

Designing Work Organization
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Lecture-12
Inter-organizational Relationship-1

In this particular session on this inter-organizational relationship, we will find it is the how this designing of the work organization making the in a particular ecosystem and is it the competition did the changing role of the competition and the inter-organizational framework the resource dependence supply chain relationships, collaborative networks then as usual we will be discussing about the case study, research paper, book recommendations, and references are there. So, inter-organizational relationships when we are talking about then they it is to be existed into an ecosystem, what is that ecosystem? They are relatively enduring the resource of transactions are there. So, whether it is a man, machine, material, whatever the resources are there and they are having these transactions and there is a flow and linkages that occur among two or more organizations are there. So, when inter-organizational relationships starts so, first and foremost the flow and linkages of the resources are there on the need based is there. Traditionally, these transactions and relationships have been seen as a necessary avail to obtain what an organization needs. So, it was not taken very positively.

Now, earlier whenever we are talking about doing this particular aspect of making this the changing of the resources or the enduring the resources then it was taken negatively. Because organization is not having that resource and that is why the organization is asking to another organization to share the resources and it was called necessary to avail a negative point. But nowadays, it is a common resource utilization. So, in inter-organizational relationship it becomes very important.

You must have heard about the common workplace organizations and therefore, in that case, there is the different organizations but they are having the common visitor's room, the common halls are there, interaction halls are there, their syndicate rooms are there, which is the used by all the organizations. Therefore, it is an organization ecosystem is formed by the interaction of a community of organizations and their environment is there. So, whenever we are having this type of this an ecosystem where the communities of the organizations are there and they are working in a common environment is there. I have written one case study in Chandigarh and there I have found that is the small organizations basically they were the start-up type of organizations and they made a common system where they exchanged their resources and it was working wonderfully

and the cost of the production was reduced. So, a similar concept is a mega community approach is there and in which the businesses, governments and the nonprofit organizations they join together across the sectors and industries to tackle huge compelling problems of mutual interest such as energy development and the world hunger or cyber crime is there.

Now, the nature of the industry is having the common problems for the all the organizations are there. Suppose you are talking about the textile industry, then these textile organizations they are having the common problems are there. And here when we talk about the creation of the mega community approach and in this case, all the stakeholders, especially the companies or industries, then the government and the NGOs are there and then they work together to solve that particular problem is there. So, this type of this ecosystem is strong in any state or country, then you will find that the organizations are developing very fast and their survival and growth of the organization, it becomes much better. So, does it mean that these industries are not competing with each other, is a competition dead? No, the company can go it alone under a constant onslaught of international competitors changing technology and the new regulations are there.

So, these international competitors that are making this change of technology are there and when they are changing their technology, then with an understanding of their own strengths and weaknesses, they can take the decisions. For this, they can go alone and there is no need for that is that they are dependent on the other organizations are there. So, organizations around the world are embedded in a complex network of confusing relationships, collaborating in some markets and competing fiercely in others is there. So, here these confusing relationships and collaborations in some markets will making the changes into this the relationship of the organizations is there. So, sometimes they are working together, sharing resources, and sometimes they are competing.

So, naturally there will be a network of confusion because when they are competing, but they are competing with the help of the resources given by the same organization. So, therefore, that is they are unable to understand we are collaborating in some markets and competing in other markets. So, therefore, in that case, that system, the strategy that has to be developed. For example, Ford and GM compete fiercely, but the two join together to develop a six-speed technology and this particular six-speed transmission which is the Hyundai, Chrysler, and Mitsubishi jointly run the global engine manufacturing alliance to build the four-cylinder engines are there. So, on one side they work together for the nature of industry, you see if they are for the automobile industry, if there is a need for these global engine manufacturing alliances is there to build a four-cylinder engines, then all these Hyundai, Chrysler, and Mitsubishi join together.

While when we talk about the six-speed transmission is to be developed, then the Ford and GM join together, however, they compete each other. So, traditional competition, which assumes a distinct company competing for survival and supremacy and the other standalone businesses are there, no longer exist because each organization support and depends on the others for success and perhaps for the survival is there. So, basic what is the basic concept is? So, a basic concept first is as I always mentioned there is sustainability. If you are planning to be sustainable by the nature of the industry, then all the organizations even though they are competing together, but for sustainability they will join hands there and that is why whenever we are talking about the competing or collaborating and then this decision that exists whenever it is a question of the survival is there. Now, the changing role of competition, within the business ecosystem managers learn to move beyond traditional responsibilities of the corporate strategy and designing hierarchical structures and control systems are there.

If a top manager looks down on the force order and uniformity, the company is missing opportunities for new and evolving external relationships are there. Whenever the top the manager is to make this uniformity, then naturally he will be missing this type of these opportunities. And in this new world, the managers think about the horizontal processes rather than the vertical structures are there. So, important initiatives are not just top down, they are also across the boundaries separating the organizational units are there. The changing role of competition is there, managers learn to see and appreciate the rich environment of opportunities.

So, therefore, in that case, we have to catch the opportunities, what are the opportunities are there. So, that environment of opportunities is to be created, that grow from the cooperative relationship with the other contribute to the ecosystem is there. And that is why when you want to grab the environmental opportunities, what you do, you collaborate, you cooperate with others, those otherwise are your competitors and then other contributes to the that ecosystem is there. So, an ecosystem to support the competitor that develops, it is a beautiful concept is there. And basically, as I mentioned in the previous slide, it is for survival and growth is there.

The old role of management relied on operational roles and boundaries are there. So, this is a modern concept that has not been that much preferred earlier, because the the old role of management which was the appreciated or the understood and that was the operational role was there. In the operational role, there was nothing like this collaboration was there. Most traditional managers are skilled at handling the operation roles, which have traditional vertical authority and are accountable for the business results, primarily through direct control over to the people and resources are there. So,

therefore, whenever traditional management system is there, they will be not going for the collaboration.

They will focus on their operational cost and they will try to reduce the operational cost because that was a traditional way of doing the job and then the direct control will be over there, over the resources are there. Collaborative roles on the other hand, when we are talking about that is do not have the direct authority over the horizontal colleagues or the partners, but are nonetheless accountable for the specific business results are there. So, here, in this case, you will find that is a collaborative role because the traditional managers are focusing on the operational roles and the modern management practices, they are focusing on the collaborative roles are there. Therefore, they will not have any direct authority over their horizontal colleagues who are there and are the partners because they will understand that he is the person who will be doing his job if the equal structure is there. Now, the inter-organizational framework is there, the models and perspective for the understanding inter-organizational relationships ultimately help managers change their role from top down management to the horizontal coordination across the organization is there.

So, this is the inter organizational relationships ultimately help the managers now, because their role is changing, their role is not from top down management, rather than to horizontal coordination is there. So, this relationship among organizations can be characterized by whether the organizations are decimal or the similar and whether relationships are the competitive or the cooperative is there. So, this is to be decided, there is a what type of the relationship for the organization prefers an organization is having. By understanding these perspectives, managers can assess their environment and adopt the strategies to suit their needs are there. So, the first perspective is called the resource dependence theory and it describes the rational ways organizations deal with the each other to reduce their dependence on the environment is there.

The second perspective is about the collaborative networks, wherein organizations allow themselves to become the dependent on the other organizations to increase the value and productivity for all is there and there is a understanding of the collaboration. The third perspective is the population ecology, which examines how new organizations feel niches left over by the established of organizations and how a rich variety of the new organizational forms the benefits society. The final approach is called the institutionalism and the explains why and how organizations legitimate themselves in the larger environment and design structure by borrowing the ideas from the each other is there and that will be the final approach will be there and that is the institutionalism is there. So, when you talk about the computing, when you are talking about the collaborating, when you are talking about the institutionalization and then in that case, it

becomes very important that is you are having the larger environment and design structures. So, that you can borrow the ideas from the each other is there.

Now, I would like to talk about this inter organizational framework is there and in this international framework you find that is a similar, similar is there, competitive and cooperative is there. Now, here organizational type and organizational relationship is there. If organization type is dissimilar, then the organizational relationship will be competitive will be there because there is a resource dependency is there. Whenever it is organization type is similar, the organizational relationship that becomes the popular population ecology is there. While if you are going for the cooperative, in the cooperative the organization type which is having these organizational relationship and the dissimilar organizations then there will be the cooperative strategy will be there.

So, therefore, in this case, you will find that is the resource dependence, population ecology, collaborative network and institutionalism is there. So, ultimately it is institutionalism which is becoming more and more important is there. So, for analyzing the different inter organizational relationship first you have to understand what type of the inter organizational relation framework is there, then you can talk about the inter organizational relationship. Once you understand the framework, then whether we should go for the competition or we should go for the collaboration that will making you help. Now, we will take the resource dependence first.

Resource dependence represents a traditional view of relationship among the organizations are there. So, this theory argues that organization try to minimize their dependence on other organizations. Because if I will be more dependent on the other organization, I will get exploited. So, for the supply of important resources try to influence the environment to make the resources available, organizations success rate by these driving the independence and the autonomy is there. When organizations feel resource or supply constraints, resource dependence perspective says that maneuver to maintain their autonomy through a variety of strategies.

One strategy is to alter independent relationships. This could mean that is the purchasing ownership of suppliers or developing the long-term contracts or the joint ventures to lock the necessary resources or building relationship in other ways. Other techniques include interlocking directorships to include members of supplier companies on the board of directors and these joining trade associates to have coordinate needs are there. So, use the lobbying and political activities or merging with the another firm to the getting the guarantee resources and the material suppliers is there. So, ultimately this is becoming a very important that is the how you are developing that association relationship.

There is a supply chain relationship is there to operate efficiently and produce the higher quality items that meet customers needs. An organization must have the reliable deliveries of high quality responsibly priced supplies and materials are there. The supply chain management refers to the sequence of suppliers and purchases covering all stages of processing from the obtaining raw materials to distributing finished goods to consumers. The figure illustrates a basic supply chain model is there and many organizations develop the close relationship with the key suppliers to gain the control over necessary resources are there. So, therefore, in the case of the supply chain management when where the you are looking for the managing the sequence of supplies and purchases, then this type of these practices that will help you a lot.

Here we will talk about the basic supply chain model. It is the horizontal relationships, these are the suppliers, these are the manufacturers, distributors and it will stores are there. So, here you can understand that is the when we are talking about that is cooperative style of these interrelationship organizations that becomes very very important is there. So, these collaborative networks perspective is an emerging alternative to resource dependence theory is there. Companies join to become more competitive and to share share resources.

A larger aerospace firms partner with one another and with smaller companies and suppliers to design the next generation job is there. Large pharmaceutical companies join with the email boundaries, firms to share resources and knowledge and spur innovation is there. So, therefore, in that case you will find here to design the next generation jets example is given more competition are there with one another large aerospace that is with the smaller companies and supplies to the design next generation jets are there. Large pharmaceutical companies join with the small biotechnology firms to share resources and knowledge and spur the innovation is there. So, an emerging alternative to resource dependency is becoming the form be necessary for the collaborative network is there.

Companies join to become more competitive and share the share resources are there. Alliance requires managers to who are good at the building networks are there. So, companies can share risk and cooperation, it is a prerequisite to the greater innovation, problem solving and performance is there. So, why to collaboration? So far we have discussed about that is about the relationship, the strategies between the or collaboration strategies is there is important whenever you are having the scale of resources. So, that inter organizational relationship that prevails, but question arises why collaboration is there? Why all these interest in inter organizational collaborations? So, some key reasons include the sharing risk when the entering into the new markets is there and that is a

primary

time.

For any organization when the organization is entering into the market, it becomes very important there is someone to take the bear the risk and therefore, mounting expensive new programs and reducing cost and enhancing the organizational profile in selected industries or technologies that are becoming the key reasons for developing collaborations. Cooperation is a prerequisite for greater innovation, problem-solving and the performance is there. North American companies traditionally have worked alone, competing with each other and behave in the tradition of individualism and self-reliance, but they have learned from their international experience just now effective inter-organizational relationships can be there. So, they earlier there was these American companies that had the lot of resistance traditionally for the inter-relationship organizations, but now they are also ready to go for these collaboration strategies are there. So, inter organizational linkages provide a kind of the safety and net that encourages long term investment, this is also important.

This is not the short-term relationships rather because the both the organizations they are adopting the technology, they are adopting the manufacturing process, and therefore, in that case they will go for the higher level of innovation and performance as they learn to shift from an adversarial to a partnership mindset is there. Cracking the code of sustained collaboration HBR article talks about how when most organizations strive to increase collaboration, they approach it too narrowly, even though they want the collaboration, but their vision is not wider. So, as a value to cultivate not a skill to teach, so they create open offices, chalk up collaboration as a cooperate goal and try to influence employees through other superficial means that do not yield progress is there. So, companies that excel at collaboration in contrast, realize it involves instilling the right mindsets. So, widespread respect for colleagues' contributions, openness to experimenting with others' ideas and the sensitivity to how one's actions may affect the teammates in the others are there.

So, Cracking the Code of the Sustained Collaboration, it talks about the HBR article, which talks about the practice empathy is there and being receptive to the views of someone who disagree with you, no easy task, but when we approach the situation, when with a desire to understand our differences, we get a better outcome is there. Be comfortable giving and receiving feedback is there. Being receptive to the view of the someone we disagree with it is too easy task, but when we approach the situation with a desire to understand our differences, we get a better outcome is there. Speak with the clarity and avoid the abstractions. So, therefore, if you want to go for the collaboration, long time collaboration, in any collaboration there are times for the open discussion of ideas and times, when someone regardless of whether he or she is a leader needs to cut

through the confusion and clearly articulates the path towards the when we communicate with the others.

The psychological research shows we are often too indirect and abstract and the our words they carry more weight if we wear more concrete and provided vivid images of the earth is there and our statement would be the judge is more the truthfully. Teach people to learn and follow. Organisations best collaborators those known for the adding the value of interactions and solving problems in the ways that left everyone better off are adopted both leading and following. Moving smoothly between the two as they appropriate that is they are good at the flexing is there. And the last one is there tools for the training the people to work together is help win-win interactions.

Investigating each other's needs is the key to win-win interactions. In the successful collaborative projects examined people were open about their personal interest and how they thought they could contribute to solving the problem. Such transparency allows the participants to explore the vision of the winning and ultimately get more favourable results are there. So, in this case we will find that is the it becomes very important that is nowadays the common workplace culture the collaboration with the competitors and I remember in 2009 when this type of the economic recession was there then there was a co-optation. Co-optation means resources of the competitors were used by the organisations which were having the competition and the this collaboration between the competitors and that word was given that process or system was given as a co-optation is there.

So, therefore, it is suggested that is the if possible you can also go for this type of this the inter-organisational relationship making the uses of the resources by the both the organisations on the need basis is there. This is a case study about AT&T and it talks about that is that iconic organization gaining wireless with the singular wireless is there you must be knowing about this organization and what it faces through wireless including the number two telecom company, verizon communications. So, which has also been involved in many mergers and acquisitions over the past several years. Other competitors include cable companies such as cable which is bounding together television, broadband, and internet phone services, stealing customers from AT&T all over the country. The cable providers have also found a partnership with Spirit enabling them to provide wireless service.

as well. For its parts, AT&T now sells packages of wireless phone services and internet access and the pay television as does Verizon. The two companies have recently taken integration one step further by airing the video programming from Saturday night live clips to the user-generated video-across the all these platforms. That enables them to sell

advertising as a new source of the revenue as growth in wireless begins to slow. However, the risks are high and both companies that face significant uncertainty and many new rivals as they enter the new areas of business. Now, here you will find this is the research paper is there which talks about a metric for the collaborative network.

The objective of this paper is to provide a metric that could be used to define success in a collaborative networks. Also to provide a useful mechanism for facilitating a discussion between partners in a network is there. So, this paper is talking about the metric for the collaborative networks and the findings demonstrate the need to measure all perspectives of the collaboration and highlights the potential pitfalls of the measuring perspectives that can be measured easily. So, you can refer to this particular paper and you can find out that is how these companies are the working together then in a particular stage like here it is in the resulted in development of a metric for the construction is concerned. So, these how they will making useful whenever we are talking about working togetherness and creating the collaboration with the competitors are there.

How this paper is also has certain limitations and implications, but the concept of that is about the collaborating and competing together that prevails and it is not that is it is a separate, but it is jointly both the organizations are competing with the using the resources of each other is there. This is the book that is a strategic connections and the new phase of networking in a collaborative world which is on the basis of these competitors and even these competitors are there and they are going for this type of collaborative work together is there. This book talks about this collaboration with the competitors are concerned. It commits to a positive, proactive networking mindset, Align networking activities with individual and organizational objectives. Leverage their contacts, Earn trust, boost their social acumen, and master conversational skills and the here you will find there is a different interaction is there.

These are the references that you can refer to for your further studies as this is a book that is the basic basically talks about the designing of work organization in much detail and that is Daft, R.L., Uppal Nishant understanding the theory and design of organization 11th edition has been used by me in his learning and this book gives you much detail about this type of designing of work organizations with other references also. So, I am sure by learning this type of practice your organization will also adopt the collaborative style with the competitors. Thank you.