Managing Tensions in Inter-Organizational Knowledge Cycles

EURAM 2012 Session:
An Inter-organizational Perspective on Strategic Management

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Motivation

• Inter-organizational value creation:
  – Strategic drivers
  – Knowledge dependencies

• Risks of inter-organizational cooperation:
  – Diverging interests
  – Contradictory demands, i.e. tensions

• Prior relevant research on inter-organizational cooperation:
  – Mixture of control mechanisms
  – Contingency perspective

Background

• Organizational knowledge cycles well-researched (e.g. transactive memory, organizational learning)
  ➔ Inter-organizational knowledge cycles

• Possible tensions:
  (1) Intra-organizational pressure
  (2) Unequal inter-organizational distribution of benefits and costs
  (3) Inter-organizational power imbalance

• Organizational control:
  depending on information availability, interest divergence, specifiability of inputs, processes, or outputs

... Managerial process?

Research Objective & Approach

Objective: Insight in dynamic managerial challenge of controlling tensions in inter-organizational knowledge-intense cooperation

Approach: Tension management applied to inter-organizational cooperation (conceptual analysis)

Tension Management Perspective


• Tensions as contradictions, e.g. collaboration-control, individual-collective, flexibility-efficiency, exploration-exploitation, and profit-social responsibility

• “We ... present a dynamic equilibrium model of organizing, which depicts how cyclical responses to paradoxical tensions enable sustainability—peak performance in the present that enables success in the future” (AMR 2011)
### Contributions

- Inserting strategic risks and tension management into strategic perspective on knowledge management
- Introducing tension management as dynamic perspective complementing contingency-based theorizing
- Highlighting managerial intra- and inter-organizational responsibility for (re)achieving equilibrium
- Extending dialectical thinking to inter-organizational knowledge cycles

### Discussion Beyond the Paper

- Does it make sense to refer to three specific tensions in inter-organizational cooperation?
- Are the four stages of tension management (see our table) applicable also to other tensions? Which ones? Which ones not?
- Does it make a difference how knowledge-based the partnering organizations are? How knowledge-based the core of cooperation is? Does it have to do with more or less complete contracts between the partners?
- What are the application limits of ‘our’ framework (the table)? What are the application limits of tension management as suggested by AMR?
Thank you

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