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Understanding, investigating and theorizing inter-organizational collaborations:

A focus on paradox

Siv Vangen

This paper focuses on the role of paradox in *understanding, investigating and theorizing* the management and governance of inter-organizational relations (IOR). Encouraged by the conference theme to review and evaluate the latest management fads and fashions while keeping sight of the core principles of, and perspectives on, management research and their value, the paper suggests that while paradox may be a somewhat overused and under-defined concept in organization studies (Lewis, 2000) the recent interest in the application of paradox¹ to research on collaboration has real merits.

Understanding collaboration as a paradoxical phenomenon

Collaboration² spanning organisational, professional and cultural boundaries provides partners with the opportunity to jointly achieve something special. This potential for collaborative advantage is achieved through the integration of partners' different resources, experiences and expertise (Huxham and Vangen, 2005; Lasker et al, 2001). But diverse partners also have different priorities and values, are supported and hindered by different hierarchical structures, policies and cultures, and operate within different domains which means that collaborating successfully entails overcoming contradictions, misunderstandings and conflicts. Consequently, collaborations are notoriously conflict ridden and challenging to manage (Bryson et al., 2006; Grimshaw, Vincent and Willmott, 2002; Huxham and Vangen, 2005; Lasker et al, 2001) and many succumb to inertia rather than advantage (Huxham and Vangen, 2004).

¹ A paradox is defined as something that involves contradictory, mutually exclusive elements that are present and operate equally at the same time (Quinn and Cameron 1988).

² The term 'collaboration' refers to formalized joint working arrangements between organizations that remain legally autonomous while they engage in coordinated collective action to achieve joint outcomes. Such arrangements are also conceptualized as 'networks' (e.g. Agranoff and McGuire, 2001; O'Toole, 1997; Provan and Milward, 2001, Provan and Kenis, 2008).

In view of this generic tension between the potential for advantage and risk of inertia, recent research has emphasized the importance of recognizing the paradoxical nature of collaboration and the subsequent management and governance tensions that arise (de Rond and Bouchikhi, 2004; Vangen and Huxham, 2003; Huxham and Beech, 2003; Provan and Kenis 2008; Ospina and Saz-Carranza, 2010; Vlaar et al, 2007). Indeed, the literature emphasizes many specific tensions that characterize IORs and which suggest that collaborations are indeed paradoxical in nature (see examples in Table 1). In the literature on inter-organisational collaborations, which is the focus of this paper, the labels ‘tensions’ and ‘paradoxes’ are used somewhat interchangeably and for this developmental paper, this point has not been addressed.

Common tensions
<ul style="list-style-type: none">• Cooperation versus competition, rigidity versus flexibility and short-term versus long term orientation (Das and Teng, 2000).• Competition versus co-operation (Clarke-Hill, Li and Davies, 2003).• Design versus emergence, cooperation versus competition, trust versus vigilance, expansion versus contraction and control versus autonomy (de Rond and Bouchikhi, 2004).• External versus internal legitimacy, efficiency versus inclusiveness and flexibility versus stability (Provan and Kenis, 2008).• Unity versus diversity and confrontation versus dialogue (Osborn and Saz-Carranza, 2010).• Goal congruence versus goal diversity (Vangen and Huxham, 2011).

Figure 1: Example tensions from literature on inter-organizational collaboration

Investigating collaboration using paradoxical and / or dialectical approaches

Researchers have thus begun to use paradox to frame issues, problems and challenges in ways that enhance understanding about the IOR phenomenon under investigation. Some have applied a paradoxical or dialectical lens (while different, these approaches both assume inherent tensions) and /or explicitly addressed collaboration as a paradoxical phenomenon. Drawing on the idea that advancement in management theory will require ways of addressing paradoxes (Poole and Van de

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Ven, 1989) de Rond and Bouchikihi (2004), show the value of using a dialectical lens to identify tensions in alliance processes. Das and Teng (2000) use a tensions perspective to explain alliance instability and Clarke-Hill et al (2003) aim to capture the paradoxical nature of co-operation and competition in IORs through a multi-paradigm framework which combines strategic positioning, the resources-based view and game theory. Vlaar et al (2007) take a dialectic perspective on the formalization of IORs and point to the role of managerial judgement in managing the tradeoffs presented by the duality between its functions and dysfunctions. Others draw on the paradoxical nature of collaboration to conceptualize specific management tensions and inherent contradictions and tradeoffs from qualitative data analysis (e.g. Osbina and Saz-Carranza, 2010; Vangen and Huxham, 2011; Vangen and Winchester, 2012).

These contributions show that paradoxes can be used variously to highlight and describe interesting tensions, oppositions and contradictions which can be both conceptually appealing and practically useful. Nevertheless, researchers point to a gap in the literature in this respect arguing that mainstream theories cannot adequately capture the relationship of paradox and tensions embedded in IORs (see e.g. Das and Teng, 2000; de Rond and Bouchikihi, 2004; Clarke-Hill, Li and Davies, 2003). For example, Osbina and Saz-Carranza (2010) point to a gap in terms of how tensions that are a result of the ambiguous and complex nature of collaboration are addressed.

Theorizing about collaboration using the principles of paradox

In organisation research, the use of paradox has often focused on resolving, removing or omitting the existence of paradox (Lewis, 2000). Poole and Van de Ven (1989) proposed four ways of working with paradox (where A and B are opposing propositions), one of which requires the paradox to be accepted and three which propose some kind of resolution, as summarized in figure 2.

Options	A versus B	Implications
1	Opposition	Accept the paradox by keeping A and B separate, appreciate the contrasts and use them constructively
2	Spatial separation	Assume that A operates at a different level of analysis to B (e.g. micro versus macro), specify how the levels interact and clarify levels of analysis
3	Temporal Separation	Assume that A and B hold true at different time periods and take this into account
4	Synthesis	Introduce a new perspective or terms to resolve the paradox

Figure 2: Working with paradox - Poole and Van de Ven's four options

It would be both interesting and useful to consider how each of these four approaches could inform theory-building about collaboration (because their use will depend, among other things, on what is perceived as paradoxical and how a paradox is constructed in the first place). However, for the purpose of this development paper, we will conceptualize collaboration as a paradoxical phenomenon and state the level of the analysis as that of the collaboration (as opposed to the organization). This then assumes that there will be differences between partners that are necessary for the collaboration to be successful. To retain the potential to create collaborative advantage, these differences cannot and should not be resolved but rather, the paradoxes, tensions and contradictions that arise must be managed in ways that turn differences into virtues. In using the principles of paradox to theorize about collaboration, the focus will be on embracing paradox, appreciating the contradictions and contrast that it highlights and using this constructively to theorize about collaborations.

In the spirit of embracing the paradoxical nature of collaborations, researchers have begun to conceptualize their research in ways that explore and describe rather than suppress paradoxes and tensions. For example, Das and Teng (2000) focus on three specific tensions which they use as a vehicle to describe why alliances are unstable. Their contribution to theory is focused on the

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description of these tensions and the implication for practice is that alliances must maintain a delicate balance of several pairs of competing forces. Similarly, Clarke-Hill et al. (2003) focus on the paradox of co-operation and competition in strategic alliances and conclude that “the contradictory duality of co-operation and competition and their interaction form the complex business reality” (p 17). Their recommendation to practice is that alliance partners should not choose between co-operation and competition but seek to manage the tension between them. Note that the emphasis here is on using specific paradoxes or tensions to describe a feature or a characteristic of IOR. Other researchers focus more firmly on the management and / or leadership implications of paradoxes and tensions. Sydow et al (2011) identify a ‘silent cry paradox’ pertaining to leadership in clusters. Viz, leadership is both practiced and perceived as helpful by the members *and* at the same time, relatively invisible and unarticulated by members. This paradox, can be “managed” by “reflexive structuration in terms of adopting a style of leadership that actually is little visible, emphasizing the continuous building, maintaining or institutionalizing of structures by avoiding direct adhoc interventions of leading individuals or organizations into ongoing practices” (p. 340). While these examples differ in their specific contribution to knowledge, they all confirm the potential value of the approach. Perhaps a timely question for IOR researchers to discuss then is: How might the principles of paradox best be used to theorize about collaborations in ways that advance conceptual and practical knowledge about the management and governance of collaborations?

To kick off this discussion, two recent examples are illustrated briefly. In the first example, the principles of paradox are used to “empirically document some of the ways in which leaders manage paradox” (Osborn and Saz-Carranza, 2010, p.431) and in the second example, the principles of paradox are used to frame the research question and to inform the conceptualisations deriving from empirical research (Vangen and Winchester, 2012). The point is not to compare and contrast these

Vangen, Siv (2012). Understanding, investigating and theorizing inter-organizational collaborations: A focus on paradox. Presented to the British Academy of Management Annual Conference, Cardiff, September, 2012 two examples (though there are both similarities and differences) but to reflect more generally on how paradox may be used to theorize about IOR.

The first example focuses on how leaders of successful networks manage collaborations (Ospina and Saz-Carranza, 2010). The authors identified two paradoxes; unity versus diversity *and* confrontation versus dialogue, and show how leaders respond to these paradoxes in undertaking both inward and outward focused work on behalf of the network. Their findings suggest that successful leaders respond in ways that honour both sides of the paradoxes by effectively addressing contradictory demands through inward focused activities that facilitate interaction, cultivate relationships and promote openness and through outward focused activities that emphasise managing credibility, multi-level working and cultivating relationships (see Figure 3). They offer their findings as preliminary but in firm support of the merits of paradox in understanding effective collaboration.

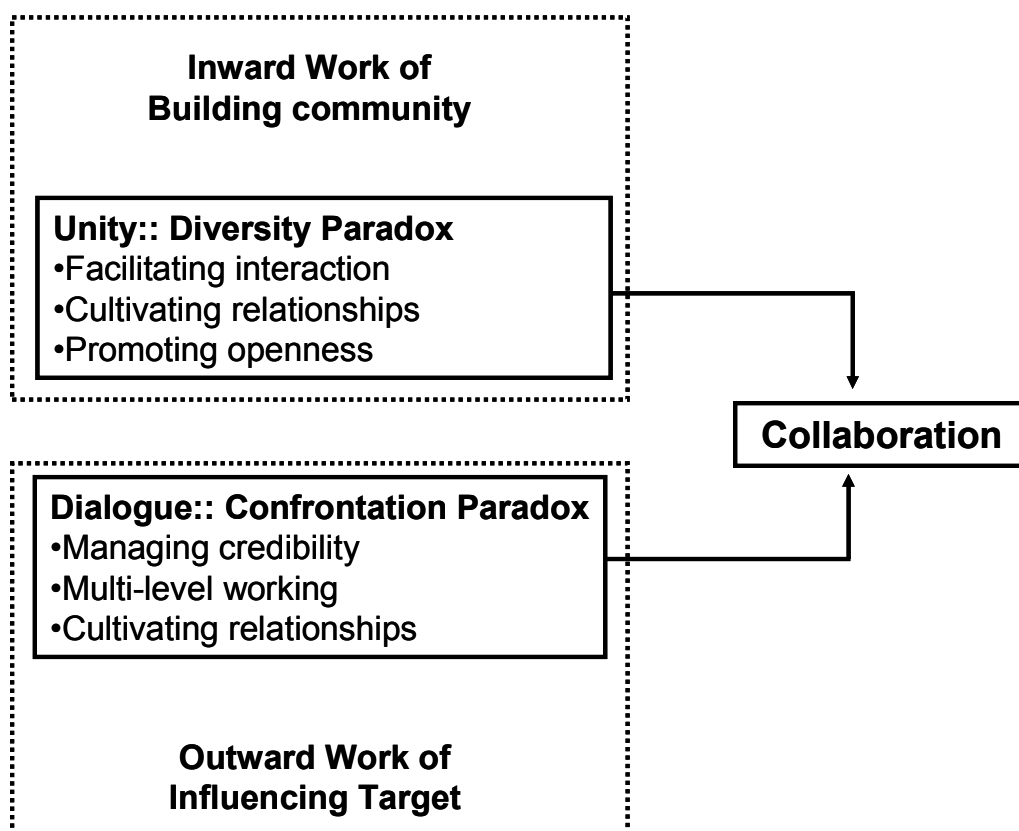


Figure 3: Ospina and Saz-Carranza's management of paradox

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In this example the emphasis is on describing actual management responses to paradoxes rather than describing the nature of paradox *per se*. In contrast, the second example is one that draws on the theory of collaborative advantage (Huxham and Vangen 2005) in which the descriptions of implications for practice are integral to the theoretical conceptualizations – i.e. the theoretical constructs are presented in a non-prescriptive manner and informs both theory and practice.

Focusing on a ‘culture paradox’ – the notion that cultural diversity is simultaneously a source of stimulation, creativity and reward and a source of potential conflicts of values, behaviours and beliefs - Vangen and Winchester (2012) identify three ‘management tensions’ that must be addressed if cultural diversity is to yield advantage rather than inertia. Their emphasis is on explicating the nature of the culture paradox and on identifying and describing the tensions that must inform management and governance of cultural difference in IOR. Three specific tensions are identified: accommodation tension (flexibility versus rigidity); agency tension (autonomy versus accountability) and control tensions (complexity versus simplification). Figure 4 illustrates the agency tension.

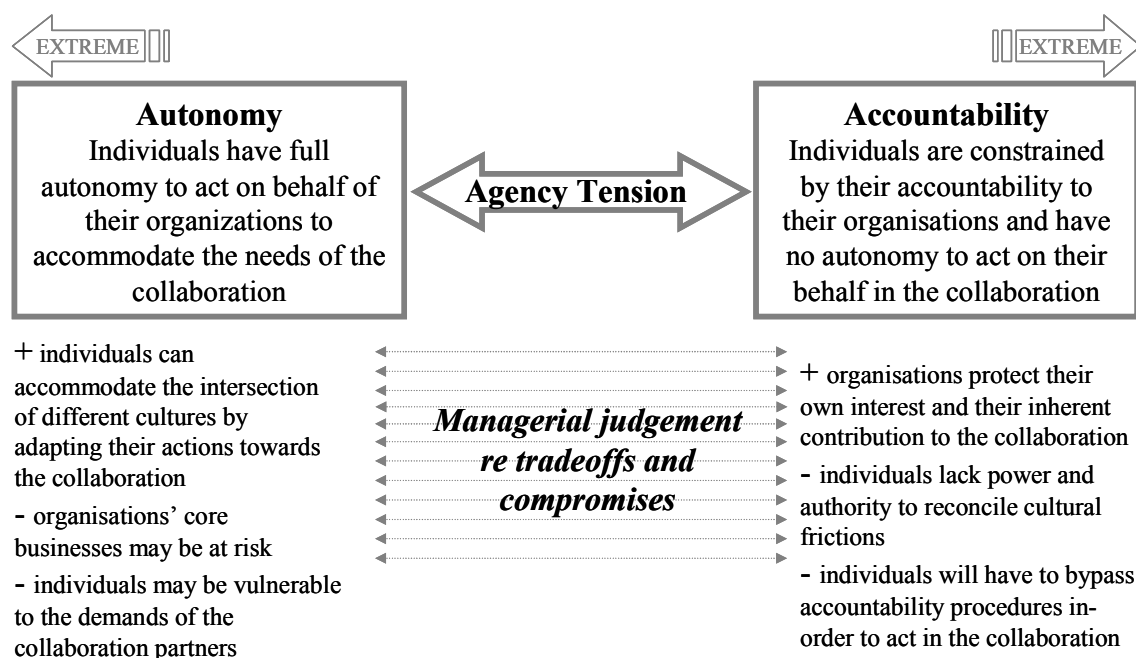


Figure 4: Managing the culture paradox – an example tension

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In this example, the focus is on describing the nature of the paradox, the tensions it gives rise to and the issues that must be managed (without providing precise recipes for action). It thus firmly recognizes the idiosyncratic nature of collaborative situations and that there are positive and negative sides to alternative ways of managing. It acknowledges the value of managerial judgement; indeed the danger in not taking a paradoxical and / or dialectical perspective is a preoccupation with the rightness of decisions rather than finding suitable compromises and tradeoffs (Vlaar et al, 2007).

It may be prudent to argue that conceptualizations should be framed in ways that illuminate compromises and tradeoffs that are essential to understanding how to act in collaborative contexts rather than suggesting that there will be optimum ways of acting. Such conceptualisations can be used reflectively to support practice (Huxham and Beech 2003). In any event, any specific stance on how tensions ought to be addressed is likely to be situation specific and highly ephemeral in nature (Huxham and Vangen, 2005).

Concluding comments

This paper begins to highlight some key issues pertaining to the role of paradox in *understanding, investigating and theorizing* the management and governance of inter-organizational collaborations. It suggests that the application of paradox to IOR research has real merit because:

1. The phenomenon of collaboration is highly paradoxical in nature. Many specific paradoxes and tensions characterize IOR.
2. Paradoxical / dialectic approaches can usefully inform the investigation of, and advance theory on, IOR in ways that mainstream theories cannot.
3. For IOR, theoretical conceptualisations may focus on embracing rather than resolving the paradox and use the inherent tensions constructively.

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4. Theoretical conceptualisations may go beyond simple description of management actions to provide handles to support reflective practice that emphasize the value of managerial judgement.

This paper is in development and many important issues have been glossed over and others have not yet found their way into it. Some of these will be developed in more detail prior to the conference yet in the spirit that the paper should serve as a discussion starter rather than provide firm conceptualisation at this stage.

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