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Exploring The Interplay And Reinforcing Nature Of Sociological And Structural Resistors To Relational Advantage:
A Systems Dynamic Model

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ABSTRACT
The relational view posits that relationships among organizations can be a source of competitive advantage when unique complementary competencies reside across a supply chain. Few firms, however, successfully employ cooperative strategies to co-create value and attain supernormal relational rents. This paper addresses these issues. Our findings indicate that sociological and structural resistors undermine collaborative behaviour by 1) obscuring the true sources of resistance, 2) exacerbating a sense of vulnerability to non-cooperative behaviour that reduces the willingness to invest in needed relational architecture, and 3) inhibiting the development of essential relational skills and organizational routines. Sociological and structural resistors interact, reinforcing one another, entrenching organizations in non-cooperative behaviours.

KEYWORDS: Strategic Alliances, Relational View, Collaboration, Change Management

INTRODUCTION
Management scholars submit that collaboration among organizations can be a source of differential firm performance (e.g., Ring & Van de Ven, 1994; Frolich & Westbrook, 2001; Flynn et al., 2010; Narasimhan et al., 2010). When the benefits of collaborating outweigh its costs (Osborn & Hagedoorn, 1997; Terjesen et al., 2012), firms may pursue cooperative strategies to combine complementary capabilities to create and claim value that they could not achieve independently (Allred et al., 2011; Nielsen, 1988). The view that firms engage in cooperative strategies to obtain supernormal “relational rents” is referred to as the Relational View of competitive advantage (Dyer & Singh, 1998). Despite intense interest in the Relational View, few firms have demonstrated a consistent ability to collaborate in a way that leads to distinctive advantage (Daugherty et al., 2006; Jacobides, 2006; Nyaga et al., 2010).

The cost of collaborative failures asserts a further need to investigate deterrents to collaboration across organizations. Hendricks and Singhal conducted a series of event studies to quantify the operational and stock price effects of supply chain disruptions. Firms that experience and announce disruptions report on average 6.92% lower sales growth, 10.66% higher growth in cost, and 13.88% higher growth in inventories (Hendricks & Singhal, 2005a). Disruptions are
also associated with a 40% decrease in stock returns, which often persists for over a year (Hendricks & Singhal, 2005b). Hendricks and Singhal (2008: 787) conclude,

The fact that disruptions caused by external sources (supplier and customers) experienced a higher penalty suggests that these problems can be more expensive and time consuming for the firm to fix. This may be due to the firm’s limited power to change their external partners’ operations to solve the problems. This further underscores the need to form close and collaborative relationships with the various links in the supply chain. A firm must make sure that its supply chain partners see the value of working together.

Assessing why firms fail to develop and execute cooperative strategies is therefore timely. Dyer and Singh’s (1998: 676) seminal paper on the Relational View highlights the link between alliance failures and relational advantage, saying, “Given the poor track record of many alliances, researchers might examine, in detail, the factors that impede the realization of relational rents.” Despite evidence that relational advantage remains elusive and the fact that many explanations for cooperative failure have been proposed, few empirical studies delve into the details and dynamics of relational resistors. Our research redresses this deficiency, enriching theory regarding the nature of relational resistance. We thus respond to Dyer and Singh’s unanswered call for deep insight into the factors that impede relational rents.

We conducted an inductive study of cooperative initiatives among leading enterprises. We sought to identify and classify factors that hinder collaboration and reduce the effectiveness of relational strategies. Interviews were conducted at two points in time to provide perspective on the enduring nature of relational resistance. After triangulating our interview findings with extant literature in cognitive and social psychology and organizational theory, we contribute to the study of cooperative strategies in two ways. First, we provide a typology of relational resistors. Second, we propose a systems model that shows how sociological and structural forces interact to destabilize cooperative strategies and impede the growth of relational skills.

RESISTANCE TO COLLABORATION AMONG ORGANIZATIONS

Park and Ungsun’s (2001) observation that what actually happens when firms pursue relational rents often departs from what managers seek to achieve reiterates the need to deeply understand the forces that hinder cooperative strategies. Several streams of literature inform the cooperative challenge. Each stream’s relevance derives from insight provided into why firms struggle with the process of organizing network resources to create distinctive value (Porter, 1991; Barreto, 2010). As relational rents accrue from redefined roles and reconfigured resources among firms, literature related to organizational transformation is particularly pertinent.

Within the organizational transformation literature, social interaction (Staw et al., 1981) and organizational structure (Hannan & Freeman, 1984) are sources of relational resistance. Inter-firm rivalry, for instance, arises from mixed incentives, which create tension in each alliance partner between doing what is best for the alliance’s interests and doing what is best for their own, individual interests (Das & Teng, 2000; Khanna et al, 1998). Also, structure-induced complexity decreases visibility regarding decisions / outcomes and increases information costs, making it difficult to coordinate resource pooling (Gerwin, 2004; Gulati & Singh, 1998). The complexity that emerges from functional and firm-centric orientations introduces misalignment among decision makers, exacerbating existent conflicting motives.
To date, various sources of resistance to managers’ inability to instill relational business models have been identified, but the discussion tends to be ad hoc and fragmented. The literature fails to explicate why so few relational exemplars—beyond archetypes like Honda and Toyota—have emerged or why effective collaboration among organizations is so difficult to establish.

Organizational Transformation

For most of the twentieth century, strategists employed a transactional approach to buyer-supplier relationships (Coase, 1937; Williamson, 1979). The goal was twofold: leverage scale economies and mitigate risks. By the 1980s, the success of Japanese manufacturers led decision makers to reassess relationships among organizations (Schonberger, 1986; Womack et al., 1990). Analysts perceived that much of the advantage gained by companies like Honda and Toyota came from tightly coupled buyer/supplier relationships, which enhanced learning, drove down costs, and improved quality (Nelson et al., 1998; Dyer, 1996; Liker & Choi, 2004). As managers sought to emulate the relational approach, they discovered that the organizational structure and routines required to minimize costs are quite different from those needed to effectively govern cooperative strategies (Barney & Hansen, 1994). Yet, unable to collaborate well, many firms reverted back to more traditional relationships (Worthen et al., 2009).

Force field theory explains why a firm’s transition from a transactional approach to a relational view is so difficult (Lewin, 1951). Force field theory submits that organizations persist in a steady state until an external force dictates change. Motivated by this driving force, the firm enters a transition phase during which adaptation is pursued. Resisting forces, however, counterbalance change. Zand and Sorensen (1975) found that organizations change when driving forces overcome resisting forces. However, if resisting forces are stronger than driving forces, organization will persist in previous behaviours. In our context, transactional, non-cooperative relationships are the steady state and a more dynamic, threatening market is the force driving adoption of cooperative strategies. The nature of the resisting forces and how they interact to undermine the collaboration needed to instill a relational capability is not well understood (Dent & Goldberg, 1999).

Sociological Resistance

Forces that resist change—e.g., policies, processes, and people—pervade value co-creation relationships (Dent & Goldberg, 1999; Kotter, 1995). Threat-rigidity theory, for instance, emphasizes sociological resistors, maintaining that individuals tend to react to threatening events in a maladaptive manner (Staw et al., 1981). When faced with the threat of change, psychological anxiety limits an individual’s ability to acquire and process information. A rigid, often feeble response emerges (Moon & Conlon, 2002). As a bottom-up approach, threat-rigidity theory views the individual as the input and organizational effectiveness as an output. Individual decision makers hinder organizational change. Hambrick et al. (2001) applied threat-rigidity theory to alliances, noting that partners fail to cooperate because dysfunctions among partnering firm decision makers lead to conflict, diminishing alliance performance.

Specifically, because collaboration exposes them to vulnerability, decision makers are unwilling to make investments and take risks needed to create a positive, collaborative exchange environment (e.g., Vibert, 2004; McCarter & Northcraft, 2007; Villena et al., 2009). Although the literature identifies the threat of non-cooperation as a source of relational resistance, it does not provide deep insight into the mechanisms through which such behaviours are manifest or managed.
Structural Resistance

Structural-inertia theory, by contrast, highlights the change-inhibiting nature of structural elements (Hannan & Freeman, 1984). As a top-down, firm-level approach, structural-inertia theory posits that structural aspects of the organization—e.g., routines, rules, and roles—restrict individuals from adapting to external threats (Barnett & Carroll, 1995). Long-standing structures are especially resistant to change (Barron et al., 1994). Greve et al.’s (2010) research on alliances in the ocean-liner industry found that previous alliance relationships and ship size acted as resisting forces to increase a partner’s prospect of retreating from a shipping alliance (see also Frohlich, 2002).

Specifically, because organizations are structured to promote task mastery and specialization, existing structured routines are likely to impede collaboration (Coase, 1937; Anderson, 1982; Koufteros et al., 2010). Hiring, training, work rules, and metrics all inculcate “specialists” who pursue their own goals—often to the exclusion of holistic performance. Goal incongruence drives both inter-functional and inter-organizational conflict, leading to frequent disagreement, frustration, and diminished performance (e.g., Ruekert, & Walker, 1987; Duarte & Davies, 2003; Groznik & Heese, 2010). Thomas (1992, p. 653) noted that conflict “begins when one party perceives that the other has negatively affected, or is about to negatively affect, something that he or she cares about.” As managers operate within distinct reporting structures, non-cooperative behaviour is exacerbated (Dyer & Song, 1997; Fawcett et al., 2008). Over time, structure-induced conflict is an impediment to relational advantage (Duarte & Davies, 2003; Fawcett et al., 2006).

To summarize, organizational transformation sets the stage and social interaction and organizational structure inform the cast of characters that keep organizations from working together to achieve a relational advantage. Extant literature, however, does not fully identify and classify what Dyer and Singh (1998: 676) called, “the factors that impede the realization of relational rents.” Nor does existing theory explain how these resistors interact to undermine cooperative strategies. Managers thus continue to struggle to remediate collaborative failures. As diagnosis precedes prescription (Sutton & Staw, 1995), we seek to redress these deficiencies by enriching theory on a socio-structural view of resistance to relational advantage.

RESEARCH METHODS

Sample and Context

We employed a multi-case, interview methodology to explore the dynamics of resistance to cooperative strategies (Yin, 1981; McCutcheon and Meredith, 1993). Interviews are robust as they enable managers to elaborate on multi-faceted challenges they encounter as they build deep functional skills while simultaneously promoting relational capabilities (Eisenhardt, 1991). To yield meaningful results, we selected extreme cases—that is, companies that had publically committed to compete via cooperative strategies. Extreme cases amplify (i.e., better define and expose) the dynamics under investigation to help build theory (Eisenhardt, 1989; Pratt et al., 2006). Multiple cases enable replication logic, allowing researchers to confirm or disconfirm inferences drawn from each case (Yin, 1981; Eisenhardt and Graebner, 2007).

Given the focus on resistance to cooperative strategies, we conducted interviews across multiple channel positions. Retailers, finished-goods assemblers, direct materials suppliers, and service providers possess the complementary resources cooperative strategies are designed to
bring together. The multi-channel approach enabled us to evaluate strategic dimensions thought to influence cooperation: customer contact, resource access, source of power, and perceived know-how. Each company was involved in one or more collaborative initiatives at the time of the interviews. Managers at 49 companies were interviewed in Period 1. For Period 2, managers at 57 companies were interviewed. Fifteen companies participated in both rounds of interviews, providing a control in that their status and behaviour was compared to the other companies in each time period. No substantial differences were observed between these companies and their contemporaries. Table 1 shows essential demographics for the interviewed companies. By design, the interviewed companies in the two panels possess similar characteristics. The findings from the Period 1 interviews led us to include several smaller entities in Period 2.

<table>
<thead>
<tr>
<th>Channel Position</th>
<th>Number</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retailer</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Finished-goods</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>Assembler</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Direct-materials</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Supplier</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Provider</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Table 1: Interviewed Company Demographics: Channel, Sales, Profits, and Employee Levels**

<table>
<thead>
<tr>
<th>Channel Position</th>
<th>Sales ($M)</th>
<th>Profits ($M)</th>
<th>Employees</th>
<th>Sales ($M)</th>
<th>Profits ($M)</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retailer</td>
<td>$28,751</td>
<td>$1,704</td>
<td>124,706</td>
<td>$24,077</td>
<td>$2,168</td>
<td>94,408</td>
</tr>
<tr>
<td>Finished-goods</td>
<td>$9,045</td>
<td>$589</td>
<td>44,750</td>
<td>$4,954</td>
<td>$679</td>
<td>16,300</td>
</tr>
<tr>
<td>Assembler</td>
<td>$103</td>
<td>-$705</td>
<td>2,701</td>
<td>$3</td>
<td>-$4,183</td>
<td>35</td>
</tr>
<tr>
<td>Direct-materials</td>
<td>$285,222</td>
<td>$10,267</td>
<td>1,700,000</td>
<td>$378,799</td>
<td>$12,731</td>
<td>2,100,000</td>
</tr>
</tbody>
</table>

Once a company agreed to participate, we provided an overview of the research objectives and a copy of the interview protocol (Spradley, 1979). The protocol was populated with open-ended questions to 1) allow managers to describe events and processes, 2) assure comparability of findings, and 3) provide insight into unique practices that emerged during the interviews. The typical interview lasted 2 to 4 hours and involved senior managers who had responsibility for collaborative initiatives. Because collaboration often crosses functional boundaries, the contact manager often invited others including IT managers, logisticians, new product managers, purchasers, and project leaders to participate in the interviews. Multiple informants mitigate subject biases and provide nuanced insights into complex phenomena such as resistance to relational transformation (Miller et al., 1997; Schwenk, 1985).

In addition to extensive interview notes, secondary sources such as business case analyses, news releases, process documentation, program descriptions, and scorecards were gathered. These materials were used to 1) create rich and reliable structured case write-ups (Graebner and Eisenhardt, 2004) and 2) avoid “data asphyxiation” from the large amounts of data (Pettigrew, 1990). An iterative discussion-based process was used to compare notes on process and content and to improve research reliability and validity (Eisenhardt, 1989).
Fawcett et al.  
Supply Chain Collaborative Failures: Why are They Persistent?

Data Analysis

Each case write-up was used for both within-case and cross-case analyses (Eisenhardt, 1989; Ellram, 1996). First, each case was viewed as a “stand-alone entity” to identify and describe the resistors encountered and how they influenced behaviour. Although we noticed similarities and differences among the cases, to maintain the independence of the replication logic, we refrained from further analysis until we had completed the interviews. Second, after we completed all of the write-ups, we followed the inductive process and searched across the cases for emerging themes. Our goal was to identify and match patterns to develop a more robust and complete theoretical picture (Eisenhardt, 1991; Eisenhardt & Graebner, 2007). We pursued a three-step iterative evaluation process to obtain the best interpretation of the interviews.

1. Using the literature as background, we pursued an iterative, open-coding process—i.e., we traveled back and forth among the case write-ups and emerging constructs. As we began to identify common statements, we formed provisional categories and first-order codes. We developed a spreadsheet to help us track and compare results across the case studies.

2. The three-person analysis team used a process of individual coding, collaborative discussion, and concurring to derive theoretical meaning from the cases. The team consisted of one of the original interviewers as well as two new researchers. The new researchers were brought in to avoid data processing bias (Pagell and Wu, 2009). We repeated this process for every ten cases until all of the cases were coded. As new concepts were discovered, the researchers returned to the previously coded cases to look for evidence of newly identified phenomena. This process forced 100 percent inter-rater reliability.

3. Because the provisional categories were tightly defined, their number expanded greatly. To focus our findings on the most frequently observed and problematic resistors, we employed two decision rules as part of the axial coding process. First, we consolidated narrow, but closely related codes into broader, more theoretical categories. Second, we deleted phenomena that were encountered in fewer than 10% of the companies (Pratt, 2008).

The analysis process lasted four months and yielded Figure 1: an overview of the data structure. From this process, we gained greater insight into the interplay that exists among the various collaboration resistors. As we continued to evaluate the cross-case patterns and apply what we were learning to individual case studies, we identified a self-reinforcing interaction between sociological and structural resistors that builds a persistent and pervasive wall of resistance to distinctive, high-level collaboration. The co-mingled, re-enforcing nature of the diverse resistors helps explain the empirically confirmed challenge companies encounter as they seek to employ cooperative strategies to achieve relational rents (e.g., Cousins and Menguc, 2006; Das et al., 2006; Wong et al., 2011). We continue by classifying specific resistors and propose a socio-structural theoretical model of resistance to inter-organizational collaboration. From this point on, any words/phrases in “quotations marks” are from the interviewees.

FINDINGS AND DISCUSSION: UNDERSTANDING THE WALL OF RESISTANCE

A theme from Period 1 interviews was that managers perceived relational advantage as highly valued but difficult to achieve. Period 2 interviews confirmed this finding. Most companies described only modest progress—primarily via investments in information technology—toward more collaborative behaviour over the previous six years (see Table 2). Distinctive collaboration among organizations remained “the goal rather than the reality.”
Figure 1: Overview of Data Structure

**First-order Codes**

- **Entrenched Resistors: Embedded in Organizational Culture & Structure**
  - Structural Resistors
    - Territoriality
  - Strategic Misalignment
  - Poor Systems Connectivity
  - Information Hoarding
  - Opposition to Change
  - Low Trust

- **Emerging Resistors: Embedded in Routines & Skills**
  - Relationship Intensity
  - Process Integration
  - Complexity Management
  - Collaborative Skill Gap
  - Leadership Deficit

**Theoretical Categories**

- **Emerging Resistors: Embedded in Routines & Skills**
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  - Complexity Management
  - Collaborative Skill Gap
  - Leadership Deficit

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  - Low Trust

**Theoretical Dimensions**

- **Emerging Resistors: Embedded in Routines & Skills**
  - Relationship Intensity
  - Process Integration
  - Complexity Management
  - Collaborative Skill Gap
  - Leadership Deficit

- **Entrenched Resistors: Embedded in Organizational Culture & Structure**
  - Territoriality
  - Strategic Misalignment
  - Poor Systems Connectivity
  - Information Hoarding
  - Opposition to Change
  - Low Trust
Table 2: An Inventory of Relational Resistors: Period 1 versus Period 2

<table>
<thead>
<tr>
<th>Resistors</th>
<th>P1</th>
<th>P2</th>
<th>Representative Quotes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Territoriality</td>
<td>73%</td>
<td>75%</td>
<td>“Major challenge is turf battles”; “Functional silos”; “Internal credibility with internal functions”; “Each of the cooperatives focuses on its own little ‘garden’”; “Our technicians want to be purchasers.”</td>
</tr>
<tr>
<td>Strategic Misalignment</td>
<td>53%</td>
<td>68%</td>
<td>“Our structure is not prepared to share or change”; “Conflicts over delivery frequency and service levels”; “We don’t have the same goals, structures or systems”; “No one knows what the whole thing looks like.”</td>
</tr>
<tr>
<td>Leadership Deficit</td>
<td>39%</td>
<td>63%</td>
<td>“Lack of decision-making at upper levels”; “Lack of leadership”; “Primarily a back-office operation”; Short-term thinking and tactical decision-making; “Leadership is not modelling correct behaviours.”</td>
</tr>
<tr>
<td>Opposition to Change</td>
<td>59%</td>
<td>61%</td>
<td>“That’s the way we’ve always done it”; “Convincing doctors that lean SCM would not compromise healing”; “Resistance to changed roles and responsibilities”; “You can’t change 90 years of history in only 8 years.”</td>
</tr>
<tr>
<td>Low Trust</td>
<td>47%</td>
<td>53%</td>
<td>“Culture has reduced trust and collaboration”; “We are the two-ton gorilla and we wield tremendous leverage”; “Over committing beyond capabilities.”</td>
</tr>
<tr>
<td>Information Hoarding</td>
<td>73%</td>
<td>53%</td>
<td>“COMMUNICATION”; “Suppliers are frustrated that we do not share strategic information”; “Information and technology systems are not as refined as they need to be”; “We have plenty of data, but we can’t get it to decision makers so they can use it.”</td>
</tr>
<tr>
<td>Relationship Intensity</td>
<td>12%</td>
<td>35%</td>
<td>“Dealing with main supplier”; “Lack of buying power”; “Most of our vendors lack the capabilities to collaborate effectively”; “structuring contracts in a ‘one-size-fits-all’ approach”; “Defining ‘partnering’ is a challenge.”</td>
</tr>
<tr>
<td>Complexity Management</td>
<td>29%</td>
<td>33%</td>
<td>“Forecasts are ‘garbage’”; “Poor forecasting makes it difficult to pass accurate information upstream”; “Complexity will be tomorrow’s constraint”; “. . . difficult to manage multiple systems.”</td>
</tr>
<tr>
<td>Process Integration</td>
<td>10%</td>
<td>32%</td>
<td>“Resistance to the loss of power and to changed roles and responsibilities”; “Who really owns the responsibility?” “We are struggling to define our role.”</td>
</tr>
<tr>
<td>Collaborative Skill Gap</td>
<td>18%</td>
<td>30%</td>
<td>“Teaching internal users the sourcing process”; “Lack of education of buyers”; “We don’t have the talent we need for today”; “Employee development is a real challenge”; “Worker turnover and loss of talent.”</td>
</tr>
</tbody>
</table>

Two themes emerged from the analysis: origin and degree of difficulty to remove (see Figure 2). The organizational transformation literature provided insight into why origin informs classification. Specifically, top-down theories view resistance to change as coming from structure whereas bottom-up theories maintain that change is stunted at the human level. This top-down versus bottom-up pattern matched what we were discovering in the interviews. We found that both structural resistors (e.g. cross-functional conflict and misaligned goals) and sociological
resistors (low trust, and unwillingness to share information) actively infused every case study, hindering the development of relational advantage.

Figure 2: Taxonomy of Relational Resistors

<table>
<thead>
<tr>
<th>Top-Down; i.e., Organization-level Resistors</th>
<th>Structural Resistors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Routines</td>
<td></td>
</tr>
<tr>
<td>- Relationship Intensity</td>
<td>- Territoriality</td>
</tr>
<tr>
<td>- Process Integration</td>
<td>- Strategic Misalignment</td>
</tr>
<tr>
<td>- Complexity Management</td>
<td>- Poor Systems Connectivity</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bottom-Up; i.e., Individual-level Resistors</th>
<th>Sociological Resistors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Skills</td>
<td>low trust</td>
</tr>
<tr>
<td>- Leadership Deficit</td>
<td>- Information Hoarding</td>
</tr>
<tr>
<td>- Collaborative Skill Gap</td>
<td>- Opposition to Change</td>
</tr>
</tbody>
</table>

Emerging; i.e., Skill-based Resistors

Entrenched; i.e., Embedded Resistors

As we compared findings between the two time periods, we found managers in Period 2 still frustrated with the many of the same resistors—e.g., structural conflict, misaligned metrics, low trust, and poor information sharing—that their Period 1 counterparts had identified. More importantly, they described years of unsuccessful efforts to mitigate these resistors. We labelled these embedded, persistent resistors as entrenched resistors. Similarly, we found that some resistors that were infrequently mentioned in Period 1—e.g., leadership, alliance know-how, and finding employees with collaborative skills—had moved into managers’ view (mention rates had increased to 30% or more). We called these resistors emerging resistors. Combining these two classification dimensions yielded four distinct types of relational resistors—Structural Resistors, Sociological Resistors, Organizational Routines, and Individual Skills—that reinforce each other to freeze companies in non-cooperative strategies.

**The Nature and Influence of Structural Resistors**

For rational reasons, structural resistors are embedded within organizational design. For example, companies exist as organizational forms distinct from market mechanisms to achieve economies of scale and minimize transaction costs (Coase, 1937; Williamson, 1979). Firms are similarly designed along functional lines to build the deep skills needed to create economic value (Anderson, 1982). However, interviewed managers repeatedly described how tension within and between firms created by this quest for efficiency impedes the emergence of collaborative mechanisms and mind-sets. One manager expressed the consensus feeling, saying, “Too many managers are functionally obsessed.”

**The Nature and Influence of Sociological Resistors**

Although cooperative strategies provide prospects for distinctive competencies (Prahalad & Hamel, 1991; Stalk et al., 1992), they make managers dependent on others to pool resources and to make good decisions. Interdependency increases risk. Managers told us that this risk
elicits strong resistance as managers react to the vulnerability and stress that attend cooperative strategies. This confirms research that argues people are more “concerned about the risk of change than about the risk of failing to change” and consequently choose to “preserve current systems and beliefs” (Baron et al., 2006, p. 126).

In summary, we found low trust, information hoarding, and opposition to change seldom exist in isolation. Managers noted that the willingness to share sensitive strategic information depends on relationship trust. Similarly, without trust, people are unwilling to change behaviour. Myopic measures magnify opposition to change, undermine trust, and limit information sharing. Sociological resistors thus disguise and compound one another. Managers may diligently push open information sharing, but fail to invest in greater trust. When communication failures persist, people blame technology. More IT investment often ensues, but it too fails since the root cause—i.e., low trust—is not addressed. The challenge is exacerbated as structural and sociological resistors interact. Structural boundaries reduce positive interaction, diminishing trust-building opportunities. The unique, inimitable value encouraged by the relational view cannot emerge as these entrenched sociological and structural resistors comingle to stifle collaboration.

CONCLUSIONS AND IMPLICATIONS

The relational view posits that firms can achieve differential performance via inter-organizational collaboration. By investing in core relationships, companies can combine complementary resources that reside among various members of the value network to develop unique capabilities. Yet, despite decades of observing and seeking to emulate the relational advantage of exemplars like Honda and Toyota, few companies have been able to replicate the success of their cooperative strategies. Understanding the interplay among the sociological and structural resistors to relational advantage helps explain this strategic shortfall.

The socio-structural view explicates that the way we design firms—that is, to achieve economic efficiencies and maximize short-run market valuation—creates structural resistors that impede cooperative strategies. Embedded in the organizational framework, structural resistors are hard to mitigate. The sociological make up of modern organizations further buttresses structural resistance. In other words, these two entrenched resistor types reinforce one another like bricks and mortar to form a formidable barrier to relational advantage. They also inhibit the emergence of essential organizational routines and individual skills, pushing relational advantage further out of reach. Even when managers persist in pushing against the socio-structural wall of resistance to deploy relational initiatives, they discover that they lack the high-level routines and skills needed for breakthrough collaboration. More important than identifying and classifying resistor types, the socio-structural view shows how the distinct resistors are nested and interconnected. Socio-structural and skill-based resistors never exist in isolation; rather, they work together to obscure diagnosis, frustrate managerial remediation, and stall efforts to build momentum and migrate toward relational business models.

This research extends Park and Ungsun’s (2001) model of alliance failure, identifying and describing the issues, behaviours, and processes that underlie inter-firm rivalry and complexity. By delving into the interplay and re-enforcing nature of relational resistors, the research also explicates why consistent relational rents are so difficult to realize. Individual resistors could be removed; however, together, the four types of resistors freeze organizations in non-cooperative behaviour. Understanding the intricate interactions among the relational resistors provides the insight needed for effective mitigation. The socio-structural view delineates how human nature
and organization design interact to not just impede collaboration but also hinder the
development of organizational routines and individual skills needed to transform pockets of
 collaborative success into a relational capability. Since no single, predominant resistor such as
inadequate technology is responsible for the lack of progress toward cooperative strategy, no
simple response to resistor mitigation exists. Investing in technology and hiring consultants are
ill suited to the challenge posed by socio-structural resistors.

Although each of our interview companies has experienced relational failures, managers at the
most collaborative companies are starting to comprehend that the mitigation challenge is one of
accrual. One manager emphasized this point, saying, “You have to understand what you are up
against. You need to understand all the different things that can kill you!” As such, a small, but
increasing number of managers is beginning to realize that ad hoc mitigation strategies neither
change organizational structure nor alleviate sociological stress points. Fragmented efforts are
destined to disappoint, diluting resources and discouraging managers. Investing in an effective
relational architecture capable of mitigating socio-structural resistors requires a holistic and
disciplined approach. Patience and persistence also precede the establishment of a relational
capability. Because managers have experienced first-hand difficulty changing the composition
of their organizations and the skills of their employees, they are confident that strong relational
capability will be a rare source of valuable, inimitable, advantage.

To summarize, efforts to transform corporate strategy in the pursuit of new capabilities almost
always engenders resistance. When the new capability requires substantive changes to
organizational structures as well as investments in unfamiliar skills, the magnitude and breadth
of resistance is strong. Jim Collins (2002) used the metaphor of a flywheel to illustrate a process
of build up and breakthrough. Success comes only after managers persistently push on the
flywheel to build momentum for transformation. With sufficient time, effort, and forward motion,
the weight of the flywheel begins to help rather than hinder progress. Our findings reveal that
relational resistors impede the build up of momentum. That is, when managers are forced to
scale the wall of resistance, they lose momentum for collaboration. Managers may keep
pushing, but skill-based stumbling blocks once again undercut momentum. Finding their path
impeded by an entrenched socio-structural wall of resistance and beset with stumbling blocks of
inadequate organizational routines and individual skills, few firms achieve the momentum to
escape non-collaborative structures and behaviours. As collaborative initiatives stall, they yield
disappointing returns, which feeds cynicism. At some of our interview companies, failed efforts
to remove the wall of resistance have actually made the wall more entrenched and immovable.

Like all research, this research is subject to certain limitations. As inductive research, our
findings may not be fully generalizable to companies across diverse industries, geographies,
and channel settings. Future deductive research is needed to define better how the wall of
resistance affects specific collaborative initiatives and relational performance. Further, by
exploring the nature of and interaction among various resistors, we have not fully examined the
composition and detail of each individual resistor. Future research it is needed to investigate in
greater detail the individual resistors and potential architectural remedies. However, by
identifying and discussing four resistor types, we have provided a starting point for future
researchers to evaluate the efficacy of diverse relational enablers. One goal of future research
should be to develop a comprehensive, integrative theory of collaboration that links resistors
and enablers to guide development of a proven path to distinctive collaboration. Research that
yields such insight would help assure that more companies migrate from the vicious cycle of
entrenched resistance to the virtuous cycle of relational advantage.
REFERENCES


