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ARTICLES

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Two Sides to Every Story: An Ethnohistorical Approach to Organizational Partnerships

ORGANIZATIONAL PARTNERSHIPS are special forms of interorganizational cooperation which permit two or more independent entities to pool resources for achievement of a common goal. Although partnerships of various types promise significant benefits to organizations and to society, the literature suggests that such unions are subject to high rates of instability and failure. Existing hypotheses of interorganizational failure are not able to explain or predict outcomes in many cases of partnership. Limitations of existing hypotheses may derive from theoretical and methodological biases which have constrained the range of phenomena investigated in partnership research. This paper proposes an ethnohistorical research strategy for the study of interorganizational partnerships. The new approach, called ethnohistorical mapping, provides a reliable means to reconstruct a partnership's past from the perspectives of two or more organizational entities. Map data are analyzed to isolate contrasts in the content of reported experience, and contrasts are used to discover and illuminate microorganizational processes and variables underlying partnership development. The new approach is illustrated using preliminary data on an international joint-venture organization. Tentative conclusions drawn from case-study analysis suggest enhancements to existing explanations of partnership outcomes, and also suggest the utility of ethnohistory as a tool in organizational management. [ethnohistory, interorganizational relations, methodology, organizational theory, partnerships]

THIS ARTICLE PRESENTS an ethnohistorical research strategy for the study of interorganizational partnerships, one designed to explore the dynamics of interorganizational unions and to develop a better understanding of the forces that shape partnership outcomes. Unlike earlier approaches to partnership research, which assume a contingency model of interorganizational relations, the strategy suggested here is founded on theoretical and methodological constructs drawn largely from the cognitive sciences and formal ethnography. The objective of an ethnohistorical approach is discovery of microorganizational processes and associated variables which support partnership stability, as well as processes that accompany instability and dissolution. The application of formal ethnographic techniques is intended to increase the validity of organizational studies (which often have relied on survey techniques), and to improve the reliability of partnership case studies (which typically have not been conducted within an operational framework that permits comparison and replicability). The new approach—called ethnohistorical mapping—is demonstrated through application to preliminary field data emerging from a research project focusing on the evolution of international joint-venture organizations.

Background: The Organizational Partnership

In complex societies, relationships between formal organizations are important features of the social and economic landscape. Such relationships permit individual organizations to obtain external resources needed for growth and survival (Levine and White 1961; Aldrich 1979) and to manage environmental turbulence and ambiguity (Emery and Trist 1965; Terreberry 1968). Viewed from a macroeconomic perspective, interorganizational linkages also play a fundamental role in the dynamics of modern economic systems (Warner and Low 1946; Pfeffer and Nowak 1976), and in the development of new technologies (Tornatzky et al. 1982).

Under conditions of limited resources, interorganizational relationships may be either competitive or cooperative (Thompson and McEwen 1958). Competition implies "zero-sum" rivalry for scarce resources (that is, the gain of one party becomes an automatic and equal loss for another party). Cooperation, on the other hand, suggests mutually beneficial interaction that ultimately may expand the resource pool of all participants. Thompson and McEwen (1958:26–27) have described several types of cooperative organizational relationships, including bargaining, cooptation, and coalition. Bargaining refers to negotiation for the exchange of resources, while cooptation is the process of absorbing new leadership elements as an organizational response to external threats. The most complex form of cooperation is the coalition (referred to elsewhere as a partnership, consortium, or joint program). A coalition (or partnership, as this type of linkage will be labeled here) is defined as a relatively formalized (often contractual) ongoing relationship between two or more independent organizational entities, where complementary resources are pooled to achieve an objective that is beyond the capability of a single organization (see Thompson and McEwen 1958; Walter and Murray 1977; Baba 1988). The most salient characteristics of the coalition or partnership, and those which distinguish it from other types of linkage, are (1) investment of valued resources by all participants to achieve a shared goal and (2) continuing management oversight of the joint activity by two or more autonomous organizational actors. Partnerships not only perform the major functions of interorganizational linkages generally (i.e., resource exchange and management of turbulence), but also are intended to bring an added degree of stability, long-term commitment, and economies of scale to the relationship.

Structurally, partnerships range from narrowly defined joint activities of limited duration (such as a collaborative industry-sponsored research program at a university), to broadly conceived undertakings that spawn separate organizational progeny with their own legal and economic authority (often referred to as joint-venture organizations; see Pfeffer and Nowak 1976). Organizational partnerships may occur in the public sector (e.g., alliances between health and welfare organizations; see Aiken and Hage 1968), the private sector (e.g., industrial research consortia; see Fusfeld and Haklisch 1986), or may cross sectors by joining public and private organizations (e.g., university-industry linkages; see Peters and Fusfeld 1983).

Over the past three decades, our understanding of interorganizational partnerships has been enriched by a substantial body of theoretical, empirical, and policy-oriented literature. The earlier portion of this period (i.e., late 1950s to late 1960s) was quite productive theoretically, with studies of interorganizational relations being integral to the rise of contingency theory in organizational science. This early period yielded several classic studies of interorganizational relations with direct implications for partnership, including Thompson and McEwen's (1958) study of environmental constraints on organizational goal-setting, Litwak and Hylton's (1962) work on nonbureaucratic coordination and interorganizational distancing mechanisms, Emery and Trist's (1965) conceptualization of environmental texture and turbulence, and research by several other scholars concerning the prerequisites of organizational interdependency (Aiken and Hage 1968; Pfeffer 1972; Pfeffer and Nowak 1976). This body of empirical and theoretical work was valuable especially in delineating some of the environmental and structural variables involved in the process of partnership formation and operation.

In recent years, the focus of interorganizational research has shifted from the theoretically oriented to that driven by policy concerns. Noteworthy examples of policy-relevant studies include those that demonstrate the role of various partnership types in the development of industrial productivity and technological innovation (e.g., university-industry partnerships), in the improvement of educational quality and regional economic development (e.g., public school-corporation partnerships), and in international economic competitiveness and world peace (e.g., international joint ventures) (Franko 1971; Kruytbosch 1983; National Science Board 1983; Connolly 1984; Gray, Solomon, and Hetzner 1986; Useem 1986). Other focal points for recent policy-related studies have included partnership arrangements involving government, corporations, and universities (Campbell et al. 1985; Baba and Hart 1986), industrial research consortia (Fusfeld and Haklisch 1986), and research and development limited partnerships (Souder 1986).

The reasons for recent policy-oriented attention to organizational partnerships may in fact be explained by theory. Organizational theory holds that partnerships will permit pooled resources to be used in pursuit of difficult and/or large-scale socioeconomic objectives (e.g., industrial productivity, regional economic development, international competitiveness; see Thompson and