Inter-organizational Routines: 
Coordinating R&D Practices in International Alliances

Anja Mante and Jörg Sydow
Introduction

How are routines coordinated across organizational boundaries? How, in this respect, do interorganizational routines come into being and get reproduced or adjusted over time if the routines practiced in the organizations collaborating differ significantly? While routines within organizations have been at the core of research on organizational stability and change for decades (see Becker 2004 for a review), the scholarly interest in interorganizational routines is much more recent (e.g. Doz 1996; Zollo et al. 2002). For obvious reasons, organization research has been primarily occupied with the complexity of understanding organizational practices. If interest in structures, processes, and relations that stretch beyond the boundaries of single organizations arises, organization research, very much like strategy research (e.g. Whittington 2006), takes a rather strategic perspective and largely neglects the actual practices across these boundaries, including interorganizational routines. The same seems true of network research on interorganizational arrangements (see Borgatti and Foster 2003 or Provan et al. 2007 for reviews), which, so far at least, has largely failed to bring organizations and individuals back in, despite early claims by some network scholars (e.g. Kilduff and Krackhardt 1994).

This paper contributes to the filling of this gap in routine and network research by looking at the development of interorganizational routines in the area of research and development from a practice-perspective. This field is particularly suited to such an investigation, since organizational R&D routines are quite likely to be different, especially if organizational practices have to be coordinated that stem from organizations operating in culturally and institutionally different national contexts. One particular form of R&D collaboration that seems especially interesting in this respect is the international joint venture (IJV). For, while the R&D practices of the organizations collaborating in an IJV are likely to be different, the form of an equity joint venture requires the alignment of these practices to an extent that is not necessary in other network forms of organization.

Given the latest practice-theoretical advancements that bring agency back into research on routines (e.g. Feldman 2000; Feldman and Pentland 2003), practices (e.g. Jarzabkowski 2004; Whittington et al. 2006), and networks (e.g. Sydow and Windeler 1998), we will (also) refer to structuration theory that was developed by Anthony Giddens (1984) as a social theory, but has already been amply applied to (inter-) organizational settings.
In contrast to present research on routines in this tradition, however, we will not only extend the insights structuration theory has to offer to the interorganizational level, but will also be somewhat more reserved with respect to the importance of the performative aspect of routines – largely understood as inherently improvisational, tending to overemphasize the agents’ ability to deliberately change ‘inert’ routines (Feldman 2000).

The section that follows introduces this practice-based view of interorganizational routines that is informed by structuration theory. Next, using an in-depth case study approach, we will disclose how we have explored the development of interorganizational routines that aim at coordinating R&D practices of two organizations engaged in an IJV. The main section of the paper, however, will present and discuss the empirical findings on the interplay of intra- and interorganizational routines on the one hand and of ostensive and performative aspects of routines on the other. Since the empirical study is still ongoing, the paper concludes with only preliminary implications for advancing theory and practice.

Interorganizational Routines as Practices

Routines, sometimes understood as an important trigger of organizational path dependencies (Coombs and Hull 1998), have been at the centre of organizational research for a long time (e.g. March and Simon 1958; Becker 2004 for a review). Nevertheless, important theoretical advancements are of a fairly recent nature and succeed in bridging the formerly divergent views of routines as being either the outcome of intentional design or of complex evolutionary processes.

Routines as Designed or Emergent?

Classical conceptions of organizational routines usually imply a functionalistic view. Accordingly, routines enable organizations to organize their know-how efficiently by promoting cognitive efficiency and reducing complexity, and to exercise power and control effectively (e.g. Cyert and March 1963). Despite this view of routines as being an outcome of overwhelmingly intentional design and emphasizing their function as sources of organizational stability, it was acknowledged very early on that routines may also lead to
organizational inertia, locking organizations into inflexible, unchanging patterns of action. This is true if routines are characterized as programs (March and Simon 1958) or as an important part of the organizations’ memory (Levitt and March 1988), for instance.

Alternatively, routines are considered as being similar to individual habits or genes and, as such, an outcome of complex evolutionary processes including variation, selection and retention (Nelson and Winter 1982). Again, the functional character of routines as stabilizing processes is emphasized, without ignoring the fact that they may also become a source of organizational inertia. This evolutionary view of routines has become dominant in organizational research, not least because it has been incorporated in many studies on organizational knowledge and capabilities (e.g. Cohen and Levinthal 1990; Helfat 1994).

While both these views succeed in emphasizing the inherently ambivalent character of routines, they fail to acknowledge the role of organizational agency in a manner that is in accordance with recent advances in practice-based theorizing (e.g. Giddens 1984). For the view of organizational routines as being mainly an outcome of managerial design overemphasizes the ability of agents to intentionally design routines, while the evolutionary view of routines, in sharp contrast, downplays the very role of human agency.

**Routines as Enacted Practices**

Recent theoretical advancements, therefore, aim at conceptualizing the interplay of agency and structure in research on routines (e.g. Feldman 2000, Feldman and Pentland 2003) and practices (e.g. Jarzabkowski 2004; Whittington 2006) in a more balanced way by explicitly referring to structuration theory (Giddens 1984). More precisely, they conceptualize the interplay as a “duality” (ibid.) and thus emphasize the effortful and consequential activities of agents in reproducing or transforming routines as recurrent practices by referring to organizational structures which, in turn, are either reproduced or transformed by these very practices. This is particularly true of Feldman’s (e.g. 2000) approach, which refers to the classical definition of organizational routines as repetitive, recognizable patterns of interdependent action, but stresses the inherent changing dynamics and the contingent nature of routines by highlighting the improvisational, i.e. performative aspect of routines (see, also, Feldman and Pentland 2003).
Drawing on Giddens’ notion of “duality” (of structure and action), Feldman and her colleague underscore the dual nature of routines consisting of two recursively related aspects, the ostensive and performative. The *ostensive* aspect of a routine is defined as the abstract idea or the structural aspect of the routine including a bunch of elements or subroutines. It may be codified as a standard operating procedure or script and may be embodied in a set of different artefacts (e.g. a codified rule). However, this is just one part of the whole picture, as it is not possible to specify any routine in sufficient detail by referring to the ostensive aspect only. Since there is no single, ‘objective’ routine given, but a variety of different ways in which it is carried out (Feldman and Pentland 2003: 101), this aspect has to be complemented by the *performative* aspect, that is - the enactment of the routine by specific individuals at specific times and places (ibid: 101-102). Even in relatively constrained and repetitive practices, individuals engage in reflective action in order to make sense of what they are doing. Therefore, performance always includes - to some extent - novelty and modification in terms of adjusting existing routines to individual requirements and changing contexts.

Considering routines as both ‘objective’ and ‘subjective’ social phenomena at the same time brings agency back with regard to reproducing current practices and creatively ‘making the difference’ by deviating from established patterns of action (Whittington 2006: 625). Agency is conceptualized as the active engagement in on-going practices indicating the choice of action and the reflexive behaviour of actors (Feldman and Pentland 2003: 109), while, on the other hand, it is acknowledged that routinized practices are always enacted in specific organizational and institutional contexts that co-shape possible action patterns, whereas the interdependent character of organizational routines may create further constraints.

Though explicitly referring to structuration theory, Feldman and Pentland, at least in our reading, tend to overemphasize the ability of agents to intentionally deviate from an organizational routine in their day-to-day doings. In other words, we believe organizational routines – despite the general “knowledgeability” (Giddens 1984) of agents – are less a source of organizational change than of organizational stability, though due to the omnipresent “dialectic of control” (Giddens 1984), any idiosyncratic enactment of the routine is possible. At the very least, it much depends upon the concrete character of the routines (e.g. their degree of specification and/or formality), the knowledgeability and power of the
individual agents, and the organizational and institutional contexts they are acting in. What is more important is that even these new conceptualizations of routines as enacted practices have not yet been applied to the *inter*organizational level of analysis. It is here where we see the main contribution of this paper, which makes a strict attempt to look at intraorganizational routines and how they are enacted, coordinated and develop into interorganizational routines.

**Exploring Interorganizational Routines through an In-depth Case Study**

In order to answer our research questions - how intraorganizational routines are coordinated across organizational boundaries and how, in this respect, interorganizational routines come into being and are reproduced or adjusted over time -, we employ an in-depth design of a single case (e.g. Yin 1994). The empirical study of an international R&D joint venture, which is meeting the challenge to develop a set of coordinating routines aiming at aligning the very diverse practices of the R&D units of the two parent companies, serves as an illuminating case. The primary unit of our analysis are the interorganizational routines, particularly their development and interplay with the intraorganizational routines. To this end, the research design draws on a retrospective account and, firstly, examines the initial conditions at the beginning of the IJV in 1999 and, secondly, the development of the then newly-established company until 2006. The particular focus is on the reconstruction of the development of the coordination routines. In doing so, we particularly concentrate the in-depth analysis on the period from 2004 to 2006, because most interviewees were members of one or the other organization and could easily recall the respective changes. We attempt to explore the complex characteristics of (inter-) organizational routines, i.e. their codified aspects as well as their tacit features, plus their ostensive and performative aspects, by combining different qualitative methods of data gathering.

Data were collected from three main sources: Semi-structured interviews, participant observations, and internal documents (see Table 1). So far, we have conducted 16 face-to-face interviews. Those were in-depth, one- to two-hour interviews with interviewees mainly from the R&D project management, and the R&D strategic planning level, but also some from the product and process management and the executive management level.
The interviewees so far are primarily delegates from the parent companies now working for the joint venture. Interviewing these people makes it possible to raise questions concerning both the way in which the coordinating work is accomplished at the joint venture level and how the respective practices in the parent companies appear. Moreover, we conducted interviews with some ‘locals’, i.e. people that neither work for one nor the either parent company.

These interviews provide a kind of ‘outsider’ perspective on differences between the parent companies and an ‘insider’ view on the very interorganizational coordination practices. In addition, the first author had the chance to spend one week at the joint venture company. Throughout these days, she attended two formal project meetings and, maybe more importantly, shadowed a general project manager, had lunch with the staff and a lot of informal conversations at the coffee-making facility. Last of all, we were also able to collect some internal documents, mainly procedure prescriptions, action plans, and internal memos (e.g. project organization plans). Although we have already been able to collect a lot of material, the data gathering process is still on-going.

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Insert Table 1 about here

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The data analysis is also still in progress. We draw on a qualitative content analysis approach (Miles and Huberman 1994), which involves a step-by-step procedure, aiming at systematically reducing the rich data and sketching out underlying explanatory patterns and mechanisms. Currently, our analysis contains to a two-step process: in the first stage, we provide a thick case description that includes outlining key coordination practices at the joint venture level and contrasting them with the intraorganizational practices of the two parent companies. In a second step, we delineate the interplay between ostensive and performative aspects on the one hand and intra- and interorganizational practices on the other, leaving us with a 2-by-2-matrix to fill.
Coordinating R&D Practices in an International Joint Venture:
An In-depth Case Study

This section briefly outlines the empirical case and provides a detailed description and first ideas for analysing the development of two types of major inter-organizational coordination practices. We strive to underscore our more general ideas by delineating the developing process of one particular routine of each type of practice concerning the interorganizational coordination efforts.

The International Joint Venture and its Parent Companies

The IJV (CO-OP\textsuperscript{1}) was established in 1999 as an exclusively R&D joint venture between a German company (A) with a share of 51 per cent and a Japanese company (B) holding 49 per cent. Both parent companies, which operate in distinct technology-driven industries with a long tradition in engineering, agreed to align their R&D activities in the cellular phone network business. The goal for both partners was to quickly enter the rapidly growing market, which only seemed to be possible if both pooled their complementary competences. Company B already had a fully developed technology concerning basic components of cellular phone networks, but was weak in sales and marketing outside the Asian market. Supplementary to this, company A had strong worldwide sales but was at the very beginning of developing a particular radio network technology. Accordingly CO-OP, the IJV, was established in order to implement the contractual agreement between both parent companies, whose strategic purpose is to combine their complementary strengths.

Based in Ireland, this small company with merely 35 members of staff is responsible for product planning and coordinating the R&D activities of both parent companies. This is mainly done by organizing and managing projects. While the IJV agreement contains the premise of keeping the R&D assets inside the parent companies and thus not disturbing the processes of each company, the coordinating efforts are primarily limited to mediating, facilitating and intervening.

\textsuperscript{1} Because of the sensitivity of the data we anonymized the names of the companies and modified some other information given.
The Coordination Challenge for the International Joint Venture

The alliance consists of the two parent companies and their R&D units with highly diverse organizational traditions and from very different cultural backgrounds. Both companies have established largely different processes and procedures concerning the way to conduct and coordinate R&D projects. Parent company A can be characterized as a process-based, highly bureaucratic organization, with a large amount of fixed process documentation and specified rules, though – paradoxically – it does not stick to these rules. By contrast, parent company B is mainly target-based, largely informally organized, with fewer prescribed rules and processes, but once a decision has been made, it is fixed. The challenge for CO-OP, the joint venture, was thus to develop a set of routinized practices that makes the coordination of the very diverse practices of the R&D units of the two parent companies feasible.

The Coordination Practices at the International Joint Venture

Given the present state of our data analysis, in what follows we focus on two important types of interorganizational coordination practices – *making decisions and managing projects* – and delineate how the coordination practices have been developed and enacted by the agents. Two concrete examples will demonstrate the role and interplay of the ostensive and the performative aspect of these routines.

*Making decisions and conducting meetings routine*

The first practice we studied is the decision-making practice. This can be characterized as consisting of primarily mediating and facilitating decision-making activities at the interorganizational level. The joint venture company is seen as a kind of neutral player, because CO-OP does not formally have any decision-making authority. The formal authority is still kept at the parent companies. Nevertheless, a formalized and hierarchically structured meeting cycle – in order to ‘make’ decisions – has been established in the joint venture. The meeting events take place eight times a year. While the type of meeting differs (e.g. face-to-face or telephone conference), each single meeting event lasts two weeks,
regardless of the way in which it is conducted.\footnote{In the event of a telephone conference the respective meeting groups talk to each other by phone for a couple of hours everyday for at least one week.} Moreover, the organization of the meeting weeks follows a temporal order, starting with the project groups, followed by the strategic product planning groups, and ending with the board meeting.

The official meeting process is complemented by preparing and prenegotiating activities. That means that prior to the official meetings, the key people who are in charge of making decisions come together and prenegotiate the terms for the official decision-making. This procedure is accomplished by communicating via telephone conferences or e-mailing and mainly driven by the CO-OP staff, which has particularly developed a kind of ‘diplomacy’ skills. This practice helps to coordinate decision-making practices that – as expected – turn out to be very different at CO-OP’s two parent companies:

- The German company (A) has set up a decentralized but very detailed and formalized decision-making procedure. The decision-making process itself can be characterized as long-lasting because of the detailed planning and discussion process, including the negotiation between different cross-functional objectives, particularly cost-based sales and quality-based R&D perspective. However, after extensive discussions, decisions are mainly taken immediately at the respective meetings.

- The decision-making practice in the Japanese company (B) contrasts with that of its partner, since it has established a very hierarchical decision-making procedure, whereas just a few key people are in charge to take decisions. The entire process to come to a decision takes just as long as in company A. However, the underlying reason for that is not a detailed and formalized planning procedure or a disagreement about the objectives, but the extensive discussion of the very details of every possible alternative – even if this is not yet a preferred solution (e.g. Ouchi 1980). Another distinctive feature is that decisions are mostly taken ‘offline’, i.e. after discussions have been preceded in small peer-to-peer groups and not directly at a meeting.

The development of the interorganizational decision-making routine in order to align those different companies’ practices indicates that there are two contrasting dynamics at hand. On the one hand, the individual actors increasingly gain experience in informally negotiating and side meeting. On the other hand, there is an amplified formalization that has been
going on at the interorganizational level. The individual actors attempt to shorten the long-lasting discussions due to different companies’ interests and organizing practices on order to make the decision-making process – at least from their perspective – more efficient. For that reason, they increasingly create new procedures and artefacts (e.g. action items, result sheets). Nevertheless, the enactment of those codified routines points out that they still refer to the respective companies’ interests and stick to their specific intraorganizational practices.

In order to look more closely at the interplay of ostensive and performative aspects of this interorganizational coordination routine, let us consider the conducting meetings routine as an example that may well be placed under the rubric ‘making decisions’.

The conducting meetings-practice of the interorganizational project groups is a crucial part of the overall decision-making practice. At the operational level, the meeting event is of particular importance for the mainly technical experts, as there is just the limited number of official meetings (eight times a year) to come together, exchange information about the progress each partner has made with a certain project, and, finally, to make decisions with regard to the projects’ proceeding and conflicting issues.

Analyzing the coordinating efforts with respect to the ostensive aspect of the routine, it becomes clear that this encompasses the preparing, chairing, and conducting activities which are basically accomplished by the respective project managers from CO-OP and the parent companies. More precisely, each meeting is prepared by setting up a detailed agenda. The responsible CO-OP project manager makes use of an agenda-template, sends this to the project leaders from the parent companies, and calls on them to fill in the issues they want to discuss. However, the actual performance turns out such that the participants also introduce ad hoc agenda items on the first meeting day. Furthermore, the participants jointly set up a prioritized list of items at the beginning of the meeting weeks.

Another preparation procedure is to provide input presentations with regard to the issues to be discussed at least two days in advance. This ostensive practice is enacted by playing the ‘game’ of who is going to meet the deadline. Not everybody reaches the time target. Thus some actors usually provide the presentation materials on the respective meeting day, when the issue is on the agenda. In the course of the meeting, every single item is discussed, aiming at making a decision in the end. This means the CO-OP project manager who is
chairing the meeting introduces an issue and asks the participants to comment on that. This again is alternately (from both companies) accomplished by either presenting actual development results via PowerPoint presentations or by commenting about the very issue. The resulting discussion mainly refers to technology-related issues on the operational and project level respectively.

The actual decision-making on an issue is mainly done in three ways. Firstly, both partners basically agree on an issue. In that case, one partner typically proposes a technically feasible solution and offers the respective resources (e.g. to increase the testing performance of a software release) that fit with the partner’s technology and developing activities. Secondly, and the most common way of deciding, is – after the discussion did not result in an agreement – the actors adjourn the final decision and agree instead on particular action items. This preliminary way of deciding includes the arranging of duties, e.g. to provide further testing data before finally deciding on the actual issue. After a fixed period, the actors meet again and continue the discussion based on a new status quo with regard to the available technology. Lastly, in terms of a fundamental disagreement, the respective problem is delegated to the next, higher level. That means, if a conflict occurs in a project meeting and the project members cannot reach a compromise, it will be delegated to the strategic level and becomes a managerial issue. The ostensive aspect of the delegation practice is enacted by repeatedly discussing about a certain issue which do not lead to an agreement. However, given that unresolved problem, the project members from both companies agree on the declaration of the very problem as a higher-level issue. Accordingly, the respective CO-OP project manager communicates the conflicting issue to the strategic planning group which is the next higher (managerial) level. Thus the strategic planning group begins with the collection of the delegated conflicting issues and then put the very topics on the agenda of their - or alternately the board - meetings. Given that the delegation of confliction issues practice follows the temporal order of the meeting procedure, the problems are discussed at the end of the entire meeting weeks.

Table 2 illuminates the interplay between ostensive and performative aspects of the decision-making routines on the one hand and the intra- and interorganizational dimension of the practices on the other.
The development of the conducting meeting practice in general, and the decision-making aspects in particular can be characterized by an increased formalization and the attempt to professionalize the decision-making process across organizational boundaries. This is indicated by the increasingly creation of artefacts (e.g. action items, result sheets). The underlying reasons for these on-going formalization processes might be interpreted as an effort to establish reliable procedures the actors can refer to. This may well be of particular importance because of the diverse decision-making practices of both companies.

However, this structured manner of organizing is enacted by an experience-based and informally complemented meeting performance. Especially the people from the Japanese company adapted to a large extent to the decision-making practice by making it possible to decide immediately during a meeting. Otherwise, the German company also adjusted to the partners’ practice. Hence they improved their preparation efforts in terms of suggesting a fixed number of issues to discuss along with required information and mainly stick to this list. Notwithstanding the fact that preparation and conducting efforts have been formalized, there is still significant leeway for negotiating at the interorganizational project level.

Coming to a decision is largely achieved by the negotiating activities of the mediating CO-OP staff in such a way that the participants ultimately find a project specific compromise or by referring to the delegating mechanism, i.e. postponing and transferring the decision-making to the next, higher level. Since the project managers largely enhanced their negotiating capabilities over time the actual performance at the operational level improved considerably. Otherwise the alignment of the diverse interests and decision-making practices at the managerial level seems to be more challenging. Given that the response to the delegated conflicting issues is either the creation of additional formalized procedures or simply the delegation downward again.
Managing projects and the joint routine to define product requirements

The managing projects practice is the more complex type in the case studied and includes a bunch of different coordination sub-routines. The key constitutive element is a codified, joint project-planning procedure concerning the R&D activities within the two parent companies. This master process is again different in both organizations. It is based on a sequential phase model and contains a limited number of milestone agreements determining the interfaces between and requirements of the partners. For every joint R&D project, a project team is constituted, whereas the team members of the joint venture company are in charge of monitoring the actual developing activities within the companies.

The interorganizational coordination efforts focus especially on the first stages and, again, on the final phase of the entire development process where both companies closely cooperate. The challenge for the joint venture – and the interorganizational routine practised there in particular – is to align two considerably different ‘styles’ of managing projects:

- Company A has established an elaborated, step-by-step approach encompassing four levels of codified practices – from the generic framework (R&D process) to prescriptions of the process areas (e.g. design) and particular activities, and lastly the respective templates and tools to make use of. Notwithstanding this formalized process that reflects a kind of waterfall planning method (see Figure 1), guidelines are adjusted at the operating level in terms of changing the project’s or product’s requirements with regard to exceeding the schedule and skipping or adding product features. Towards the end, less flexibility is shown concerning the product’s quality features, which mean company A sticks to the premise of meeting high quality demands.

- By contrast, the managing projects practice of the Japanese partner encompasses mainly tacit processes. This company has hardly any codified process procedures and job descriptions. Instead of written documents coordinating and accomplishing the R&D activities, practice is largely based on a common experience-based understanding and on a kind of gentleman’s agreement. Sharply contrasting to the partner’s managing
projects style, the company’s developing process exhibits an overlapping proceeding of the particular R&D activities. In order to follow the premise of designing fast, the actual development already starts while the planning, analyzing, and testing are carried out simultaneously, following a kind of trial and error method (see Figure 2).

Again, in order to provide a more precise illustration of the interplay between the ostensive and performative aspect of the coordination practice that has to bridge these very different intraorganizational project management procedures, we spell out one part of the initial planning practices - that is, the joint routine to define product requirements. This practice is of particular importance, as it not only strives to align the different project styles across the two organizations, but also the quite diverse customer demands of both companies.

With regard to the ostensive dimension of the routing, the defining product requirements routine consists of submitting a proposal from each company concerning the required product features, which is a translation of the respective though very different customer demands from each parent company. Therefore the responsible CO-OP project manager sends a proposal template to the product manager from the companies, asking him/her to fill in the important features with regard to the specific product. The underlying logic of the proposal practice consists of a prioritizing and evaluating approach that is based on a cost-benefit-analysis of each proposed product feature. That means the companies have to indicate the R&D expenditures and the expected business impact. This routine is actually carried out in the way that both companies try to realize more features than possible, by declaring those mandatory features. Accordingly, a long-lasting kind of ritual does happen, which can be characterized as a tug-of-war to downsize the respective feature list and provide the required resources. That means the CO-OP staff organizes frequent face-to-face and telephone meetings of the product managers in order to discuss the proposed features. Because each company strives to implement the respective customer requirements, the proposal practice is based on self-interests and less on a cost-benefit-analysis.
Nevertheless, the long-lasting discussions aiming at aligning the different priority lists result in a preliminary agreement on features to implement. However, the second part of this ritual occurs at a later stage of the entire planning practice. The actors have the chance to propose additional features that actually turn out to be essential features at a later stage of the planning process. However, the actors enact this ‘second chance’ by introducing no additional, but previously ‘rejected’ features. So the tug-of-war in terms of discussing the product features to implement happens again, or in other words, is merely held off until the later stage of planning. At this point in time, the CO-OP staff again organizes frequent meetings of the product managers. Given the directives that just the limited number of five features is allowed to discuss at one meeting event and the required fit of the additional proposed product features with the yet established features, the product managers meet again a couple of times seeking to put through the respective companies’ interests. Finally, both parties agree on a joint feature list and the relative worksplit which provide the basis for the largely separated design and development phases that follows.

Table 3 differentiates the ostensive and performative aspects on the one hand and intra- and interorganizational practices on the other, whereby this table displays a more comprehensive illustration of the overall managing projects. The planning phase described above is one crucial part of closely cooperating.

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The development of the interorganizational practice of managing projects started with a simple transfer of company A’s routine of coordinating R&D projects to the IJV level. However, the practice was adjusted to the interorganizational context in terms of defining a few interfaces to align the companies’ project routines. In the course of time, the - for the most part - monitoring activities were increasingly enhanced by the creation of meta-procedures. This development was supported by the Japanese company in particular, which, starting from a comparatively low degree of formalization, sought to increase the level of formalization in terms of a more detailed step-by-step procedure they can rely on. This is of particular importance, because it sharply contrasts with the way in which the intraorganizational coordination work is usually accomplished. Because of the different
managing project practices between the two partners, it seems to be a substitute providing
reliability as regard to ‘how to go on’ and ‘what to expect from the partner’, at least to
some extent. Given that there is still leeway for enacting the coordination guidelines, the
mediating efforts also encompass the need to find project and situation specific compro-

Implications for Theorizing Interorganizational Routines:
Results and Discussion

Basically, the development of the two types of coordination practices we examined is char-
acterized by two complementary dynamics: Starting with a loose coordination framework,
the interorganizational practices became increasingly formalized. Complementary to that
structuring approach, the need for more informal negotiating increased because of the ab-
sence of a coherent formal decision-making and coordinating configuration in the IJV, i.e.
at the interorganizational level. These two developments are enhanced through a mutual
adjustment based on common experiences of the individual actors. In order to provide a
more precise picture of the dynamics of these interorganizational routines, we discuss our
findings with respect to the interplay between the ostensive and performative aspect.
Thereafter, we will take another look at the possible tensions between inter- and intraor-

Stabilization of Interorganizational Routines as Enacted Practices:
Interplay between the Ostensive and the Performative Aspect

Although our empirical research is still ongoing, it seems quite safe to conclude that the
development of the coordination practices studied so far in the IJV is largely characterized
by reproducing and thus stabilizing processes. In principle, the ostensive aspects of both
routines seem to be maintained by the actual performance of the actors.

In this respect, let us first revisit the decision-making practice. Due to the absence of a co-
herent, authority-based decision-making process in the IJV, the regular meetings became
the practice of coming together at the different hierarchical levels and negotiating the diverse companies’ interests and practices. Given that the actual performances in terms of specific activities, e.g. the project members of both parent companies only meet at the official meetings and mostly do not make additional use of any direct communication modes, they reproduce the very practice.

Paradoxically, due to an attempt to shorten the long-lasting processes, the decision-making practice was reinforced and further stabilized by an increased formalization and the creation of new processes and artefacts (e.g. meetings’ action items) which, in turn, strengthened the current practice. What is more, the actors also gained experience with their partner organization over time. Hence, the employees from both companies adjusted to the respective partner’s practices. For instance, the Japanese company adapted to the decision-making practice to a large extent by making it possible to decide immediately in a meeting. The German company improved its preparation efforts in terms of suggesting a fixed number of issues to discuss, along with the required information, and might stick to this increasingly.

The stabilization process can also be demonstrated with regard to the development of the managing projects practice. Since the IJV focused its coordination routines on the mediating and framing of the actual R&D practices (that are followed in the parent companies), these activities are limited to a small number of interfaces, especially the meetings and exchanging of information via e-mailing. This shared understanding is enacted by the IJV staff mainly performing supportive activities. Moreover, with regard to the managing project practice, we observed an increased degree of formalization (e.g. the defining product requirements practice) that might be interpreted as an effort to change the practice. By making it more efficient, the current practice became even more stabilized, as it refers to the understanding that prevails in the joint venture, namely that mediation and not authority-based coordination activities are accomplished.
Tensions between Inter- and Intraorganizational Routines

Finally, and likewise based on our still preliminary findings, we point to four patterns of practice development that demonstrate tensions between the inter- and the intraorganizational level and, therefore, might be a source of future interorganizational change. On the one hand, *transferring* and *decoupling* indicate the operation of stabilization processes, whilst, on the other hand, *adjusting* and *experience-based learning* point to the operation of changing processes.

The stabilization process at both the inter- and the intraorganizational level can be shown with respect to the transferring of the overall managing R&D project model from the German company to the IJV. Since company A contained an elaborated and codified R&D project model, it was simply transferred to the IJV in order to provide a basis to start working on. Thus the people from the German parent company, as well as the German delegates, could stick to the well-known manager projects practice. However, the joint R&D project model does not contain the actual development activities. What is more, the premise of not disturbing the actual companies’ practices leads to the adherence of the intraorganizational practices, although duplication of activities does occur, e.g. meetings at both levels, making use of twofold tools and templates.

Otherwise we also observed adjustment of the prevailing practices. This also holds true for the interorganizational routines. While the overall R&D project practice was transferred to IJV, it was also adjusted to the new context by downsizing the interfaces between the respective project groups from the parent companies. Moreover, the interorganizational routines were modified through an increasing formalization of procedure (e.g. decision-making subroutines). Finally, and with regard to the mediating practices of the IJV staff, we established an improvement of even those negotiating capabilities. In addition, the adopting capabilities of the individual actors with reference to the relative partners’ practices (e.g. preparing and enabling decision-making at meetings) also reveal a kind of experience-based learning at the interorganizational level.

Notwithstanding our preliminary findings about the inherent dynamics of interorganizational routines leading primarily to stabilization, modifications and the four patterns of practice development certainly do occur as well, and we have only just begun to illuminate the processes of routine stabilization and adaptation at the boundaries of organizations.
Further research is surely needed in order to spell out more precisely the underlying mechanisms that lead either to stabilization or adjustment of routines at both levels. One of these mechanisms may well be path dependency, since routines are not only an important trigger, but also a possible outcome of path-dependent organizational and interorganizational processes – which could easily be overlooked from a practice-perspective that puts too much emphasis on the performative capabilities of agents.
References


Table 1: Data Sources

<table>
<thead>
<tr>
<th>Semi-structured Interviews</th>
<th>Participant observation</th>
<th>Internal documents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IJV (CO-OP)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief Executive Management</td>
<td>R&amp;D- General Management</td>
<td>R&amp;D- Project Management</td>
</tr>
<tr>
<td>1 (A)*</td>
<td>2 (A)</td>
<td>1 (A)</td>
</tr>
<tr>
<td>3 (B)*</td>
<td></td>
<td>5 (Locals)</td>
</tr>
<tr>
<td>5 (Locals) *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 (A)*</td>
<td>Project meeting</td>
<td>Project meeting (telephone conference)</td>
</tr>
<tr>
<td>2 (A)</td>
<td></td>
<td>Workplace shadowing (office)</td>
</tr>
<tr>
<td>1</td>
<td>Process and procedure prescriptions</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
<td>Memos: - Project organization (timetables, action plans)</td>
</tr>
<tr>
<td><strong>Company A</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total (so far)</strong></td>
<td>16</td>
<td>3</td>
</tr>
</tbody>
</table>

* The data collection includes interviews primarily with people from the joint venture company. Those people are mostly delegates from the parent companies. The respective membership (company A or B) and the locals – who neither work for one nor the other company – is shown in parentheses.
<table>
<thead>
<tr>
<th>Practice Level</th>
<th>Intraorganizational</th>
<th>Interorganizational</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ostensive</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| A: decentralized, cross-functional meeting groups  
- detailed planning process due to cross-functional disagreement about objective  
- ‘online’ decisions  
B: centralized, depending on key people decision making  
- extensive discussions of every possible alternative  
- ‘offline’ decisions | - meeting cycle at different hierarchical levels  
- prenegotiations, side-meetings  
- make sure that key people who are in charge of making decisions attend the meetings  
- escalation of conflicting issues to next, higher level |
| **Performative** |                     |                     |
| A: cross-functional project members meet face-to-face and by telephone conference  
- extensive, offensive debating about different objectives between cross-functional teams  
- preliminary agreement at the end of a meeting | - project members meet face-to-face or alternately by telephone conference  
- timing the agenda according to the availability of key people (done by CO-OP project manager through prior consultations)  
- extensive communication between project manager from CO-OP and the parent companies prior to official meeting (check out the positions)  
- long-lasting discussions of agenda items at the meeting (incl. presentation of development results and comments on issues by both companies)  
- hiding of information and persisting on different viewpoints by parent companies  
- striving to negotiate agreements by CO-OP staff: time out and offline discussions and come back and continue  
- three ways of decision-making:  
1) mutual agreement on an issue  
2) adjournment of an issue, but instead agreement on action items  
3) disagreement and setting the issue on the agenda of next, higher meeting group |
| B: small peer-to-peer groups discuss every possible (technical) alternative  
- decision-makers consult with experts and decide accordingly to their preferred solution  
- stick to this final solution |                     |
### Table 3: Managing projects practice – The joint routine to define the product requirements

<table>
<thead>
<tr>
<th>Practice Level</th>
<th>Intraorganizational</th>
<th>Interorganizational</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aspect of Routine</strong></td>
<td><strong>Ostensive</strong></td>
<td><strong>Performative</strong></td>
</tr>
<tr>
<td>A+B: primarily project-based organizing</td>
<td>A: sequential, step-by-step advanced phase model  - Premise: Design precisely and keep the quality.</td>
<td>- primarily project-based organizing  - framework: sequential phase model with interfaces for aligning companies’ project practices  - monitoring the companies’ R&amp;D practices  - mediating planning and testing phases and in conflict situations</td>
</tr>
<tr>
<td>A: tacit, overlapping, trial-and-error model  - Premise: Design fast and meet the deadline.</td>
<td>B: simultaneous planning, analyzing, implementing and testing are carried out  - adjusting on demand: handling problems when they occur and especially by adding additional manpower in order to meet time target</td>
<td></td>
</tr>
<tr>
<td>- getting together both project teams at the beginning (planning phase) and the end of development (testing phase)  - frequent and ad hoc face-to-face and telephone meetings to discuss product requirements to implement and again testing results  - collection and exchange of information with regard to project status via e-mailing  - conflict situations: finding specific compromises at project level</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Figure 1: Waterfall Method

initiation → planning → analysis → design → test

* The small type ‘m’ points to the interfaces between the respective phases.

Figure 2: Trial and Error Method

1st planning/analysing → 2nd analysis → end of analysing
1st design → 2nd design → implementation → testing