Inter-Organizational Groups
A New Context for Examining the Triggers of Group Conflict

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June 12, 2009

This research was partially funded by the H.J. Heinz II research chair held by Denise M. Rousseau and the National Science Foundation Fellowship, grant # DGE-9354995, “Groups, Technology and Organizational Effectiveness awarded to Brandi M. Pearce. Thanks are due to Laurie Weingart, Pamela J. Hinds, Denise M. Rousseau, Paul Goodman, W. Mike Martin, and Dan Negin for their helpful comments and feedback. I also want to thank the Heinz School Ph.D. committee for their compassion and commitment to the completion of my work.
Abstract

Although groups have historically played an important role in organizational life, the proliferation of technology has facilitated the ability of individuals to span multiple boundaries, including geographic, temporal, functional, and organizational. Although group research has begun to investigate many of these boundaries, very little research has explicitly examined the effect of the organizational boundary on group processes and outcomes. The research in this paper was designed to begin understanding how the inherent structure and external nature of inter-organizational teams effects group conflict processes.
I. INTRODUCTION

Changes in information technologies and telecommunications have greatly influenced the organizational landscape. The advancement of new technologies has changed how work processes are managed and how individuals and organizations are linked. Groups have historically played an important role in organizational life; with the rapid proliferation of technology the ability of individuals to work together in a variety of new configurations has expanded our traditional conceptualizations of groups and group processes.

The group literature is extensive and has examined groups ranging from top executive teams, string quartets, product design teams to manufacturing, production, sales and service teams (Hackman, 1987, 1990; Guzzo & Dickson, 1996; Goodman, Ravline & Schminke, 1987). Most research on groups follows a general model divided into inputs, processes and outputs (Gladstein, 1984; Kolodny & Kiggundu, 1980; Hackman & Morris, 1975; Pearce & Ravlin, 1987). In Cohen and Bailey’s review of the group literature (Cohen & Bailey, 1997), they found broad agreement regarding the general input-process-output relationship, but there were mixed results as to which factors of various group models are significant. Cohen and Bailey suggest these divergences may result from variations in the types of teams examined making it necessary to have different models for different categories of teams (Cohen & Bailey, 1997). Although, we have begun to explore whether these models hold for new forms of groups such as cross-functional project teams, parallel teams and top management teams, an important assumption of this work is that groups are embedded in traditional organizational arrangements where membership is stable and structures are formalized (Cohen & Bailey,
Thus, I would take this argument one step further by suggesting there are processes and dimensions that we may have not yet considered in our traditional theory due to our limited contextual focus on teams that reside within a singular organizational setting.

The wide acceptance and utilization of information and communication technologies has provided a foundation for individuals, groups, and organizations to span multiple boundaries. Initially, the research on these forms of teams focused on the impact of geographic distance and technology mediation on group processes and outcomes, resulting in a stream of research on virtual teams. The original research distinguished virtual teams (geographically distributed and technologically mediated) by comparing the functioning of a virtual team to its traditional counterpart in which members are co-located and do not use technology to facilitate work. However, with the passage of time there is a growing recognition in the literature that most organizational teams now rely on technology to some degree and, thus, researchers are moving away from defining virtual teams as a distinct form of team and are focusing on geographic distribution as a potential boundary a team might cross using technology-mediated communication that could uniquely effect group processes and outcomes (Griffith & Neale, 2001; Griffith; Martins et al., 2004).

With this shift in thinking there is a growing awareness that while technology allows groups to work at a distance, it also allows groups to cross other boundaries. Espinosa and colleagues, define a boundary as a “discontinuity, edge, or other dividing characteristic present in a work context” (2001). A boundary can be either external, creating a distinction between entities (organizational) or internal (geographical,
temporal, functional, cultural, organizational membership) representing the edges that must be bridged to facilitate work. In their chapter on new forms of groups, Goodman and Wilson highlight the importance of understanding the various dimensions that might distinguish traditional teams from their exocentric counterparts in which members are influenced heavily by their external context and represent a new set of group dimensions that have not yet been considered (2003). Goodman and Wilson point to the fact that as new forms of groups cross new boundaries such as time, space, organization, and function, they present new opportunities to explore how these boundaries effect group processes and outcomes. In their recent review of the virtual team literature, Martins et al. indicate that the most commonly noted boundaries are geographic, time, and organizational (Bell & Kozlowski, 2002; Lipnack & Stamps, 1999; Lurey & Raisinghani, 2001; Martins et al., 2004). Thus, as technology facilitates the ability of teams to cross multiple boundaries, there is a potential confounding in the early literature on “virtual teams” of these factors.

While other research has begun to disentangle these effects, little research has focused specifically on groups that cross one or more organizational boundary. As organizations begin relying more heavily on partnerships and alliances to defray costs, to improve information sharing, and enhance innovation (Kogut, 1991; Gulati, Khanna & Nohria, 1994), a byproduct of these arrangements is the development of teams where members represent two or more organizations. Given the increasing utilization of this form of organizing, it is important to understand whether current models of groups that reside under one organizational umbrella, where members ultimately belong to a single organization that has over-arching organizational structures, norms, goals, and objectives,
might be significantly different from those models of groups that span organizational boundaries. Thus, with the growing awareness that prior research may confound the various boundaries that might be activated by the increased reliance on technology-mediated communication to manage work processes, this paper will strive to develop group theory by focusing on teams that cross organizational boundaries.

II. DEFINITION OF INTER-ORGANIZATIONAL GROUP

A. Nature of the Structure: It walks like a duck, quacks like a duck, but is it a duck?

One of the first steps in examining inter-organizational groups is to consider how this new organizational configuration departs from our current understanding of groups. Traditionally a group is defined as an aggregation of individuals who share responsibility for common tasks in which members work interdependently (Hackman, 1987). Inter-organizational groups share much of this definition, but differ in one important aspect; inter-organizational groups represent an aggregation of individuals from multiple organizations. Examples of inter-organizational groups include alliance groups, architectural design teams, product-marketing groups, and consulting teams. By definition inter-organizational group members are not only responsible to the activities of the group, but also to their respective parent organizations. Thus, unlike “uni-organizational” groups that are bounded by the organization, inter-organizational groups are embedded in a super-ordinate structure, which includes the aggregation of individuals from all participating organizations. This super-ordinate structure from this point forward will be referred to as the inter-organization. Examples of inter-organizational arrangements include alliances, joint ventures, partnerships, holding companies, conferences, consulting arrangements, and consortiums.
B. Dimensions

It is clear from the examples listed above that there are significant variations in the types of inter-organizational arrangements. However, for the purposes of this research there are two important dimensions that will be held constant: the formality of the relationship and the type of organizational interdependence.

The formality of the organizational relationship is one important dimension that differentiates inter-organizational arrangements. It is possible that organizations have informal inter-organizational arrangements that emerge from advice or friendship ties that exist among members (Udo, 2004). However, this research will focus on inter-
organizational arrangements that are governed by some form of contractual agreement and formal structure, such as joint ventures and alliances.

The type of organizational interdependence is another important distinguishing dimension of inter-organizational arrangements. There are arrangements in which most of the output from the system is serialized. Specifically, these are arrangements where one organization produces a pre-defined product or component, which is then provided to the second organization to implement or augment. The traditional supply chain infrastructure represents a common form of serialized organizational interdependence in which a supplier provides the raw materials to an organization that then converts the components into finished products. Examples might include the relationship between steel companies and auto manufacturers or pharmaceutical drug companies and doctors. The scope of this research is on arrangements in which the participating organizations are pooling resources towards a collaborative joint output where individuals attach salience to their membership as part of an inter-organizational team.

III. THEORY

A. External Nature of Inter-Organizational Groups

In 1975, Hackman and Morris pointed to the necessity of examining external factors as important input variables to the general group model. Since that time, several organizational variables have been highlighted as having significant impact either directly or indirectly to the effectiveness of a group. These include: performance and feedback systems, resources (such as training, technology and the physical environment) and supervisory control. Despite our awareness of the importance of these factors recent empirical research continues to focus on a fairly small subset (Cohen & Bailey, 1997;
Ancona, 1992). Again, one explanation for this narrow perspective may be the byproduct of our focus on groups that reside within the boundaries of one organization where external factors may not be as salient.

When two or more organizations align to form an inter-organizational workgroup members are influenced by internal dynamics of the group just as members of “uni-organizational” groups. However, the members of inter-organizational groups are ultimately connected to different external organizations. This adds a layer of complexity to the group dynamics because members not only have to manage immediate internal processes, but they also have to be cognizant of external objectives and constituents.

One might argue that this same dynamic exists for teams that reside within one organization. Certainly the fact that “uni-organizational” teams are embedded in an organizational structure requires members to be aware of objectives that are external to the group. While it is agreed there are external factors that also effect “uni-organizational” teams, unlike “uni-organizational” teams, inter-organizational teams cannot rely on over-arching hierarchical reporting relationships to manage resource allocations, conflict resolutions, task priorities, rewards, and mechanisms for assessing accountability. In “uni-organizational” teams, members still share a definition of context although external to the team it is internal to the organization (Denison, 1996).

Thus, it is posited that in inter-organizational teams the external context is extremely salient and permeates the internal processes that occur within the team. In turn, this new form of organizational group provides a unique opportunity to expand our thinking about external organizational variables not previously considered by current theory.
B. Inter-Organizational Structure: The Organizational Boundary Acts as An Inherent Faultline

In addition to considering the external nature of inter-organizational teams, another primary goal of this study is to begin exploring how the presence of organizational boundaries within a group might influence models of internal group processes. To begin unraveling this question, it seems natural to ask what is it about these types of teams that makes them distinct from teams that do not cross organizational boundaries? Aside from the inherent external nature of these teams another important dimension appears to be the basic structure or configuration of the team.

Inter-organizational teams reside at the cross-section of two or more organizations, thus, members do not come to the group as individuals, but as representative factions in which, for example, a threesome or foursome, from one organization combines with a twosome or threesome from another organization to establish a team. Thus, by virtue of its structure, the group has a clear internal boundary that distinguishes members based on their organizational affiliation. This internal boundary based on organizational affiliation is much like the boundary found in faultline groups in which there exists an alignment of demographic boundaries.

Faultlines were initially introduced to address how one or more demographic variables, such as age, sex, job tenure, and status can align to effect group processes within a team (Lau and Murnighan, 1998). One of the primary premises of faultline theory is that the existence of visible and aligned differences can result in social categorizing that may lead to the formation of subgroups resulting in more social engagement within a subgroup rather than with the entire group (Lau & Murnighan,
This may help explain why findings suggest that groups with strong faultlines report more conflict and less learning (Gibson & Vermeulen, 2003). In a recent study by Li and Hambrick (2005), the authors suggest, in teams where members represent outside entities, the faultline is engineered resulting in a factional group. The assumption is that in factional groups members are aware of and attach salience to their role as delegates of their respective organizations. The authors indicate that in groups such as inter-organizational teams, members do not have to search computationally for a faultline, rather the faultline is easily located according to the membership of the representative factions (Li and Hambrick, 2005). Thus, in such a context, like that of an inter-organizational team, the faultline or divide is by definition always present. The existence of such a clear boundary provides the basis for social categorizing to occur, creating clear sub-groupings based on members’ organizational affiliations. Research suggests that when such social categorizing occurs, group members perceive out-groups as less trust-worthy and capable then their in-group (Brewer, 1979). Similarly, individuals tend to trust and interact with others whom they have categorized as similar to themselves (Byrne, 1971; Tsui & O’Reilly, 1989). Thus, although inter-organizational teams are formed with the goal of leveraging unique organizational competencies, the very nature of the group structure leaves the team extremely vulnerable to conflict and other process problems that hinder a team’s ability to work effectively in a collaborative manner.

C. Susceptibility to Group Conflict

One of the primary objectives of this paper is to begin understanding how the presence of an organizational boundary might uniquely affect internal group processes.
Given the breadth of terrain to be explored in this vein, it seems natural to select an appropriate launching point. As one steps back and evaluates groups that cross organizational boundaries, it is clear that by virtue of the structure of these teams, there are two very important dimensions of inter-organizational teams that will likely effect the group processes that surface in this context.

First, due to the external nature of the team that is not supported by an overarching hierarchy, shared norms, and organizational context, it is likely that members will have to simultaneously be responsible for the internal group processes of the team, while also being aware of the demands from their parent organizations. It is anticipated that this will leave the team susceptible to diverging opinions and conflicting perspectives that must constantly be managed. At the individual level this may result in role conflict and at the group level in may lead to internal group conflict.

In addition, another unique feature of cross-organizational teams is the inherent structure of the team in which there is a visible and pre-established faultline associated with members’ organizational affiliations. Faultline theory suggests that conflict is most likely to surface when a group’s task activates a potential faultline (Lau & Murnigan, 1998). In the case of inter-organizational teams in this study, the goal is for the teams to work collaboratively on a variety of complex tasks; thus, it is expected that most of the group’s activities will involve working across the organizational boundary. As noted above, according to Li and Hambrick (2005), in such a team, the “factional” faultline is always present. While, its size may vary, it is anticipated that factional groups, such as inter-organizational teams, will be prone to large faultlines, because the membership of the group is drawn from distinct work contexts which are likely embedded in very
different organizational arrangements. Thus, it is anticipated that inter-organizational
groups are susceptible to large faultlines that are frequently activated during the process
of team collaboration, increasing the likelihood for conflict to surface.

In turn, given the external nature of inter-organizational teams and the inherent
existence of a clear and present faultline, based on organizational affiliation, it seems
appropriate to examine group conflict in this context to begin unraveling some of the
group processes that may serve to inform our theory about these new forms of teams.

D. Review of Group Conflict

Group conflict is defined as the expressed conflict due to perceived
incompatibilities or perceptions by individuals in the group that they hold discrepant
views (Boulding, 1963; Thomas, 1992; De Dreu et al., 1999). One of the main debates
regarding group conflict is whether it is good or bad for group outcomes. The research on
conflict is extensive, however, the results are equivocal. Both theory and empirical
evidence suggest that conflict can be both destructive and beneficial (Jehn & Bendersky,
2003).

In an attempt to better understand these inconsistencies, Jehn (1995) proposed that
conflict is a multidimensional construct and that distinguishing the different dimensions
is important in understanding whether it is functional or not (Jehn, 1992, 1995, 1997;
Pinkley, 1990). Jehn categorized group conflict into three distinct categories: 1)
relationship conflict, 2) process conflict, and 3) task conflict. Relationship conflict is the
awareness of interpersonal incompatibilities. This includes personality differences as
well as differences of opinion and preferences regarding non-task issues. In general, it is
proposed that relationship conflict is detrimental to group outcomes as it produces
tension, antagonism, and distracts team members from performing their tasks. Process conflict is defined as the tension that surfaces regarding the means to accomplish a specific task. This includes strategies for approaching a task, but does not include tension about the content or substance of the task. Process conflict includes how work assignments are delegated, who is responsible for what, and how work should proceed in the group. Theory predicts that it will detract from group performance by creating coordination losses (Greer, L.L. & Jehn, K.A., 2007). Finally, task conflict is defined as disagreements among group members about the tasks being performed. This includes conflicts about ideas generated and disagreements about the content and issues of the task. Task conflict is thought to encourage divergent thinking, creativity, informed decision-making, and the pooling of resources leading to improved group performance.

While there is general theoretical agreement that distinguishing the various dimensions of group conflict is beneficial, the empirical evidence indicating whether these distinct forms of group conflict are destructive or beneficial is inconclusive. In a meta-analysis by De Dreu and Weingart (2003), the authors suggest that the issue is more complicated than originally assumed. De Dreu & Weingart (2003) find that despite the current movement towards perceiving conflict as a possibly functional process, the results indicate task and relationship conflict are equally disruptive. The research indicates that relationship conflict, relative to task conflict, is more detrimental to group member satisfaction, suggesting the process by which these two forms of conflict impede performance is distinct. The research also suggests that conflict interferes less with the execution of simple, well-learned tasks than with more complex tasks that require more cognitive resources and more time to perform. This is particularly relevant to the teams.
in this study where the team is designed with the purpose of collaborating on complex joint outcomes. Thus, examining conflict in inter-organizational groups provides a unique opportunity to explore how conflict might manifest in a specific organizational context ultimately expanding our understanding of the underlying mechanisms that elicit conflict under specific conditions.

E. Leveraging Virtual Team Research

Virtual team research is an important stream of research that may help inform our understanding of conflict in an inter-organizational setting. As noted previously, most research on virtual teams has focused on the impact of geographic distance on virtual group processes and outcomes. Very little research has examined the explicit effect of organizational boundaries.

In one of the few studies examining organizational boundaries, the authors found that multi-university versus multi-disciplinary teams were problematic in scientific collaborations (Keisler & Cummings, 2003). The research indicates that coordination in multi-university projects was quite different than in single university projects. Specifically, it was more difficult in multi-university projects to supervise work directly, to hold regular face-to-face meetings involving the whole group, or to coordinate practices that would facilitate the sharing of information, learning, and professional relationship development. However, it appears in this study that geographic distance and organizational membership are potentially confounded. This raises important questions about the coordination losses experienced in these teams. Are the coordination losses a byproduct of distance or a result of multiple organizational boundaries?
While the empirical evidence suggests that geographically distributed teams experience high levels of conflict there is limited systematic knowledge identifying the mechanisms by which conflict is engendered in teams that work at a distance. Hinds and Bailey (2003) propose a model of conflict in distributed teams that outlines the antecedents and outcomes of conflict in geographically distributed teams based on the various dimensions of group conflict (task, process, and relationship). Specifically, the authors suggest two critical dimensions, distance and technology mediation, impact conflict in distributed teams and that each of these dimensions manifests different triggers or underlying mechanisms that result in different forms of conflict (task, process, and relationship). The authors propose that distance leads to a lack of shared context, which results in differing perspectives, norms, and temporal rhythms. They also suggest that distance reduces cultural homogeneity, friendship, and familiarity. In addition, Hinds and Bailey claim that technology mediation makes information transfer difficult, creates coordination difficulties, and detracts from relational outcomes. Ultimately, the authors propose that it is these underlying mechanisms that result in the various forms of conflict in geographically distributed teams (Appendix B).

While the model outlined above was designed to examine conflict in geographically distributed teams, it provides an important framework to begin examining the underlying mechanisms associated with the multiple boundaries of the various forms of teams. Thus, in examining conflict in the inter-organizational context, I will utilize this framework as a foundation for examining what underlying mechanisms might result in conflict when a group must collaborate across an organizational boundary.
IV. METHODS

A. Two-Phase Methodological Approach

Our knowledge of inter-organizational teams is limited. Although research has focused on inter-organizational arrangements from a macro perspective, very little, if any research has focused on groups that manage activities that span multiple organizations. Miles & Huberman suggest that a qualitative design is particularly appropriate under these conditions (1994). Given the limited prior research available to theoretically ground the study and my desire to use knowledge from a qualitative study to inform a quantitative approach, it seemed most appropriate to use a Two-Phase methodological design. This approach entails sequencing a qualitative study, to provide a deeper and richer understanding of the context, processes, and relevant variables, with a quantitative study to calibrate the findings from the qualitative phase of the project (Lee, 1999). The benefit of this approach is that it capitalizes on the strength of the traditionally separate research methodologies. In addition, it allows for the opportunity to gain a richer understanding of the unique elements associated with the inter-organizational context in the hopes of informing a broader stream of research.

This study is the launching point for the Two-Phase design and will include a qualitative examination of inter-organizational groups grounded by my personal experiences, prior understandings of virtual teams, and the various literatures that appear to be relevant to this particular context. The goal of this study is to provide a grounded theoretical framework that will help inform a quantitative study that will follow as a separate study, designed to triangulate our understanding of inter-organizational teams.
B. Research Setting

Acquiring access to inter-organizational groups can be very challenging. First and foremost, one requires approval from all organizations involved. Therefore, the study of one team can result in approval from several organizations. In addition, identifying inter-organizational teams can be difficult. Although organizations are beginning to use this model for conducting work, unlike traditional or even cross-functional teams, this form of workgroup is not as common. Another complexity in studying inter-organizational teams is the fluid nature of the group membership. The boundaries of the team are often fuzzy; therefore, the objective in this study was to focus on individuals perceived as significant contributors to the activities of the group over time. The individuals who oversaw the activities of the team determined this distinction.

Despite these challenges, in the end, through personal connections and perseverance, access to three different inter-organizational teams falling under the auspices of multiple organizations was acquired. The teams included a research consortium, an alliance team, and an e-commerce group.

The first inter-organizational setting involved a research consortium that spanned 24 universities and 34 different individual team members. Most of the work conducted as part of the consortium was intended to be collaborative and involved multiple disciplines. Initially, there were ten “working groups” that spanned various substantive areas. Team members met on a quarterly basis in person, but most of the work was conducted in a geographically distributed manner. After the first set of interviews, it became clear that to understand the distinct impact of the organizational boundary, it was necessary to clearly define the appropriate boundaries of the teams to be examined in this
study. Specifically, it became evident that to tease apart the impact of distance and organizational boundary it was necessary to re-focus the study to examine inter-organizational groups in which members are co-located and work most frequently using face-to-face communication. In addition, this initial research setting helped guide the research project towards teams that were defined organizationally under the constraints of a contractual agreement. In the case of the consortium, membership was voluntary and members were incented by personal objectives and the potential for research funding. This creates a very different contextual setting in comparison to work groups where members are acting in a collaborative manner as representatives of their parent organizations. Specifically, it appeared that in the case of the research consortium individuals were connected to a university, but that the university had little oversight and influence over the activities of the group. Where as in the case, of a contractual partnership, the group activities are bound by an agreement governed at the organizational level. Individuals are rewarded based on their performance in the team as well as in their parent organization. In turn, both the activities and the members of the group are heavily influenced by the organizational arrangements in which they are embedded. However, in the research consortium, members were acting more autonomously rather then on behalf their home organizations. Thus, the interviews from the research consortium where omitted.

After adjusting the interview instrument a second inter-organizational group was selected. The second inter-organizational group was in tact at the time of the interviews and was defined as an alliance competency center. Eight members were interviewed. They represented two high-tech organizations both recognized as leaders in the industry.
The goal of the team was to develop technical and marketing outputs for a product line that involved one organization’s hardware and the other organization’s software. Most work was conducted in a face-to-face context at the software organization’s site. It is important to note, the two organizations involved were leaders in their industry, however, the hardware vendor was a more mature organization and was nearly ten times the size of the software organization. In addition, while the two organizations collaborated in the context of the competency center, the two organizations also competed in the software arena.

The third inter-organizational group was an e-commerce team designed to develop a virtual storefront selling personalized consumer products. There were two primary organizations, a consulting organization and a personalized check producer and three peripheral organizations (manufacturing, marketing, and software). This was not a typical consulting arrangement in which the initiating organization hired the consulting organization at a specified fee. Instead this was a partnership in which both organizations provided resources with the expectation of a joint revenue outcome. Most work was conducted in a face-to-face context. At the time the interviews were conducted the inter-organizational arrangement had recently been severed. Thus, access was limited to four individuals. Contextualization of the inter-organizational team was based on descriptions given by the individual’s interviewed. The following table outlines the various data sources and the number of interviews conducted:
Data Sources

<table>
<thead>
<tr>
<th>Organizations by Team</th>
<th>Pseudonym in Appendix D</th>
<th>Number of Interviews Conducted</th>
</tr>
</thead>
<tbody>
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<td>2</td>
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</tr>
<tr>
<td>Research Consortium</td>
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</tr>
</tbody>
</table>

C. Data Collection

In order to obtain data from as many sources as possible and to best leverage the access to the organizations available to me, I decided to utilize a semi-structured interview technique that incorporated a critical incident approach to retrieving data. Interviewing is a common and accepted qualitative method used in organizational research and seemed best suited to the type of organizational access available for this investigation (Lee, 1999).

Interviews

A semi-structured interview format was used to obtain descriptions regarding the structure of the inter-organizational arrangement, the composition of the group, and conflict incidences that were salient to the respondent. Due to the time consuming nature of collecting, transcribing, and analyzing interview data, the number of organizations was limited to three. This resulted in fourteen individual interviews in total. All interviews were conducted in person.

Respondents were asked questions designed to elicit information regarding the type of work conducted by the team, the purpose of the team, as well as similarities and
differences in the organizational structures and context of the participating companies. The respondents were asked to describe three critical incidents in which conflict arose within the team. The respondents were asked who was involved in the incident, when it arose, why they thought it arose, how it was managed, and whether it was resolved? Finally, the interviewees were asked to rate the overall effectiveness of the group and their satisfaction in working as a member of the team.

Observation Based on Personal Experience

In addition to the interview data collected for this research another unique feature of this study was my ability to leverage my own experience working in an inter-organizational team. Prior to graduate school, I worked as a product manager for a software company. One of the organizations I interviewed for this study was my prior employer and the members of the inter-organizational team were my previous colleagues who also worked as part of the inter-organizational group. Thus, this provided a unique opportunity to draw upon my deep understanding of the participating organizations as well as of the dynamics that surfaced during the interviews detailing the types of experiences individuals had as they worked in an inter-organizational context. The data were not used explicitly in the analysis, but informed my understanding.

D. Data Analysis

Qualitative analysis techniques were utilized to examine the data. The analysis of the data began with a central theme focused on the interplay between context, structure, and conflict in an inter-organizational team. The goal of the analysis was to use a grounded theory approach based on my initial set of assumptions in which the data were systematically gathered and analyzed (Strauss & Corbin, 1998). This technique allows
for the derivation of the theory from the data in a dynamic fashion to begin understanding the phenomena at hand with the goal of offering insight, enhancing understanding, and providing a meaningful guide to action based on the “reality” of the context (Strauss & Corbin, 1998). The primary objective in this first phase of the study was to conceptually order the data by generating discrete categories and unraveling their properties and dimensions (Strauss & Corbin, 1998). This process draws on many of the common features of qualitative analytic methods outlined by Miles & Huberman (1994). The steps include:

- Affixing codes to a set of field notes, interviews, or observations.
- Noting reflections or other remarks.
- Sorting and sifting through the materials to identify similar phrases, relationships between variables, patterns, themes, distinct differences between subgroups, and common sequences.
- Isolating these patterns and processes, commonalities and differences, and taking them out to the field in the next wave of data collection which would begin the second phase of this study in which a quantitative method will be used to statistically examine the theorizing proposed in this phase of the study.

Specifically, the analysis began with an initial set of categories derived from the literature, my initial thoughts from the interview process, and the initial conceptualization of the problem. Subsequently, based on the techniques outlined by Strauss & Corbin (1998), I began a microanalysis of the data. This involved a detailed line-by-line analysis to generate additional categories and/or to collapse or remove prior categories. The categories were derived with the intention of depicting the problems, issues, concerns, and matters that are important to the study. Once these concepts began to accumulate, I then started grouping them into appropriate parent categories and further differentiating the respective categories into subcategories to help explain, when, where, why, how, and
who. This process involved a very careful examination and interpretation of the data that involved multiple rounds. It included three primary components: (a) the data derived from the interviews conducted, (b) my own interpretation of the events, and (c) the subjective interplay between the data and myself.

To accomplish this task, NVIVO was used, a software tool used by many organizational researchers. NVIVO provided a systematic way to handle the data, the coding process, and to maintain records regarding the analysis process. NVIVO stored all of the interviews, allowed me to create categories and subcategories dynamically, and to assign appropriate attributes to further define the data sources (interviewees), the organizations involved in the study, as well as the various categories that were derived during the process. I kept a running journal that outlined my activities on a daily basis and time stamped my analysis so that I could go back and look at my steps over time. NVIVO’s matrix querying technique provided a method for ensuring discriminate validity between the various triggers and also allowed me to focus on the most relevant triggers of conflict.

I then coded the incidents and factors for the underlying mechanisms (triggers) posited by Hinds and Bailey in their theoretical discussion of how conflict manifests in distributed teams (2003). The triggers from their study included shared context, cultural homogeneity, familiarity, and friendship. All of these triggers were linked to the impact of distance on conflict and interestingly these factors did not seem particularly salient in the inter-organizational context, further substantiating the claim that distance and organizational boundaries may uniquely affect group dynamics.
I utilized the same technique to examine the more traditional triggers of conflict, including accountability, goal alignment, framing, identification, and resource allocation. I found overlap in some of these triggers of conflict and those found in the inter-organizational context, specifically in relationship to resource allocation and goal alignment. However, the way in which individuals thought about these issues seemed unique to the inter-organizational context.

Finally, I used a clustering technique to group the various triggers into their respective categories to develop an appropriate typology of the triggers and the relevant dimensions associated with them. From the data analysis and the multiple interviews, I conducted, three distinct conflict triggers surfaced: 1) Group Boundary, 2) Organizational Variation, and 3) Organizational Relationship Triggers.

V. RESULTS

The primary purpose of this study is to further develop group theory by focusing on teams that cross organizational boundaries. Given the external nature of inter-organizational teams and the distinctive group structure, in which exists a visible and activated faultline, the initial phase of this study is grounded in the examination of conflict in this unique cross organizational group context. The results from this exploration are detailed in the below section.

A. Conflict Triggers

The initial analysis of the interview data began with the assumption that different and unique forms of group conflict might surface in this new inter-organizational group context. However, as I moved more deeply into the data and the analysis, I slowly began to realize that the types of conflict that surfaced in cross-organizational teams are very
similar to the types of conflict found in teams that reside within a singular organization. However, what appeared to be significant and unique were the mechanisms that triggered conflict in inter-organizational teams. Thus, I refocused the analysis to examine more closely the triggers that engender conflict in cross-organizational groups. Specifically, the analysis of the interview data resulted in a typology of the underlying mechanisms of conflict, which I refer to as conflict triggers. From the data analysis three distinct conflict triggers surfaced: 1) Group Boundary, 2) Organizational Variation, and 3) Organizational Relationship.

**Group Boundary Triggers**

Although the objective of each group was to work together in a collaborative manner to produce joint outputs conflicts often surfaced as members worked towards this goal. One of the primary reasons interviewees gave for the conflicts that surfaced in the inter-organizational context was the discrepancy and tensions members felt in defining the internal and external boundaries of the group.

**Internal**

Internally, determining the point of intersection or the degree of “jointness,” as well as understanding how much “transparency” should exist between members from the different organizations presented challenges. While the primary objective for the teams in this study was to work collaboratively, it was difficult to determine where the overlap should exist, what information could be shared, and how much access members should have to each other’s resources.

In both cases, the inter-organizational teams started with similar broad conceptualizations of the point of intersection for collaboration. However, over time the
structure of the team and the imposition of external factors made it more and more
difficult to determine how much and what type of “jointness” should exist.

The lack of overarching hierarchy, which is an inherent structural byproduct of
inter-organizational teams, made it difficult to define and ensure collaborative outputs.
When the teams could not agree on where collaboration should begin or end, there was
no true mechanism to escalate issues, leaving the groups vulnerable to a resolution
strategy that often resulted in disengagement. Over time, particularly in the case of the
competency center, the disengagement resolution strategy created a growing sense of
discontent among members and made it increasingly difficult to find the points of
intersection at the group level. The team members ultimately began to operate in parallel,
based on organizational affiliation, instead of collaborating as a group.

The data indicate the nature of the organizational relationship that overarches an
inter-organizational team plays a role in determining the ease with which members can
establish a framework for collaboration. For example, in the case of the competency
center, the organizational relationship was defined by competition as well as co-
operation, resulting in a “co-opetition” based alliance. Thus, as the competency center
evolved, the competitive nature of the parent organizations began to infiltrate the
dynamics of the team making it increasingly difficult to navigate where collaboration
should begin and end. However, in the case of the e-commerce team, in which the
organizational relationship at the parent level represented an alliance without a
competitive dynamic, over time, the group was able to establish a sense of cohesion and
it was easier to establish where activities should overlap.
In addition, as the teams worked together over time, it became evident that variability in organizational attributes and needs made it difficult to establish the appropriate point of intersection. For example, in the case of the competency center, the team members discovered that the contexts of their constituencies were different enough that the team’s deliverables were not as valuable as joint products. Pressure from constantly having to manage the varying organizational norms and processes also made it easy for the teams to focus on their differences keeping them from leveraging their collaborative potential.

In addition to determining the degree of “jointness,” conflicts also surfaced regarding the “degree of transparency” members should expect within the inter-organizational group. In inter-organizational groups there is a “fuzziness” associated with the internal and external boundaries of the group. This can create tension for group members as they attempt to navigate this complex context. When groups are formed within a single organizational setting although members may come from different functional backgrounds, they are fundamentally embedded within a singular organization where information and resources can be shared. However, in the context of an inter-organizational group, members must constantly assess how much transparency should exist among the members of the various organizations.

Specifically, it became clear that the exchange of information was a constant obstacle. Given the necessity of maintaining information security and ensuring that sensitive information was not disclosed outside the parent organizations, members were constantly faced with decisions regarding what information could and could not be shared. This dynamic was exacerbated by the nature of the organizational relationship.
Specifically in the case of the competency center, where the organizations also competed, it became very difficult to determine what information should be shared. This effected perceptions of trust and seemed to impede knowledge sharing that in some cases was necessary for the teams to move forward on a particular collaborative activity.

The data indicate that concerns regarding the degree of transparency may be accentuated when inter-organizational groups are co-located. Specifically, it appeared that in the two teams examined, in which the members were co-located, there was a tension between expectations by members of the local organization that members of the visiting organization become more independent by understanding the landscape of the local organization while at the same time respecting the external boundary of the group. For example, there were multiple descriptions of conflict that resulted because members of the visiting organization went directly to local contacts to resolve a problem or acquire information. The local organization perceived this as a violation of the group’s external boundary. Yet at the same time the local organization wanted the visiting organization to act more transparently and to have a clearer understanding of the local organization’s norms and structure.

The visiting member’s partial inclusion in the local organization’s context made it difficult to reconcile the degree of transparency that should exist. For example, in one of the teams interviewed, one of the consistent triggers of conflict emerged when the visiting organization’s members’ utilized the local organization’s resources that resided outside the boundary of the team to achieve what they perceived to be top priority objectives. However, for the local organization, this type of activity surfaced concerns about inappropriate resource utilization and the potential breach of information. In
another example, members of the visiting organization wanted access to the local organization’s gym facilities. This created concerns regarding the access the visiting organization might achieve with “off-line” conversations that often occur in this informal setting. The visiting organization felt that they were located at the local organization’s site and began seeing themselves as an extension of the local organization. They felt that their limit on gym access was a cue that they were not trusted by the home organization, negatively effecting the visiting organization members’ perceptions of their experience operating in the team. Meanwhile, the home organization could not understand how the visiting organizational members could not understand that while the team’s goal was to collaborate, at an organizational level the two companies competed and that members had to be sensitive to information security and disclosure.

**External**

Externally, the teams were often faced with competing demands. Despite the fact that inter-organizational teams are designed with the intent of working collaboratively, the inherent structure of the group means that members are ultimately linked to different external constituents. Often these external constituents have little visibility into the dynamics or purpose of the group and in many instances are driven by the priorities and objectives of the parent organization.

This dynamic played out in both cases. As members of one inter-organizational team noted, the external sales team “has the say about the customer, but ultimately this leads to conflict at the competency center (inter-organizational group) level.” Similarly, in the e-commerce case, a member commented, “I would say a lot of conflict came from the outside organizations and teams that caused day to day problems.”
In addition, there were multiple instances where individuals within the inter-organizational group were driven to act on behalf of their own organization to drive priorities, allocate resources, or address external demands that were not necessarily in sync with the objectives of the inter-organizational group. This behavior was often perceived by group members of the other organization as a violation and served to increase the salience of the members’ organizational affiliations.

**Organizational Variation Triggers**

In addition to the tensions felt regarding the definition of the internal and external boundaries of the team, it also became clear from the data that another underlying trigger of conflict in the inter-organizational context was a byproduct of differences between the members’ organizations. In the case of singular organizations, members may reside in different functional areas; however, they are fundamentally connected by an over-arching set of norms and organizational characteristics that are shared. However, in inter-organizational groups there is a confluence of members from two or more organizations. Thus, while group members represent the team, they are fundamentally embedded in organizational structures and systems that vary. It became evident from the interviews and the data analysis that many of these organizational differences triggered conflict within the context of the team. While there are several areas in which organizations might vary, it appeared in the cases examined in this study there were organizational differences that were particularly salient.

In the cases reviewed, there were clear differences in the norms of communication and coordination. For example, members from one of the organizations preferred using phone communication particularly when there was an urgent need. However, the partner
organization relied much more heavily on electronic communications. When members of the first organization did not receive a reply to a voicemail they felt ignored and members of the second organization felt that leaving voicemail for multiple individuals to highlight an issue was an unnecessary use of resources. Similarly, there were many instances in both case studies where members struggled to determine how activities should be coordinated. Members from the various organizations had very different ideas regarding how work should be organized leading to lots of process loss and tension.

It became evident that any variation in goal alignment between the participating organizations greatly impacted the day-to-day activities of the team. The lack of goal alignment made it difficult for members to determine priorities and allocate resources. In many instances, the lack of organizational goal alignment resulted in tension at the group level.

Similarly, differences in perspectives regarding the utilization of resources created lots of obstacles for these teams. Often the various organizations had different perspectives on how resources should be managed and utilized. For example, in one of the teams, the local organization wanted the structure of the team to be dynamic so that members with the most expertise could participate on projects in which they could make a contribution. However, members from the visiting organization wanted each organization to dedicate full-time resources to the group. These differences were a reflection of how each organization managed resources and it infiltrated the activities of the team as members perceived the contribution of resources from different lenses creating tremendous tension as projects surfaced and members attempted to navigate how to manage and coordinate the activities of the group.
In addition, differences in the size and structure of the participating organizations appeared to have an impact on the internal dynamics of the team. For example, in one of the inter-organizational groups interviewed, one of the participating organizations was 10 times larger than the partner organization. In turn, the larger organization relied much more heavily on clear organizational structures and systems to manage day-to-day processes, whereas the second organization had a more fluid structure. This created obstacles for the inter-organizational group because it affected the norms surrounding resource allocations, communication, and coordination. These differences clearly impacted the activities of the team and made it difficult for the inter-organizational team to create a shared set of norms surrounding work processes.

**Organizational Relationship Triggers**

Another clear trigger of conflict in the inter-organizational context was the type of organizational relationship that existed between the participating organizations. There are multiple factors that can affect the type of organizational relationship that over-arches the inter-organizational group. Some of the factors that surfaced in this study included, the degree of competition versus cooperation between the organizations, the relative power of the organizations within their industry, the relative degree of risk of each participating organization, and the relative amount of investment each organization made on behalf of the collaboration.

As noted previously, the organizational relationship can be tightly coupled with a team’s ability to collaborate effectively. For example, in the case of the competency center, in which the team was embedded within a “co-opetition” based alliance, it was difficult for members to navigate their point of intersection. In addition, the nature of the
organizational relationship affected the degree of transparency members felt was appropriate at the team level. Although at the team level the goal was to collaborate, given that members were ultimately acting on behalf of different organizations that competed, the teams constantly had to monitor what information was shared and how resources were engaged inside and outside the group. This resulted in group tension and conflict as members navigated these fuzzy boundaries.

In addition, the relative power of each of the participating organizations within their respective industries was another important dimension that played out in the dynamics of the inter-organizational team. Large discrepancies in industry power between the participating organizations made it easy for one organization to dominate the activities of team. For example, in one of the cases while the goal of the inter-organizational relationship was to collaborate across the different organizations, it was clear that one of the organizations had a more powerful role. Thus, they controlled how information was managed, how resources were allocated, and ultimately, the power organization determined when the inter-organizational group was dismantled. This created tension within the group as members perceived themselves as equals, but when decisions were being made often they did not have an equal voice.

Similarly, the relative degree of risk each organization had in the partnership and the amount of investment they made on behalf of the partnership effected the organizational level relationship and, in turn, the activates of the team. For example, in the e-commerce team, two of the organizations were the initiators of the partnership and were stakeholders in the outcome. The other three participating organizations were brought in as resource providers. Thus, for one of the firms while they wanted to
maintain a good relationship with the consulting arm of the partnership because this would result in continued engagements with the consulting organization, they did not care about the partnership with the other stake holding organizations, creating conflict.

In another instance, the e-commerce group needed one of the peripheral organizations to grow its infrastructure, however, this peripheral organization did not have the same incentive to collaborate, because they had relatively little risk or investment in the project. Thus, it was easy for them to take the position that they didn’t create the initial infrastructure so why should they take it over. Listed in the table below is a subset of examples derived from the interview data for each type of trigger. For expanded detail see Appendix D.

<table>
<thead>
<tr>
<th>Group Boundary Triggers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal Boundary</strong></td>
</tr>
<tr>
<td>Jointness</td>
</tr>
<tr>
<td>• The center lacks jointness. The two teams are on parallel paths and there is a lack of true sharing.</td>
</tr>
<tr>
<td>• Less overlap in activities then expected.</td>
</tr>
<tr>
<td>• In theory, the center should be a joint center. For BLUE it serves as a forum for sizing and benchmarks. In reality, the center is not very joint. It is joint for information flow, but not joint for collaboration.</td>
</tr>
<tr>
<td>• The conflict was not resolved. I don’t see this as something outside the scope of the CC. This is a space where we can go to market together. A place where we can play together which is the purpose of the center.</td>
</tr>
<tr>
<td>Transparency</td>
</tr>
<tr>
<td>• RED tries to be transparent.</td>
</tr>
<tr>
<td>• Unwillingness to share necessary info. To believe in the partnership</td>
</tr>
<tr>
<td>• I knew about the closure 3 weeks ahead of time, but I couldn’t tell anyone or my severance package would be removed….only the LUX people knew.</td>
</tr>
<tr>
<td>• The president of LUX and the VP of Strategy began discussions with TAY. But LUX did not want to disclose all of the information. They were afraid of giving away too much information.</td>
</tr>
<tr>
<td>• In first 6 months, can go to gym. Not allowed onto the network, printers, engineer email…</td>
</tr>
<tr>
<td><strong>External Boundary</strong></td>
</tr>
<tr>
<td>Competing Demands &amp; External Constituents</td>
</tr>
<tr>
<td>• Not everyone is aware of everyone else’s needs.</td>
</tr>
<tr>
<td>• Competing demands……</td>
</tr>
<tr>
<td>• Complexity of environment. There are all these products lines. Both BLUE and RED try to exert control. Cannot know what 245,000 and 40,000 employees will do.</td>
</tr>
<tr>
<td>• …….For RED this was not an urgent issue because the customer was not making a choice about RED software only about BLUE hardware.</td>
</tr>
<tr>
<td>• A lot of the conflict came from outside orgs and teams that caused day-to-day problems.</td>
</tr>
<tr>
<td>• There were different marching orders. The advisory board told PM to “get things done!” But the business units in LUX said, “Yea, but we also have a business to run.”</td>
</tr>
</tbody>
</table>
### Organizational Variation Triggers

<table>
<thead>
<tr>
<th>Culture</th>
<th>BLUE believes in FTF meetings. Put people on a plane for a half hour meeting. RED believes only in meetings for closure. BLUE pick up the phone and call someone. RED relies on email.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process Norms</td>
<td>Our language and TAY’s language where not the same.</td>
</tr>
<tr>
<td>Resources</td>
<td>We have different corporate cultures. BLUE is more traditional...more structured.</td>
</tr>
<tr>
<td>Structure &amp; Size</td>
<td>RED and BLUE have different norms around timing.</td>
</tr>
<tr>
<td>Goal Alignment</td>
<td>There is more friction around the way we implement.</td>
</tr>
<tr>
<td>Priorities</td>
<td>Not that the objectives are different, but …we did not understand the objectives in the same way.</td>
</tr>
<tr>
<td>Expertise/Function</td>
<td>Differences in allocation of resources and the determination of priorities.</td>
</tr>
</tbody>
</table>

### Organizational Relationship Triggers

<table>
<thead>
<tr>
<th>Competition</th>
<th>Lack of understanding of the RED/BLUE relationship and competitive environment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk</td>
<td>DM kicked out and PM shut down…I think we should have included DM in the final discussion regarding weather to shut down or not. We should have talked the facts. Put all the parties and the table. In this case it lead to I’m DM and I’m LUX. We were no longer PM.</td>
</tr>
<tr>
<td>Power</td>
<td>BLUE employees are not RED employees. They are our number one competitor.</td>
</tr>
<tr>
<td>Investment</td>
<td>Initially some tension with BM. DM brought in BM. BM wanted a good relationship with DM, but didn’t really care about LUX.</td>
</tr>
<tr>
<td></td>
<td>The risks for the two companies were incongruent.</td>
</tr>
<tr>
<td></td>
<td>E-funds has a group of consultants that used to be a part of LUX IT group. They broke off about 18 months ago as a separate entity and now charge back to LUX for their services. Even though they are a separate entity, they still act like they are part of LUX.</td>
</tr>
</tbody>
</table>

### B. Conflict Types in the Inter-Organizational Context

One of the primary questions that surfaced in the initial design of this study was to understand what types of conflict surface in the inter-organizational group context. Although, I initially posited this new group context might highlight new forms of conflict, I found that the types of conflict that surfaced appeared to fall into the previously conceived typology of conflict (task, process, relationship). However, the data suggest there are new mechanisms that trigger conflict that have not yet been identified in the literature that appear to be particularly salient in the inter-organizational context. As outlined above, these include group boundary, organizational variation, and organizational relationship triggers.

Thus, given that this new group form does not elicit new forms of conflict, I became interested in trying to understand if groups that cross organizational boundaries are more
or less susceptible to particular forms of conflict and whether there are any clear links between the conflict triggers and specific types of conflict.

Although the data are limited, given the number of cases and conflict incidents, it does appear that teams that cross organizational boundaries appear particularly susceptible to process conflict. In many ways, this is not surprising. In looking at the various triggers of conflict in this context, it appears that one of the inherent components of inter-organizational teams is that they are constantly working within a group context in which members have varying organizational characteristics, norms, and structures. Thus, as these teams work on collaborative tasks, there is a constant need to negotiate how the work process should proceed because there are very few shared norms of how work should be conducted.

In addition, to process conflict, task conflict also appears to surface in this context. Although task conflict is not as prevalent as process conflict, in the cases examined in this study, it does seem to play a role. Specifically, it appears the teams in this study struggled with determining what tasks the team should focus on and where time and resources should be allocated. Again, given the difficulty the teams experienced in determining the degree of “jointness,” it seems congruent that they would report task conflict in this context.

While members of the teams in this case study noted feelings of emotion during various conflict incidents, none of the incidents in this study were described as being personal in nature. Rather, it did appear that the constant negotiation of organizational differences, boundaries, and relationships resulted in feelings of frustration and emotion regarding the conflicts that surfaced.
All in all, the data suggest that the organizational boundary may uniquely influence group processes, specifically group conflict. The data indicate that inter-organizational teams do face challenges that are amplified by their inherent structure and external nature. Specifically, as the framework above indicates, conflict is triggered in inter-organizational groups due to the following: 1) difficulties in defining the internal and external boundaries of the team, making it difficult to determine the degree of “jointness” and transparency, 2) organizational differences which create challenges for developing shared norms surrounding group processes, and 3) the nature of the organizational relationship, which can infiltrate the day-to-day operations of the team and diminish the ability of members to collaborate effectively. While the data are inconclusive regarding the types of conflict engendered by these different triggers, it does appear that inter-organizational groups are particularly susceptible to process conflicts as they manage their external demands and ever-present internal boundary. The following is a proposed model outlining the potential underlying mechanisms and how they are linked to group conflict. Further investigation is necessary to understand more clearly how these individual triggers are related to the specific forms of conflict and what effect this has on group outcomes.

**Model of Group Conflict in Inter-Organizational Teams**

<table>
<thead>
<tr>
<th>Boundary</th>
<th>Trigger (Underlying Mechanism)</th>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational</td>
<td>Group Boundary, Organizational Variations, Organizational Relational</td>
<td>Conflict Process, Task, Relational</td>
</tr>
</tbody>
</table>
VI. DISCUSSION

The goal of this study was to present a foundation to begin exploring how inter-organizational teams expand our thinking about group theory. Specifically, this study was designed with the intention of providing a qualitative exploration of this new form of organizing to provide an in-depth lens of the phenomena.

A. Limitations

Given the nature of the groups and the difficulty in acquiring access, this study depended on a small sample size. To overcome this limitation, an incident based approach was used which provided a larger sample of the conflicts experienced by these types of teams, however, the variation in the inter-organizational context is limited. Thus, in order to substantiate the findings from this study a quantitative follow up is appropriate.

Another potential limitation of this study is that the interviews from one of the inter-organizational teams took place after the team had disbanded. Thus, it was not possible to interview members from all of the organizations and did not have an opportunity to experience first-hand the organizational context in which the team operated. While these factors might influence the nature of the data, with the disbanding of the group, the consulting arm of the partnership held an all-day “post-mortem” to discuss what worked and what failed in this inter-organizational arrangement. Thus, this opportunity for team members to reflect on the group in a focused and meaningful way may have served to inform the data at a deeper level.
B. Contributions

All in all, this study has provided an important lens to explore a new group form that has not been examined very closely until this point. The data indicate that inter-organizational teams do face challenges that are amplified by their inherent structure and external context. In addition, this research helps expand our theoretical understanding of how teams that operate under one organizational umbrella might vary from teams that cross multiple organizational boundaries. Finally, the qualitative approach of this study has enriched our understanding of conflict by illuminating the underlying mechanisms that trigger conflict in the inter-organizational context providing an important launching point for future exploration.

C. Implications for Future Research

In considering a follow up study, there are several areas of interest that may be relevant and could expand on the findings from this study. One area of exploration is to further examine the external nature of the inter-organizational context as well as our understanding of what factors might exacerbate or ameliorate the organizational faultline in this context. Below, is an outline of some preliminary thoughts regarding these areas of inquiry.

The External Nature of Inter-Organizational Groups

In addition, to understanding the triggers of conflict, another aim of this study was to understand if the external nature of these groups effected the internal group dynamics of these forms of teams. In examining the data, it is clear the external nature of inter-organizational groups is one of the most salient qualities that differentiates them from their traditional counterparts. Although the lens of this study focused on conflict in
these teams, it is clear that while inter-organizational groups, like groups that do not cross organizational boundaries, are effected by traditional group dynamics, much of the conflict and process loss in the inter-organizational setting is a result of having to manage a salient external context. Specifically, work was constantly thwarted in these environments as teams struggled to understand the organizational differences that defined the ways in which their counterparts operated and prioritized activities.

In addition, the nature of the organizational relationship in which the teams were embedded effected the ability of the members to share information, coordinate projects, and fundamentally trust their counterparts in the same way they would in a team in which members share an organizational hierarchy. This lack of shared overarching hierarchy made it easy for members to disengage when conflict surfaced. This led to tensions surfacing again and again around the same issues creating a growing sense of frustration. This ultimately resulted in members questioning the viability of the engagement rather then refocusing to establish clear boundaries and acknowledging the limitations of the collaboration.

Finally, it was clear that one of the most challenging boundaries the teams had to manage was their external environment. There were so many instances when members had to respond to the priorities of their external constituents, creating strain because not all members of the team shared priorities. Members were partially embedded in their parent organization and the inter-organizational team. This often resulted in discrepancies and made it difficult to act on behalf of the team because the organizational linkage often took precedence.
The Role of the Organizational Faultline

Although this study did not focus specifically on the role of faultlines in the inter-organizational context, it did assume that a natural and salient faultline existed in this context based on organizational affiliation. One of the most interesting observations that I found in this context was that the organizational faultline was extremely salient. In nearly every incident that was described in the inter-organizational group context members identified their position based on their organizational affiliation. Despite the fact that the interview instrument was not designed to focus on this attribute, it was the natural means by which members identified their position and role within the team. Organizational affiliation took precedence over any other potential alignment such as functional background, age, seniority, race etc.

It appeared from the data that when conflicts surfaced in the inter-organizational group context, members almost always described the event from the perspective of their parent organization versus the perspective of the other team members. Despite the fact that in both of the case studies members had worked in the team for more than a year, the members still identified more closely to their parent organization then as members of their inter-organizational team. Thus, even in cases when a conflict was likely not the result of an organizational difference, boundary, or relationship, members almost always described the incident from an organizational perspective. For example, “organization A saw it this way” and “organization B saw it that way.” Then members would often go on to explain the source of the conflict. Most conflict was attributed to organizational level factors; it was very rare that members attributed an incident to a group or individual based factor.
An interesting structural component of inter-organizational teams is that these teams do not have an overarching hierarchy. When tensions surface, there is no clear mechanism to escalate issues to an outside entity that can determine the final solution. When this occurred the organizational faultline surfaced quickly and become very salient. Thus, a very important follow on question of this study is to understand if there are factors that accentuate or diminish the role of the organizational faultline. For example, if these teams participate in training or team building activities, is it possible to diminish the salience of the organizational faultline allowing the team to function in a more cohesive manner? Are there conflict resolution strategies that are more or less effective in the inter-organizational context? Are there important characteristics that should be considered when forming an inter-organizational team to support collaboration? Is cohesion a necessary outcome for inter-organizational group success?

VII. CONCLUSION

Overall, this study provides a unique lens for expanding our theoretical understanding of groups that cross organizational boundaries. The research herein helped structure a domain of group research that has yet to explicitly be explored. Concomitantly, the findings support the notion that it is important to untangle the effects of the discrete group boundaries that have been enabled by the increased reliance on technology-mediated communication.

As firms move towards more flexible models of organizing and as they attempt to leverage intellectual capital from external sources, it is important to consider how to best manage these new types of groups intended to execute this new form of collaboration. It is clearly challenging to pull members from two or more organizations together to work
over a period of time. The lack of shared organizational characteristics, structures, norms, and hierarchy can make it difficult to find the point of intersection and to ensure that the team is not overwhelmed by conflict and process loses.
References


## Appendix A

### Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Competency Center</th>
<th>E-Commerce Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number Members Interviewed</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Gender Mix</td>
<td>MMMMMFFFF</td>
<td>MMMF</td>
</tr>
<tr>
<td>Tenure Company</td>
<td>9.1875</td>
<td>9.875</td>
</tr>
<tr>
<td>Group Tenure</td>
<td>1.625</td>
<td>1</td>
</tr>
<tr>
<td>Task Type</td>
<td>pooled</td>
<td>pooled</td>
</tr>
</tbody>
</table>
Appendix B

Model of Group Conflict in Distributed Teams
(Hinds & Bailey, 2003)

Boundary  Triggers  Process  Outcome

---

Distance

• Shared Context
• Familiarity
• Friendship
• Cultural Homogeneity

Conflict
• Relational
• Task
• Process

Performance

Technology Mediation

• Relational Outcomes
• Information Transfer
• Coordination
Appendix C

Interview Instrument

Inter-Organizational Groups

Name ________________________________________________

Interviewer___________________________________________

Date________________________________________________
Appendix C

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Introduction ................................................................................................................. 0.0

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Membership ............................................................................................................... 3.0

Organizational Level Factors ............................................................................... 4.0

Critical Incidents .................................................................................................. 5.0
  ❖ Conflict Types
  ❖ Conflict Strategies

Wrap Up ....................................................................................................................... 6.0

Conclusion ................................................................................................................ 7.0
1. My name is ______________________, I’m a member of a research team at Carnegie Mellon University.

2. Our team is interested in developing a better understanding of the dynamics associated with groups that span organizational boundaries, which we refer to as boundary spanning teams or cross-organizational teams. Specifically, these are teams where the members represent one or more companies.

With the increase in the number of partnerships, joint ventures and alliances, cross-organizational teams are being used more frequently to manage business. In turn, understanding how these teams function is becoming an important management issue. In this portion of our study, we are particularly interested in understanding the types of competing demands that arise most frequently in these types of teams and the strategies that boundary spanning teams use to manage these situations.

3. Our study is targeting individuals who are members of at least one boundary spanning team. This is why we are talking with you. Any information from our interview will be treated as confidential. None of the answers from your interview will be made available to anyone outside this room. The only type of information presented as feedback will deal with the percent of people responding to a particular question. For example, 50% say this or 20% say that. We will be asking for your opinion or perspective on a variety of areas, therefore there are no right or wrong answers. Because of the broad scope of this survey, you may be able to answer some questions and not able to answer others. Most importantly, we would really appreciate your frank answers.

4. An Executive Summary from our study on Boundary Spanning teams will be made available to all participants.

5. Before we proceed, I’d like to make sure that I answer any questions you may have.
Appendix C

BRIDGE:

We’d like to begin our discussion with a few brief questions about you and your current job.

1. Job History
   
   What is your current position?
   
   ________________________________________________________________

   Describe briefly your responsibilities.
   
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________

   How long have you worked for _____________________?
   
   ________________________________________________________________
Appendix C

BRIDGE:

We’d now like to focus on some general information about the team and its members as well as your role as a part of the center.

2. General Team Information, Team Activities & Team Events

    How long have you been a member of the center?

    ____________________________________________________________

    How long has the center been in existence?

    ____________________________________________________________

    If you were to describe the purpose of the center to a friend, what would you say?

    ____________________________________________________________
    ____________________________________________________________
    ____________________________________________________________
    ____________________________________________________________
    ____________________________________________________________
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    ____________________________________________________________
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    ____________________________________________________________

    If you were to think generally about the work associated with the center what would be some examples of the center’s outputs?

        Note: product development, information sharing, marketing messaging, community/relationship building, research & development, etc.

        ____________________________________________________________
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        ____________________________________________________________
Appendix C

Probe:

- How do you do ______________?


- Who were the customers of this output ______________?


Over the past month, what percent time have you spent working alone on activities related to the center?

_____________%

So, to confirm, would you then say that you then spend 1 - x(spent alone)% working with others on center activities?

_____________%

What would be some examples of the work you conducted with others over the last week or two within the center?


Probe:

- Who, where & why?


Appendix C

What would be some examples of the work associated with the center that you conducted alone over the last week or two?

___________________________________________________________________________

___________________________________________________________________________

___________________________________________________________________________

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___________________________________________________________________________

Probe:

- Who, where & why?

___________________________________________________________________________

___________________________________________________________________________

___________________________________________________________________________

___________________________________________________________________________

___________________________________________________________________________

___________________________________________________________________________

Over the last 6 months, what are some of the key projects that you’ve worked on with others as part of the center?

**NOTE: used as reference for Critical Incidents.**

___________________________________________________________________________

___________________________________________________________________________

___________________________________________________________________________
**BRIDGE:**

We understand that the center includes members from both ABC and XYZ. When looking at work groups we tend to see that teams tend to span from having fairly stable membership over time to membership that is rather dynamic in nature. We’d like to spend a little time understanding the membership of the center from your perspective to understand how the center fits in to this categorization scheme.

### 3. Membership

So, if you were to think about the membership of the center over the last 3 months, who has been actively involved?

**PROBE -**

<table>
<thead>
<tr>
<th>Member Name</th>
<th>Organization (I or O)</th>
<th>How Long?</th>
<th>What they do?</th>
<th>Location (Distributed or Local)</th>
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</table>

If you had to describe the membership of the center over the last 3 months compared to other teams that you’ve been involved in, on a scale of 1-5 would say that the membership is stable or is changing. 1 represents stable and 5 represents changing:
<table>
<thead>
<tr>
<th>(stable)</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>(changing/dynamic)</th>
</tr>
</thead>
</table>
Appendix C

We know that sometimes in new group or work arrangements there are individuals who may not be a member of the team directly, but who participate in the team’s activities for short periods of time. Examples might include management, other teams, customers, Alliance team members etc. Are there individuals who have played this type of role in the activities of the center over the last three months?

<table>
<thead>
<tr>
<th>Name/Team</th>
<th>Role</th>
<th>Organization (I or O)</th>
<th>How were they involved?</th>
<th>Location (Distributed or Local)</th>
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Appendix C

PROBE -

How would you describe _________’s role?

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How would you describe _________’s role?

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__________________________________________________________________________
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How would you describe _________’s role?

__________________________________________________________________________
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__________________________________________________________________________
Bridge

If you were to step back and look at the activities of the center from a corporate level……

4. Organizational Level Factors

Would you say that on a scale from 1 to 5 that ABC and XYZ have similar objectives for the center?

(different) 1 2 3 4 5 (similar)

________________________________________________________________________
________________________________________________________________________
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Would you say that on a scale from 1 to 5 that ABC and XYZ have similar methods for coordinating center activities?

(different) 1 2 3 4 5 (similar)

________________________________________________________________________
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Appendix C

Would you say that on a scale from 1 to 5 that ABC and XYZ have similar views on how to assign duties and responsibilities for center projects?

(different) 1 2 3 4 5 (similar)

__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
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__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

Would you say that on a scale from 1 to 5 that ABC and XYZ have similar views on the prioritization of center projects?

(different) 1 2 3 4 5 (similar)

__________________________________________________________________________
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Appendix C

Would you say that on a scale from 1 to 5 that ABC and XYZ have similar views on how staff should be allocated to the center? (Resources)

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<th>5</th>
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</table>

Would you say that on a scale from 1 to 5 that ABC and XYZ have similar patterns for using media (email, phone, meetings) to communicate?

<table>
<thead>
<tr>
<th>(different)</th>
<th>1</th>
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<th>4</th>
<th>5</th>
<th>(similar)</th>
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</table>
Appendix C

Would you say that on a scale from 1 to 5 that XYZ and ABC members of the competency have similar degrees of authority to make commitments on behalf of their respective companies?

(different) 1 2 3 4 5 (similar)

__________________________________________________________________________
__________________________________________________________________________
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__________________________________________________________________________
Appendix C

BRIDGE:

One of the things that we know about teams is that differentiation or conflict is a natural by-product of participating in any group process. And in many cases can be positively linked to the outcomes of the team. When we begin looking at teams that cross organizational boundaries, we realize that these teams may face a larger number and possibly different types of competing demands then the average departmental team that resides under one organizational umbrella. In turn, we like to explore with you some of the types of competing demands or conflicts that have arisen in the team and what strategies the team has used to manage them.

Previously, you told us about some of the projects of the center in which you have been involved. So at this point, we'd like to make a slight shift back to reflect on one of the specific projects that you talked about, the _______________ project.
5. Critical Incidents

If you were to think about that project specifically, can you think of example where conflict arose?

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

Probe:

• What was the incident?

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

• Who was involved?

__________________________________________________________________________

__________________________________________________________________________

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__________________________________________________________________________

• What factors do you think contributed to the incident?

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________
Appendix C

- When did it arise?

- How did the team manage it?

- How effectively do you think it was resolved?
Appendix C
Okay, now let's think of about one of the other projects that you mentioned. Can you think of a time when conflict arose in this case?
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
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Probe:

• What was the incident?
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

• Who was involved?
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
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__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

• What factors do you think contributed to the incident?
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
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__________________________________________________________________________
__________________________________________________________________________
Appendix C

- When did it arise?
  
- How did the team manage it?
  
- How effectively do you think it was resolved?
Appendix C

And finally, if you were to reflect on project ____________. Can you think of another conflict?

___________________________________________________________________________

___________________________________________________________________________

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___________________________________________________________________________


Probe:

- What was the incident?

___________________________________________________________________________

___________________________________________________________________________

___________________________________________________________________________

___________________________________________________________________________

___________________________________________________________________________

___________________________________________________________________________

- Who was involved?

___________________________________________________________________________

___________________________________________________________________________

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___________________________________________________________________________

- What factors do you think contributed to the incident?

___________________________________________________________________________

___________________________________________________________________________

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___________________________________________________________________________
Appendix C

- When did it arise?

- How did the team manage it?

- How effectively do you think it was resolved?
BRIDGE:
Okay, we are now coming to a close. To wrap things up, we’d like to ask you four final questions to acquire an overall picture of the center.

6. **Wrap Up**
   Overall, on a scale from 1 – 5, with 5 being the highest and one being the lowest, how would you rate the effectiveness of the center?
   
   
   (low) 1 2 3 4 5 (high)

   Overall, on a scale from 1 – 5 with seven being the highest and one be the lowest, how would you rate your satisfaction in working as a member of the center?

   (low) 1 2 3 4 5 (high)

   On a scale from 1-5 to what extent do you think conflict characterizes the center?

   (low) 1 2 3 4 5 (high)

   On a scale from 1-5 how would you rate the team in their ability to adequately manage the conflict within the center?

   (low) 1 2 3 4 5 (high)
7. Conclusion

Thank you again for participating in our study. Your willingness to provide direct and frank responses has been most helpful.

Please feel free to contact us if you should have any follow up questions or would like to know the status of the project.

We can be reached at _____________________ or at the following email address ___________________________. 
## Appendix D

### Inter-Organizational Conflict Triggers

## Sources

<table>
<thead>
<tr>
<th>Organizations by Team</th>
<th>Pseudonym in Appendix B</th>
<th>Number of Interviews Conducted</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Commerce Team</td>
<td>PM</td>
<td>4</td>
</tr>
<tr>
<td>Consulting</td>
<td>DM</td>
<td>2</td>
</tr>
<tr>
<td>Check Producing</td>
<td>LUX</td>
<td>2</td>
</tr>
<tr>
<td>Software Development</td>
<td>BM</td>
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<tr>
<td>Fullfillment</td>
<td>TAY</td>
<td>0</td>
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<td>Integrator</td>
<td>AX</td>
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<td>Competency Center</td>
<td>CC</td>
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<tr>
<td>Software</td>
<td>RED</td>
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<tr>
<td>Hardware</td>
<td>BLUE</td>
<td>3</td>
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<tr>
<td>Research Consortium</td>
<td>Omitted</td>
<td>Omitted</td>
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</table>
Appendix D

Group Boundary Triggers

INTERNAL GROUP BOUNDARY

Jointness

- The center lacks jointness. The two teams are on parallel paths and there is a lack of true sharing.

- RED sees the center as providing purely sales support. BLUE sees its primary obligation as providing sizing information. The two companies have different areas of emphasis for the center. Initially the goals were more similar because the objectives were more broadly defined. We’ve discovered that the context of the constituencies is so different and in turn joint deliverables aren’t as valuable.

- RED feels it should be more than sizing. All CC resources are going to sizing which leaves very little resource for other joint activities.

- Less overlap in activities than expected.

- If it had been handled differently, I don’t think PM would have been shut down. I think we should have included DM in the final discussion regarding whether to shut down or not. We should have talked the facts. Put all the parties and the table. In this case it lead to I’m DM and I’m LUX. We were no longer PM.

- Discovered that the contexts of constituencies were different enough that RED and BLUE and BLUE and RED aren’t the same. Deliverables aren’t as valuable as joint.

- In theory, the center should be a joint center. For BLUE it serves as a forum for sizing and benchmarks. In reality, the center is not very joint. It is joint for information flow, but not joint for collaboration.

- The conflict was not resolved. I don’t see this as something outside the scope of the CC. This is a space where we can go to market together. A place where we can play together which is the purpose of the center.

- We need AX to grow their infrastructure. They said they can’t take over until they have x, y, z. We didn’t create this, so why should we take it over.

- If we had a smoother relationship, could do more together. Our database competes with RED’s database and this is where the relationship gets into friction.

- Very little joint activity due to competition.

- Probe: Do you think that if there wasn’t competition it would be different? Yes, I think it would be easier to get things off the ground. For example, there was a joint press release with strong positive comments from BLUE regarding a joint benchmark, but had to get watered down due to the competitive nature of the relationship.
Appendix D

Transparency

- RED tries to be transparent. We do a lot of research before we go to BLUE with a proposal to ensure it is inline with their strategy. We use the following resources: BLUE website, BLUE press releases, interviews, and trial balloons. It’s easier for us because BLUE is a hierarchy, so we can read it. If someone at the top says something, it is likely to be true at the bottom. BLUE has a much harder time reading RED. If a decision is made, it is harder for BLUE to read because of the lack of hierarchy – RED is a networked company.

- Not everyone is aware of everyone else’s needs.

- Unwillingness to share necessary info. To believe in the partnership

- For benchmarking BLUE need scripts (programs) from RED. Initially, I provided the contacts and they would go through me. But after time, they began going directly to the contacts and I would find out about things after the fact. I told them several times to use me as the contact, but they felt it was quicker to go directly. At one point a member of our organization approached me because he was concerned about the constraints of the scripts and wanted to make sure BLUE wasn’t making them public.

- Information didn’t always flow very well; didn’t always make it to the right people.

- Not resolved, still the case. RED has a clear problem resolution. RED feels BLUE should know how the RED system works. In turn, BLUE tries to “go around” us to get support more quickly.

- I knew about the closure 3 weeks ahead of time, but I couldn’t tell anyone or my severance package would be removed. We’d been working crazy hours to get a product out and only the LUX people knew (a very limited subset of 5 people).

- If it had been handled differently, I don’t think PM would have been shut down. I think we should have included DM in the final discussion regarding weather to shut down or not. We should have talked the facts. Put all the parties and the table. In this case it lead to I’m DM and I’m LUX. We were no longer PM.

- The president of LUX and the VP of Strategy began discussions with TAY in May 1999. But LUX did not want to disclose all of the information. They were afraid of giving away too much information. They wanted TAY to engage, but danced around the bush. Finally, I convinced them that we were running out of time and that we needed TAY on board and that we needed to give them more information. We had a burn rate of $million and couldn’t continue.

- BLUE doesn’t know what RED is up to.

- A lot of times the RED CC people are not aware of what is going on within RED. For example, there was a point in time when RED was promoting a new campaign called I-Procurement. I did not find out about this campaign from RED CC people, I found out about it from other sources within RED. It is now taking off as a project for the BLUE side of the CC, but we don’t yet have RED’s involvement.

- We are always fighting for space. The managers for example are not given an office. Our director just received an office after 3 years.
Appendix D

- For example, we spent two months waiting on RED to make a contact for us because we can’t go directly to the people we need information from.

- We need more personal links. For example, it would work much better if RED and BLUE were on the same floor. This would lead to integration. We used to be on the same floor, but then we were split.

- We used to be able to use the gym, but now we are not allowed to. This alienates us because we see that other venders and contractors are allowed to use the facilities. No socialization between BLUE and RED. RED doesn’t encourage it. They avoid the outside. Not an easy ISV to work for. In first 6 months, can go to gym. SEQ can, but BLUE can’t. Not allowed onto the network, printers, engineer email was removed.

- They are on site as convenience and privilege. They are taking advantage of proximity.

- I think there was an unhealthy tension that the consulting lead from DM was my client and at the same time my boss. It doesn’t seem very sound to give control of ones business to someone else. This really became a problem with LUX wanted to pull back.
Appendix D

Group Boundary Triggers

EXTERNAL GROUP BOUNDARY

Competing Demands & External Constituents

- Broadcast because it was a big problem from BLUE point of view. RED doesn’t broadcast, but BLUE does. It was a problem for RED because it used a lot of resources unnecessarily.

- I would say a lot of the conflict came from outside orgs and teams that caused day-to-day problems.

- He didn’t have direct accountability to us, but we were responsible to him.

- Competing demands, agendas, objectives (not resources)

- BLUE CC members have multiple masters. Seems to lead to confusion.

- It is a very complex environment, so it is difficult to navigate the strategy.

- Complexity of environment. There are all these products lines. Both BLUE and RED try to exert control. Cannot know what 245,000 and 40,000 employees will do.

- There were different marching orders. The advisory board told PM to “get things done!” But the business units in LUX said, “Yea, but we also have a business to run.”

- There was a lot of tension between PM and LUX when we were recruiting people to come and work for PM.

- Moshe went directly to support. He was able to get enough information so that he could diffuse the issue within BLUE. However, RED complained because went directly to support. This lead to the incident. RED didn’t understand that Moshe was trying to work on behalf of RED and that he was truly trying to diffuse the situation. The risks for the two companies were incongruent. For RED this was not an urgent issue because the customer was not making a choice about RED software only about BLUE hardware.

- Not well resolved. The local team has the say about what the customer, but ultimately this leads to conflicts at the CC level. These are issues we have very little control over and the ultimately decrease the trust between the two organizations.

- BLUE and RED do similar things for their constituencies, but they support somewhat differently constituencies. (Their respective field force).

- Discovered that the contexts of constituencies were different enough that RED and BLUE and BLUE and RED aren’t the same. Deliverables aren’t as valuable as joint. Deliverables core collaborations spins off separate product and delivery.
Appendix D
Organizational Variation Triggers

- A lot of conflict is communication based.

- BLUE believes in FTF meetings. Put people on a plane for a half hour meeting. RED believes only in meetings for closure. BLUE pick up the phone and call someone. RED relies on email etc.

- RED folks don’t return phone calls!

- Our language and TAY’s language where not the same.

- DM very comfortable with verbal directions. LUX like writing and specifics. They want to work 40 hours a week and had to be told exactly what to do. Xx2 we could talk over the phone and give broad directions.

- No, I think DM and Blue Machine were much more e-sophisticated. They used a lot of multi-media as well. We became stronger. In PM we had more cell phones then all of LUX. We had to hire the multi-media guy who used to work for LUX, but didn’t have enough work. With only 100 people we kept him busy all the time. We became much more similar over time.

- We have different corporate cultures. BLUE is more traditional…more structured.

- RED philosophy = baptism by fire. BLUE tends to go to very senior people to get answers. This is a problem.

- BLUE is always looking for an expert. Within BLUE they develop a very focused expertise on a subject. In turn, they always want to talk to the expert. At RED we have a broader training and feel that it isn’t always necessary to pull in an expert because this can be very costly.

- I have not seen a plan from BLUE on any set of deliverables. RED publishes one at the bi-weekly meetings. RED and BLUE have different norms around timing. It takes BLUE 10-12 months from the start of a discussion to the implementation (end). However, RED’s timeline is much shorter.

- We have different perspectives on the objectives and how to assign roles. Trade-offs in resources.

- There was an incident where it took 3 months to get a contract signed. We didn’t have the right product set. Fulfillment and IT where having format problems with the streaming required for automation. LUX didn’t understand what was needed so ended up having to manually manage the process.

- We have different corporate cultures. BLUE is more traditional…more structured. Although this is changed we have lots of meetings, require lots of approvals and our investments take lots of time. We also have a different feeling about time (much slower). RED is a flatter organization and things change quickly. It is dynamic. Solid ground.

- There is more friction around the way we implement.

- We’ve found that the two companies have different methods for coordinating activities.
Appendix D

- RED tends to be more focused. RED likes to clearly define owners and contributors. At BLUE everyone is treated the same. This leads to getting lots of people involved (47 people) with no clear ownership. At meetings BLUE will have casts of thousands, which makes it harder to find the BLUE decision maker.

- The culture makes a big difference in relation to how staff is allocated. RED has the latitude to assign staff give the demands of the project. The two companies have different degrees of openness to shift priorities. RED is more willing to make adjustments given changing demands, but BLUE tends to be more set in plans.

- There was a pace that got set that not everyone agreed to. Sometimes people at TAY held things up when we were trying to get things done. Often they weren’t with us, so had a different pace.

- RED is methodical. BLUE shoots from the hip. There is a real lack of communication from BLUE, which has a lot to do with different work customs or cultures.

- At the BLUE center level, individuals can influence and can veto, but can’t really make things happen without upper level management support.

- “We have different norms of conflict. BLUE masks conflict and RED is more comfortable with conflict.”

- How they approached work and their ideas differed

- We created a different culture. LUX culture has to have lots of things run up the ladder to get approval. DM runs with it. They had latitude beyond what LUX folks had TY ok, BM ok, AX didn’t have the necessary resources.

- BLUE and RED are different culturally.

- RED is more entrepreneurial. They learn by trial and error. If something goes wrong they just turn around and get out.

- BLUE spends a lot of time discussing decisions. They want all of their ducks lined up.

- LUX: had authority for functional area. IT people had no authority…they had to check with lots of people. DM: had lots of control and money.

- The lines of the reporting structures are different. Matrix type structure which is the same for both companies, but BLUE and RED don’t have the same organizational context

- BLUE can determine what they want to engage in. However, there are differences in the domain. PLM’s are responsible for the products and the BLUE CC members are responsible for sizing. “RED tends to push decision making down and BLUE tends to run things up the flag pole.”

- I have to go very high in BLUE to get a commitment. This really slows things down. It makes it difficult for the BLUE/RED platform to keep up with the other hardware vendors, which may cause incorrect attributions.
Appendix D

- In addition, I think there is a mismatch in the expertise between the BLUE center members and the PLMs. I don’t think the RED PLM expertise is at the level that BLUE needs. Our center members have 20 plus years of expertise. They have field experience and a lot of technical and IT background. RED’s people are less experienced and they have a different focus. Their job is not as senior as the CC members.

- LUX: growth of future and put people there. Reluctant to put best people. As PM began building momentum we were flooded with requests from LUX people to work with us. LUX management was not happy. They put a new policy in place so that we could not recruit directly had to go to the VP first. For example, we got LUX’s worst HR person. DM: put best and brightest….lots of “Rock Stars”

- There is a feeling that there is a strong mismatch in skills, knowledge and initiative between the two companies. Finity seems to be more like RED culturally which seems to help with this particular product line.

- Not that the objectives are different, but initially we did not understand the objectives in the same way. Didn’t understand the way it should work.

- We have different perspectives on the objectives and how to assign roles. Trade-offs in resources.

- The objective of both RED and BLUE is to sell more product and in this case I would say we are a 5. However, RED believes the more vendors the better. BLUE believes they should focus on sizing. RED sees this as a vendor responsibility and will not take responsibility.

- RED sees the center as providing purely sales support. BLUE sees its primary obligation as providing sizing information. The two companies have different areas of emphasis for the center. Initially the goals were more similar because the objectives where more broadly defined. We’ve discovered that the context of the constituencies is so different and in turn joint deliverables aren’t as valuable.

- AX in the business of “structure”, but we’re in the “.com” business.

- We have different corporate cultures. BLUE is more traditional…more structured. Although this is changed we have lots of meetings, require lots of approvals and our investments take lots of time. We also have a different feeling about time (much slower). RED is a flatter organization and things change quickly. It is dynamic. Solid ground.

- Key reason: philosophically, we cannot come together. BLUE believes we have not met our requirements of the CC. They see our matrix management as a lack of commitment.

- Broadcast because it was a big problem from BLUE point of view. RED doesn’t broadcast, but BLUE does. It was a problem for RED because it used a lot of resources unnecessarily.

- One was his view of the world was from Direct Marketing and PM was not about this. We were trying to tap a new market. We could leverage the current business, but he didn’t care.
Appendix D

- We ran into problems. We weren’t sure if it was BLUE hardware or RED software problem. Because RED did not have people committed full time to this project when we hit the problem, we didn’t have the resources from RED to get it resolved. This lead to conflicts of interest between BLUE and RED and we had to decide which way to go.

- Allocation of resources and the determination of priorities

- How they approached work and their ideas differed

- Both have strong views. RED = project comes up lets put the best skills in place and finish. BLUE = who owns this project? That person does whether they are the best match or not. Very different culture dynamic.

- Key reason: philosophically, we cannot come together. BLUE believes we have not met our requirements of the CC. They see our matrix management as a lack of commitment.

- We also had battles with LUX senior management with getting resources. In Dec. 1999, PM needed to acquire expertise. LUX requires lots of consensus to get things done which increased our timeline. Initially, we were under the radar, as most information about PM was kept secret. When we began asking for resources (often the best people) it caught the LUX people off-guard.
Appendix D

Organizational Relationship Triggers

- What’s competitive vs. cooperative? Understanding of the market. Execution of what’s co-operative vs. competitive

- Lack of understanding of the RED/BLUE relationship and competitive environment.

- BLUE employees are not RED employees. They are our number 1 competitor.

- Co-opetition. Lots of pressure within BLUE about RED that exists to work against project alliance and CC identity.

- DM kicked out and PM shut down. If it had been handled differently, I don’t think PM would have been shut down. I think we should have included DM in the final discussion regarding weather to shut down or not. We should have talked the facts. Put all the parties and the table. In this case it lead to I’m DM and I’m LUX. We were no longer PM.

- Initially some tension with Blue Machine. DM brought in BM. BM wanted a good relationship with DM, but didn’t really care about LUX.

- The risks for the two companies were incongruent. For RED this was not an urgent issue because the customer was not making a choice about RED software only about BLUE hardware.

- If the relationship were smoother and less competitive it would be better.

- BLUE CC didn’t include RED. BLUE CC didn’t clearly understand the competitive nature of the platform. BLUE CC didn’t have a clear understanding with their AS/400 division. BLUE lacked the complete context of their decision.

- A large customer was trying to change their traditional ERP application to RED, PS or BN. The customer had decided to purchase BLUE hardware and was trying to decide on the software. Generally, from a corporate perspective, RED is neutral on the hardware a customer chooses and BLUE is neutral to the software.

- If we had a smoother relationship, could do more together. BLUE DB2 competes with RED DB were the relationship gets into friction.

- In this case, the conflict “helped to define the boundaries.” What is OUT and what is IN? The consequence was a redefinition of the boundaries of the CC & RED/BLUE relationship.

- BLUE/RED are fierce competitors. Hard to find low competitive area.
Appendix D

- E-funds has a group of consultants that used to be a part of LUX IT group. They broke off about 18 months ago as a separate entity and now charge back to LUX for their services. This was to be our primary source of expertise. When we wanted resources, we wanted them to “live with us.” However, they did not like this idea at all. Even though they are a separate entity, they still act like they are part of LUX. They are not customer focused. The account manager for E-funds was so unhappy with our request to move the consultants over with us that he left in the middle of a lunch meeting.

- Probe: Is there trust from BLUE? Probably not, because we tell them no a lot.  
  Probe: Is there trust from RED? We are still competitors, so I always hold back a bit.  
  Probe: Do you think that if there weren’t competition it would be different?  
  Yes, I think it would be easier to get things off the ground.

- RED & BLUE have a very strained relationship.
Appendix E

Triggers of Inter-Organizational Group Conflict

**Group Boundary Triggers**

<table>
<thead>
<tr>
<th>Internal Boundary</th>
<th>External Boundary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transparency</td>
<td>Demands</td>
</tr>
<tr>
<td>Jointness</td>
<td>Constituents</td>
</tr>
</tbody>
</table>

**Organizational Variation Triggers**

<table>
<thead>
<tr>
<th>Process Norms</th>
<th>Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources</td>
<td>Expertise/Function</td>
</tr>
<tr>
<td>Structure</td>
<td>Size</td>
</tr>
<tr>
<td>Goal Alignment</td>
<td>Priorities</td>
</tr>
</tbody>
</table>

**Organizational Relationship Triggers**

<table>
<thead>
<tr>
<th>Degree of Competition</th>
<th>Relative Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relative Power</td>
<td>Relative Amount of Investment</td>
</tr>
</tbody>
</table>
Appendix F

Model of Inter-Organizational Group Conflict

Boundary

Trigger
(Underlying

Process

Organizational

• Group Boundary
• Organizational Variation
• Organizational Relational

Conflict
• Process
• Task
• Relational