influential factor in knowledge flows and innovation. Informative equilibrium between regional community and facilitator in terms of similar business practices, ethics and morals, and styles (Swift, 1999) might be the motivation to facilitate learning and the knowledge gathering process. In addition, informative equilibrium in terms of values and practices additionally enhances learning about each other more quickly (Boyce, 2001; Kogut and Singh, 1988). However, it is asserted that knowledge is simply the output of learning (Etemad and Lee, 2003). This indicates that the community may prefer an informative equilibrium when gathering more knowledge and experience for long-term business relationship success (Johanson and Vahlne, 1977; 1990). Therefore, it can be proposed to test:

Hypothesis 2: The higher the informative equilibrium, the greater the community knowledge and experience in their relationship.

3.3.3. Consultative meeting, knowledge and experience

Community cultivates a variety of consultative meeting with their service provider such as face-to-face contact, and data interchange, but the preferred use of medium depends on the nature of the communication being transmitted (Larson and Kulchitsky, 2000). Larson and Kulchitsky (2000) additionally assert that “richness of communication should be matched to needs of memorandum for effective public consultation/participation” (p. 31). Among this communication of public consultation/participation, face-to-face consultative meeting is the richest as it allows multiple signals including immediate feedback, body language, and personalization (Lengel and Daft, 1985; Mohr and Nevin, 1990). It has been further emphasized that face-to-face consultative meeting is more useful for solving complex issues such as nurturing functional conflict, changes and implement growth in community-facilitator relationships (Cannon and Homburg, 2001). They further mention that the effectiveness of consultative meeting communication also relies on frequency of use rather than richness of mode, because more frequent consultative meeting enables a partner to gain a deeper informative equilibrium of the phenomena. This process arguably facilitates learning about each other and is a tacit knowledge gathering process in organization to organization or community-facilitator relationships (Boyce, 2001; 2003). While richer as well as more frequent consultative meeting provides deeper informative equilibrium about the contents of consultative meeting through open face-to-face discussion or repetitive contact, this process could help develop knowledge and experience in the relationship. Accordingly, it can be hypothesized that:

Hypothesis 3: The more the consultation in community-service provider relationship, the greater the knowledge and experience in their relationship.
3.3.4. Community's knowledge, experience and trust

The knowledge of procuring strategies should help community establish and maintain a healthy relationship with service provider/facilitator (Min and Galle, 1991). Furthermore, knowledge gathered from the regions makes better shape communities, which lower costs and increase benefits in the community-facilitator relationship (Homburg et al., 2002). It has been conceptualized that knowledge gained through learning by interaction, training, and development of professional attitude (Boyce, 2001) facilitates trust. However, tacit knowledge is experiential which is created by learning-by-doing and face-to-face consultative meeting (Spender, 1992) as the impetus of generating trust. So, it is hypothesized that:

*Hypothesis 4: The greater the community’s knowledge and experience in the relationship, the stronger will be the trust.*

The above four hypotheses signify the clear mediating role of knowledge-experience and trust in the model toward enhancing community commitment to service provider. These hypotheses can also be presented alternatively in a summarized form:

*Hypothesis A: The effect of informative equilibrium on commitment is mediated by public consultation/participation, knowledge and experience, and trust.*

*Hypothesis B: The effect of informative equilibrium on commitment is mediated by knowledge and experience, and trust.*

The proposed conceptual framework and proposed competing model are tested in Chapter 5 using empirical information gathered for this study.