

Inter-organizational conflicts: Research overview, challenges, and opportunities

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Abstract

While inter-personal conflicts have attracted much attention from scholars and practitioners over the last two decades, our understanding of inter-organizational conflicts remains limited. This paper critically assesses current literature on inter-organizational conflicts. We first discuss the specific features of conflicts at the inter-organizational level. Second, we provide an overview of both qualitative and quantitative research conducted in the field. Third, we make suggestions for future research on inter-organizational conflicts. We specifically suggest opportunities to develop theoretical bridges with other streams of literature and to build multi-level models of conflict management. We then discuss important empirical issues associated with doing research on conflicts between organizations and provide recommendations to overcome these challenges.

Keywords

Inter-organizational relationships, conflict, review, research agenda

‘The French food giant Groupe Danone has recently seen its market position deteriorate. The reason: Danone’s strategic partnership with Hangzhou Wahaha Group Co. Ltd. is breaking up. Wahaha became the dominant player in the Chinese bottled water and other nonalcoholic beverage market through its 1996 alliance with Danone. But by 2007, Wahaha was blaming Danone for setting up competing joint ventures with other local companies, such as Robust, Aquarius, Mengniu Dairy and Bright Dairy & Food, while Danone was suing Wahaha for using the brand outside the scope of their joint ventures.’ (National Post, 2010)

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Introduction

Conflict is frequent and has important economic and social consequences. Accordingly, an expansive body of research examines conflicts between individuals and within teams (organizational behaviour and psychology) and dispute negotiations between rational actors (game theory and political science). However, comparatively little research has been done on inter-organizational conflict (IOC). Inter-organizational alliances and partnerships have emerged as prominent elements of modern business strategy. Yet, as the opening example illustrates, interdependency, incentive misalignment, and dynamic business environments make conflict pervasive in these inter-organizational arrangements. Conflict is a key characteristic of inter-organizational relationships since these arrangements tend to contain within themselves the seeds of behavioural contradictions (cooperation vs. competition), temporal contradictions (short term vs. long term), and structural contradictions (rigidity vs. flexibility) (see Das and Teng, 2000 for a review). In the event the organizations are unable to avoid such contradictions, the relationship is likely to enter conflict. Against this backdrop, the relative dearth of IOC research is surprising. The purpose of this paper is to accentuate IOC as a topic worthy of scholarly inquiry. Specifically, our two main objectives are: 1) to recognize and synthesize extant contributions in an effort to move towards a cumulative body of knowledge on the management of IOC, and 2) to systematically examine the key theoretical, methodological, and empirical challenges and opportunities to advance our understanding in this field.

Given the vast nature of both the conflict and inter-organizational management literature streams, a few definitions and boundaries are necessary. For the purpose of this study, we will refer to Thomas' (1992: 265) definition of conflict as 'the process which begins when one party perceives that another has frustrated, or is about to frustrate, some concern of his.' Additionally, we use the term inter-organizational relationships (IORs) to 'encompass a broad array of collaborative exchanges, including strategic alliances, joint ventures, buyer-supplier agreements, licensing, co-branding, franchising, cross-sector partnerships, networks, trade associations, and consortia' (Parmigiani and Rivera-Santos, 2011: 1108). Finally, although IORs and corresponding episodes of conflict may be dyadic or network-based involving three or more parties (Heidl, Steensma, and Phelps, 2014), we restrict our analysis to bilateral relationships only to maintain a parsimonious review.

Specific features of IOC

As previously observed, the research on inter-personal conflict is vast. However, IOC differs substantially from conflict at the individual level. These salient distinctions render our knowledge from the domain of inter-personal conflict inappropriate for direct translation to the inter-organizational realm. Thus, any examination of IOC must start with recognition of its distinctive features. As summarized in Table 1, we focus on several interrelated distinguishing features including: the level of interaction, the decision-making parties, the incentives and motivations of key stakeholders, the governance structure for preventing and managing conflict, the repair mechanisms available to resolve disputes, and the role of the institutional context. Although we expect these specific features to be universalistic in studies of IOC, we provide representative examples from the extant literature.

The first key difference with IOC is that the conflict has consequences at the organizational level (i.e., the firms) as well as the individual level (i.e., the managers and employees directly

Table 1. Overview of the Key Differences Between Conflicts at the Inter-personal Vs. Inter-organizational Level (with examples of Representative Studies).

	Conflict at the inter-personal level	Conflict at the inter-organizational level
Level of interactions	Between individuals (e.g., Massey and Dawes, 2007; Tjosvold and Chia, 1989)	Multi-level: between boundary spanning individuals and organizations (e.g., Tangpong et al., 2010; Zaheer et al., 1998)
Governance mechanisms	Informal (e.g., Schweitzer et al., 2006)	Formal and informal (e.g., Lumineau and Henderson, 2012)
Decision making	Individual (e.g., Gillespie and Dietz, 2009)	Collective (multiple organizational members) (e.g., Janowicz-Panjaitan and Krishnan, 2009)
Incentives and motivations	Own interests (e.g., Pillutla and Murnighan, 1996)	Mix of personal and organizational interests (e.g., Tangpong et al., 2010)
Target of repair	Cognitive and affective impact on individuals (e.g., Ren and Gray, 2009; Tomlinson and Mayer, 2009)	Cognitive and affective impact on individuals as well as organizational level exchange behaviours (e.g., Malhotra and Lumineau, 2011)
Influence of institutional environment	Mostly influenced by informal dimensions of institutional environment (e.g., Adair et al., 2004)	Influenced by both formal and informal dimensions of institutional environment (e.g., Cao and Lumineau, 2015; Zhou and Poppo, 2010)

involved in the relationship). Organizations – such as firms, nonprofits, and governments – are the contracting parties of an inter-organizational relationship: they agree on cooperative relationships, the pooling of resources, and the exchange of goods and services. The partner organizations join voluntarily and agree to relinquish certain freedoms, and to constrain parts of their activity under the regime of the closed agreement. Therefore, IORs introduce an additional organizational domain. Unlike conflicts that manifest between individuals within a single organization, there is no formal and singular hierarchy to resolve inter-organizational disputes (Borys and Jemison, 1989). Rather, conflicts must be resolved through an inter-organizational system of formal (e.g., contracts) and informal (e.g., relational norms) governance mechanisms. This inter-organizational governance system cannot be enforced by a unitary organizational actor. Further, reliance on third party enforcement (e.g., arbitration, litigation, etc.) is costly and imperfect. These factors lead to the recognition that inter-firm partnerships are largely self-governed arrangements (Parkhe, 1993).

As IOCs have consequences at multiple levels, resolution strategies must address the cognitive and affective impact on the individuals directly involved in the conflict as well as the effect on exchange behaviours at the organizational level. Two factors complicate this balance between the individual- and organizational-level needs in resolving IOCs. First, the individual employees have a fiduciary responsibility to act in the best interest of their firm rather than their own self-interests. However, the degree to which individual interests align with those of the organization may alter the attractiveness and efficacy of different repair processes. Relatedly, as employees often change roles (and even organizations), the organizational-level relationship is often longer in duration than the relationship between the individuals responsible for managing the IOR. This creates a temporal mismatch between the interests of the individual employees and those of the two organizations. For these reasons, conflict resolution strategies that address multiple levels are both necessary and complicated.

Inter-personal conflicts and IOCs also differ in terms of the relevant conflict resolution decision makers. Conflicts between individuals can often be resolved solely by those individuals directly involved. Alternatively, with IOCs the conflict resolution frequently involves numerous decision makers within each firm due to multi-point relationships. This multiple decision maker feature further complicates the management of IOCs. Generally, the composition of decision makers within the group serves different organizational roles (managers, engineers, lawyers, and so forth). Behavioural theory logic suggests that because of their associated goals, knowledge sets and incentives, these different organizational members focus attention on different aspects of the conflict (Bercovitz and Tyler, 2014; Lumineau et al., 2011; March and Simon, 1958). Additionally, some prior research finds that groups would be more rational in their decision making (Bornstein et al., 2004; Kocher and Sutter, 2005) and would exhibit less risk aversion (Rockenbach et al., 2007; Sutter, 2007) than individual decision makers. Others have found that decision making within teams could lead to more counterproductive tendencies such as groupthink and the Abilene paradox. A manifestation of collective confirmation bias, these phenomena lead groups to adopt decisions for the sake of consensus (Harvey, 1974; Janis, 1982; Kim, 2001). In sum, it is expected that this individual versus team dimension of decision making would make the resolution of IOCs fundamentally different from that of inter-personal conflicts.

Finally, IOC differs from inter-personal conflict in terms of the role of the institutional environment. That is, IORs do not function in a vacuum but are influenced by the ‘fundamental political, social, and legal ground rules that establish the basis for production, exchange, and distribution’ (Davis and North, 1971: 6). For instance, IORs increasingly cross national boundaries and are thus affected by differences in the institutional environment across countries. The institutional environment is characterized by both formal (e.g., legal, political) and informal (e.g., culture) elements. While both inter-personal conflicts and IOCs may be influenced by the informal dimensions of the institutional context, we argue that the formal dimensions are much more consequential in altering the conflict management process for IOCs than for inter-personal conflicts. For example, formal contracts play a central role in the governance of IORs. The effectiveness of contractual devices hinges on the degree to which the parties can rely on the legal system to enforce contracts (Cao and Lumineau, 2015; Zhou and Poppo, 2010). Similarly, the ease with which firms can terminate organization-level relationships is impacted by the applicable political and legal regime. These considerations are much less relevant with inter-personal relationships. Therefore, we anticipate important differences in how the institutional environment impacts the management of IOCs relative to conflicts between individuals.

Overview of the literature

Our intent is not to conduct an exhaustive review of the literature, but rather highlight key studies of IOC. In Table 2, we provide an overview of the literature by discussing representative works.

In structuring this overview, we focus on the following specific aspects of IOC: antecedents, forms, management, consequences and moderating factors. Figure 1 offers an integrative framework of the IOC field, visually summarizes the key issues discussed in the literature (further explained below), and highlights important research opportunities (further explained in the next section).

Antecedents of IOC. In evaluating the antecedents of IOC, two different assessments are made in the literature. First, is a stream of literature interested in assessing the state of the relationship

Table 2. Overview of Seminal Works in Inter-organizational Conflict and Conflict Management.

Authors, Year	Journal	1	2	3	4	5	Theoretical Lens / Literature Bases	Context
Alter, 1990	Academy of Management Journal	X				X	Literature on inter-organizational relationships	Exploratory study of 15 community-based service delivery systems
Arino and de la Torre, 1998	Organization Science	X		X	X	X	Alliance formation and evolution	Longitudinal case study of a failed international joint venture
Assael, 1969	Administrative Science Quarterly	X	X	X			Sociology literature	Two-year exploratory study within the automobile distribution systems
Conlon and Sullivan, 1999	Academy of Management Journal			X	X		Dispute resolution literature	Data on 117 disputes involving corporation filed at the Daniel C. Herrmann Courthouse in Wilmington, Delaware
Dant and Schul, 1992	Journal of Marketing			X		X	Power theory; relational exchange theory	Interviews of 176 franchisees in the fast food restaurant industry
Dirks, Lewicki and Zaheer, 2009	Academy of Management Review			X	X		Trust and repair literature	Theoretical
Frazier and Rody, 1991	Journal of Marketing		X	X			Reciprocal action theory	Survey of 300 industrial distributors
Ganesan, Brown, Mariadoss and Ho, 2010	Journal of Marketing Research				X	X	Relationship marketing literature; social judgment theory	Scenario-based experiments of 440 undergraduate students (Study 1), 420 MBA students (Study 2), and 92 purchasing professionals (Study 3)
Gaski, 1984	Journal of Marketing	X	X		X		Theories of power and conflict	Theoretical
Gulati and Nickerson, 2008	Organization Science	X		X		X	Trust; inter-firm governance	Survey of two automotive assemblers regarding 222 sourcing arrangements
Habib, 1987	Academy of Management Journal				X	X	Manifest conflict; marketing literature	Survey of presidents of 258 multinational joint ventures in the chemical and petrochemical industries
Hardy and Phillips, 1998	Organization Science	X	X		X		Literature on inter-organizational relationships	Examples from the UK refugee system consisting of government and nongovernment stakeholders

(continued)

Table 2. (continued)

Authors, Year	Journal	1	2	3	4	5	Theoretical Lens / Literature Bases	Context
Harmon, Kim and Mayer, 2014	Strategic Management Journal		X	X			Contracting and inter-firm exchange literatures	Laboratory experiment involving 157 undergraduate students (Study 1) role-playing as contractors and subcontractors in construction, and 97 participants from Mechanical Turk and 108 MBA students (Study 2) role-playing as property owner and tenant
Hibbard, Kumar and Stern, 2001	Journal of Marketing Research	X	X	X			Marketing, organization theory; social psychology research	Field experiment involving a manufacturer/supplier of consumer durables and its dealerships
Janowicz-Panjaitan and Krishnan, 2009	Journal of Management Studies		X	X	X	X	Trust and trust repair literature	Theoretical
Kim, Hibbard and Swain, 2011	Journal of Retailing	X			X	X	Commitment literature	Survey of 699 independent dealers of a consumer durables firm for scale validation; scenario experiments of 432 full-time workers for additional hypothesis testing and robustness
Koza and Dant, 2007	Journal of Retailing	X	X	X			Conflict and conflict resolution	Two-year quantitative field study of a large North American retailer and 282 of its retail catalog agents
Kumar and van Dissel, 1996	MIS Quarterly	X				X	Inter-organizational systems literature	Theoretical
Lumineau and Henderson, 2012	Journal of Operations Management	X	X	X			Contractual and relational governance mechanisms	Legal documents regarding 102 business disputes
Lumineau and Malhotra, 2011	Strategic Management Journal	X	X	X	X	X	Contractual governance; alternative dispute resolution; framing theory	Legal documents regarding 102 business disputes
Lumineau and Oxley, 2012	Organization Science	X	X				Law and economics	Legal documents regarding 102 business disputes

(continued)

Table 2. (continued)

Authors, Year	Journal	1	2	3	4	5	Theoretical Lens / Literature Bases	Context
Malhotra and Lumineau, 2011	Academy of Management Journal	X	X	X	X		Contract theory; trust	Legal documents regarding 102 business disputes
Mohr and Spekman, 1994	Strategic Management Journal			X	X		Strategic alliances	Survey of 124 relationships between respondent computer dealers and a 'referent' manufacturer
Molnar and Rogers, 1976	Administrative Science Quarterly	X					Literature on inter-organizational relationships; conflict	Interviews with top administrators of 147 dyadic relationships in federal, state, and county natural resource management agencies
Park and Ungson, 2001	Organization Science	X				X	Transaction cost economics; resource-based view; game theory; agency theory; resource dependence theory	Theoretical
Pondy, 1967	Administrative Science Quarterly	X	X	X	X		Equity theory; general theories of conflict, management, and organizational behaviour	Theoretical
Pruden, 1969	Academy of Management Journal			X	X		Literature on inter-organizational relationships	Field interviews, observations, and surveys of salesmen of a national manufacturer and distributor of wood building materials
Ring and van de Ven, 1994	Academy of Management Review	X			X	X	Inter-organizational relationship literature; transaction cost economics; agency theory	Theoretical
Samaha, Palmatier and Dant, 2011	Journal of Marketing			X	X		Equity theory, reciprocity theory, transaction cost economics	Longitudinal survey of 492 channel members of a Fortune 500 firm
Sebring, 1977	Administrative Science Quarterly	X				X	Inter-organizational theory; open system perspective	Case study analyzing problems of inter-organizational linkage that developed between a state university and a state department of public welfare
Spinelli and Birley, 1996	Journal of Business Venturing	X				X	Transaction cost economics; relational exchange theory; channel conflict literature	Theoretical

(continued)

Table 2. (continued)

Authors, Year	Journal	1	2	3	4	5	Theoretical Lens / Literature Bases	Context
Stern, Sternthal, and Craig, 1975	Journal of Applied Psychology			X	X		Conflict and conflict management literature	Negotiation experiments involving 282 business administration students working in groups
Tangpong, Hung and Ro, 2010	Journal of Operations Management	X					Transaction cost economics; personality trait theory; contingency theory; conflict and negotiation literature	Scenario-based experiments of 103 MBA students (Study 1) and 83 purchasing professional (Study 2)
Tomlinson, Dineen and Lewicki, 2004	Journal of Management			X	X	X	Trust repair	Policy-capturing study involving 39 graduate business students each making 48 decisions on a negotiation between small business owners
Zaheer, McEvily, and Perrone, 1998	Organization Science	X			X		Inter-organizational relationships; organization economics	Survey of 107 buyer-supplier exchange relationships in the electrical equipment manufacturing industry

Note: 1 = antecedents of IOC; 2 = forms of IOC; 3 = management of IOC; 4 = consequences of IOC; and 5 = moderating factors in IOC.

pre-transgression. By assessing baseline characteristics of the state of the relationship, these works have the potential to offer interesting insights into the specific damages done through IOC, and efficacy of various repair processes. Second, is an investigation into the potential causes of IOC. Clearly, there is room for overlap between these two facets, although the current focus of these literature streams has not delved into this possibility specifically.

In the work assessing baseline characteristics of relationships pre-transgression, there has been a strong focus on trust aspects. This is consistent with the observation that trust is one of the factors most affected by transgressions (Dirks et al., 2009; Robinson, 1996). Additionally, aspects of competency trust and integrity trust align closely with a commonly applied depiction of conflict in the broader literature as either integrity-based or competence-based (Kim et al., 2004, 2006), and provide a strong foundation for the application of attribution theory within this context (Reeder and Brewer, 1979). For example, Tomlinson and Mayer (2009) leverage attribution theory to inform their conceptual model of trust perceptions across multiple facets as a key consideration in IOC. While trust is certainly a critical pre-transgression state to consider, there are many other states of the relationship that are currently under-represented in this literature and worthy of inclusion in this stream. For example, Ganesan et al., (2010) consider aspects of affective and calculative commitment. As further explained below, there also appears to be an open opportunity for multi-level analyses. Most of the extant examinations have investigated an individual's level of trust in the partner, but as demonstrated by Zaheer et al. (1998), inter-personal and inter-organizational trust are different constructs, and inter-organizational trust may have a distinct effect on the level of conflict in the dyad.

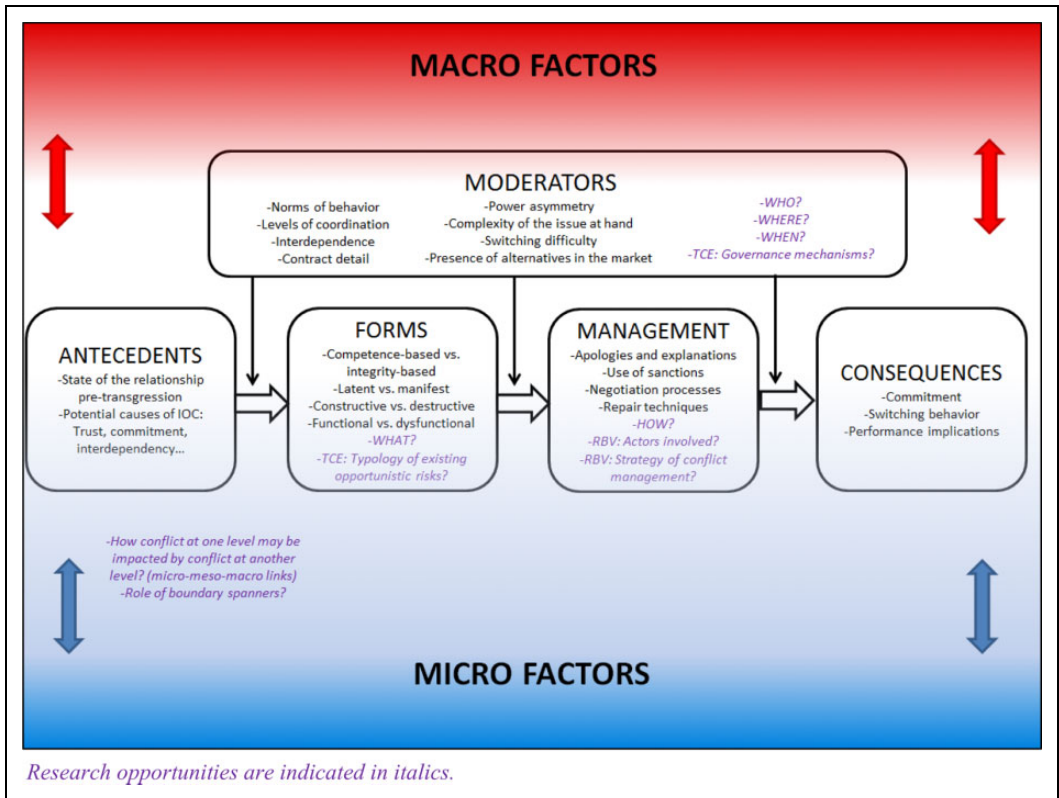


Figure 1. General framework of IOC research and illustrations of key opportunities.

Research efforts have also been focused on determining some of the specific causes for IOC. One consistent finding within this stream is the impact of inter-organizational interdependency (or rather lack thereof) that leads to conflicts between firms (Mohr and Spekman, 1994; Stern and Gorman, 1969). Molnar and Rogers (1979) echo the interdependency argument, but also extend the evaluation to other comparative properties of the interacting groups, such as the nature of organizational outputs and overlap in client groups. A complementary and comprehensive assessment by Habib (1987) identified numerous sources of conflict to include role deviance, allocation of scarce resources, divergence of goals, poor communication, and drives for autonomy.

Forms of IOC. The form that IOC takes has been described in numerous ways in the literature. As noted in the previous section, one commonly applied categorization of conflict type is competence-based versus integrity-based failures, which translates well to an inter-organizational domain. In competence-based failures, the skills or knowledge of the partner firm are being called into question, whereas integrity-based failures represent a much more fundamental issue involving the inherent behaviours and norms of the partner firm. Ganesan et al. (2010) undertake a more in-depth investigation into this latter type of transgression, parsing out unethical behaviours (i.e., a deviation from acceptable norms) and opportunism (i.e., an act with consequences specific to a particular partner) as two distinct manifestations of a lack of integrity.

A few other forms of IOC can be identified from the literature. For example, Frazier and Rody (1991) distinguish between latent conflict and manifest conflict. The former addresses an 'underlying state of incompatibility between two firms' regarding practices and policies, whereas the latter includes overt behaviours that impede the partner's achievement of goals (consistent with definition of 'conflict' provided in this overview). Another common distinction in the literature is between constructive and destructive conflicts (Deutsch, 1973; Dwyer et al., 1987; Hibbard et al., 2001), and similarly functional and dysfunctional conflict (Koza and Dant, 2007; Rose and Shoham, 2004). In one early example of this conceptualization, Assael (1969) details findings from a two-year study of General Motors in which dealer complaints led the automotive manufacturer to adapt some of its dealer policies, a constructive move that served to benefit both sides of the supply chain. These streams are noteworthy as they consider the potential for conflict to be a positive force in IORs.

Management of IOC. The management of IOC speaks to the types of repair actions undertaken to resolve a conflict. Much of this work has centered on specific actions taken by the transgressor in attempting to overcome damages done, such as the efficacy of apologies (Harmon et al., 2014; Tomlinson et al., 2004) and explanations (Janowicz-Panjaitan and Krishnan, 2009; Shapiro, 1991), and the use of sanctions (Nakayachi and Watabe, 2005). Another stream evaluates the negotiation processes that occur between the transgressor and victim. This approach embodies a more bi-directional and as such longitudinal perspective. For instance, the contentiousness of communications (Brett et al., 1998), the cooperative or competitive nature of the negotiation strategy (Lumineau and Henderson, 2012), the rights-based versus interest-based approach (Lumineau and Malhotra, 2011), or the resolution mode (e.g., litigation, arbitration, or mediation) (Johnson et al., 2002; Lumineau and Oxley, 2011; Richman, 2004) have been highlighted as important factors of conflict management between organizations across this literature. There appears to be a strong need for multi-level frameworks and empirical examinations regarding the management of IOC. Early work by Wall and Callister (1995) emphasizes the negative effect of conflict on emotions, satisfaction, and performance, dimensions that are clearly relevant at different levels of analysis. An example of a framework considering this multi-level approach was proposed by Dirks et al. (2009), which presents the need for affective, social equilibrium, and structural processes working conjunctively in the repair process for it to be optimally effective.

The channels literature has perhaps made the most significant strides in categorizing the various types of repair strategy. An early work by Dant and Schul (1992), classifies inter-organizational repair techniques as either problem solving, persuasion, bargaining, or political. Similarly, Ganesan (1993) evaluates problem solving, compromise, and aggressive negotiation strategies. Mohr and Spekman (1994) provide some additional framing to these classifications by identifying constructive resolution techniques (which includes joint problem solving and persuasion) versus destructive conflict resolution (incorporating domination and harsh words). A similar organizational structure was applied in Koza and Dant (2007), in which they identify integrative (i.e., problem solving and compromise) and distributive (i.e., passive aggressive and active aggressive) behaviours in the repair process. A few works have deviated from this general classification scheme. For example, research by Nakayachi and Watabe (2005) demonstrates the superior ability of voluntary hostage posting by organizations to repair trust following failure, as opposed to involuntary hostages/sanctions. Sitkin and Roth (1993) evaluate the effectiveness of legalistic remedies, finding them appropriate for concerns of reliability but not for those that are values-based. Yet another line of investigation borrows heavily from the psychology and inter-personal

domain to evaluate the effectiveness of apologies in an inter-organizational context (Kim et al., 2006; Tomlinson et al., 2004). The concept of attributions falls heavily in line with this stream, with the adequacy of explanations in an intra-organizational context being enhanced by such factors as specificity, reasonableness, and delivery modes (Shapiro et al., 1994). Similarly, factors influencing the effectiveness of internal and external attributions for conflict in an inter-organizational context are posited in Janowicz-Panjaitan and Krishnan (2009).

Consequences of IOC. In one sense, the consequences of IOC are a function of what the relationship was like pre-transgression, and from a research perspective what was measured prior to the conflict. This implies that the same baseline measures identified in the antecedents section above are informative regarding the consequences of IOC. As such, consequences of IOC that have been identified and examined in the literature include affective and calculative commitment (Ganesan et al., 2010), as well as normative commitment (Kim et al., 2011), and trust (Kim et al., 2004, 2006; Tomlinson et al., 2004). From an inter-organizational perspective, it has also been recognized that switching behaviour is an important consideration, as conflict can lead a firm to seek out new supply chain partners if the consequences are dire enough (Ganesan et al., 2010; Malhotra and Lumineau, 2011).

Interestingly, although conflict has been suggested to be one of the most relevant behavioural constructs for explaining performance differentials of IORs (Christoffersen, 2013; Reus and Rottig, 2009), little work has evaluated more objective consequences of IOC, such as performance or financial implications. Koza and Dant (2007) provide one exception (see also Demirbag and Mirza, 2000; and Steensma and Lyles, 2000), but their work actually shows that financial performance is not statistically significantly affected by either conflict resolution strategy employed nor the communication strategies established by the parties.

Moderating factors. A final consideration important in the IOC literature includes potential moderating factors. Numerous influences have been identified to date; some of these overlap with concepts discussed in other areas of the review, others have received more limited attention. Among those notable in the inter-organizational research domain include norms of behaviour (Ganesan et al., 2010), levels of coordination (Alter, 1990) and interdependence (Assael, 1969), the presence of alternatives in the market (Cannon and Perreault, 1999), and the size, stakes, and complexity of the issue at hand (Dant and Schul, 1992). Additionally, two recent works suggest switching difficulty (Gray and Handley, 2011) and contract detail and power asymmetry (Lumineau and Malhotra, 2011) to be key moderating factors when considering IOC. It is anticipated that this collection of factors, while important, only scratch at the surface of what is critical to consider when examining the conflict and conflict resolution processes in inter-organizational exchanges. In fact, most of those factors identified depict basic characteristics of the relationship or conflict. In the next section we highlight areas, such as consideration of who is engaged in the conflict and its resolution, where substantial opportunities for exploration remain.

Suggestions for future research

To seize the large variety of opportunities highlighted in our overview of the literature, we propose an agenda for future research on IOCs. We have organized our insights in Table 3 around a series of important questions that remain unanswered in the literature.

Table 3. Some Important Questions for Future Research on IOCs.

What?	Who?	Why?	How?	Where?	When?
What is a conflict? (Discriminant validity from related constructs, conceptual basis for the definition . . .)	Who is involved? (Organizations: size, experience, industry . . . ; Individuals: number, profile, diversity, functional background . . .) Are third parties involved? (Arbitrator, mediator . . .) Who initiates the conflict? (Top managers, boundary spanners, employees, external cause . . .) What is the influence of the partners' profile? (Bargaining power, reputation . . .)	Why do we have a conflict? (Intentional vs. non-intentional roots, formal vs. informal breach of contract, competence vs. integrity violation . . .)	How does the IOC develop? (Between organizations and within each organization, speed and directionality . . .) How is the conflict managed? (Internally vs. by third parties, legalistic vs. relational negotiation strategy, role of the formal and informal mechanisms . . .)	Where does the IOC take place? (Geographical dispersion of the partners, online vs. offline . . .) What is the influence of the context? (Cultural, institutional, legal, quality of ADR and court systems, industry norms . . .) What is the level of uncertainty and ambiguity of the environment?	When does the IOC take place? (Early in the relationship or after relational norms have developed) How frequent are IOCs in the relationship? (Rare vs. routine) How long have the boundary-spanning individuals been involved with managing the relationship? Does the IOC coincide with "external shock" to the relationship?
What are the different forms of IOCs? (Latent vs. manifest, constructive vs. destructive, functional vs. dysfunctional . . .) What are the relevant components of IOCs? (Severity, impact, length . . .)					

In the remainder of this section, we will discuss three sets of issues that we deem particularly important. Although we acknowledge that these three issues are somewhat related, we will tackle each point individually for analytical purpose. Our goal here is to suggest research ideas for future studies on inter-organizational conflicts.

Developing bridges with other streams of literature. Overall, ‘conflict management and dispute resolution has been a notoriously under-theorized area’ (Roche et al., 2014: 8). This observation is even more acute with IOCs. As we have shown in the previous section, IOCs characterize themselves by a number of specific mechanisms and dynamics. We believe that some of them, if not most of them, are unique to IOCs and cannot simply and directly be derived from the study of interpersonal conflicts for instance. To overcome this limitation, we not only encourage the development of new theories, we also think that well-known theories could be leveraged to further our understanding of IOCs. We draw on the examples of the Transaction Cost Theory (TCT) and the Resource-Based View (RBV) to illustrate how each theoretical lens is likely to provide new insights on IOCs.

One of the central assumptions underlying TCT is the belief that the risk of opportunism is inherent in many transactions. Opportunism is defined as ‘self-interest seeking with guile. This includes but is scarcely limited to more blatant forms, such as lying, stealing, and cheating [. . .] More generally, opportunism refers to the incomplete or distorted disclosure of information, especially to calculated efforts to mislead, distort, disguise, obfuscate, or otherwise confuse’ (Williamson, 1985: 6, 47). In particular, opportunism plays a key role in the ‘make-or-buy’ choice because without it cooperation will be the norm between parties to an exchange and promise will suffice to safeguard market transactions (Williamson, 1985: 31). It is opportunism that makes incomplete contracting in the marketplace hazardous and so leads to its replacement with internal organization. Interestingly, a large stream of research – in marketing (e.g., Brown et al., 2000; Stump and Heide, 1996), supply chain management (e.g., Handley and Benton, 2012), strategy (e.g., Lumineau and Quelin, 2012), and entrepreneurship (e.g., Deeds and Hill, 1999) – has studied opportunism in inter-organizational relationships. We see many untapped connections between this literature on opportunism and IOCs. While the literature is lacking a broad and systematic assessment of conflict type as it applies to IORs, IOC scholars may gain from existing typologies of opportunistic risks (e.g., Das and Rahman, 2002; Luo, 2006; Wathne and Heide, 2000) to further disentangle the nature of conflicts. More broadly, we invite future research to further study specific typologies of conflicts at the inter-organizational level. We also see a need to elaborate on the definition of conflict itself to understand, for instance, how it relates and/or differs from breach, transgression, dispute, violation, and other disruptive acts. The large TCT literature may also prove useful to advance IOC research on the role of governance mechanisms to deal with conflicts. For instance, Wathne and Heide (2000) suggest four key forms of opportunism (i.e., evasion, refusal to adapt, violation, forced renegotiation) with distinct outcomes and, in turn, propose distinct strategies for managing opportunism (i.e., monitoring, incentives, selection, socialization). We also see many opportunities to further analyze the role of contracts in IOC prevention and management. We specifically encourage scholars to extend our understanding of the different dimensions of contracts (such as their coordination and control functions in Lumineau and Malhotra, 2011) or the way contracts influence the development of trust and distrust between organizations (Harmon et al., 2014; Lumineau, 2015). Finally, in our view, studies building on the work of Handley and Angst (2014) to advance our knowledge on the manner by which the institutional environment (i.e.,

legal framework, culture, etc.) moderates the effectiveness of contracts in mitigating IOC promises to be an intriguing line of inquiry.

Another very influential theoretical approach, the Resource-Based View (RBV) is also likely to bring interesting insights to complement the IOC literature. RBV suggests that a firm's competitive advantage arises from its resources and capabilities which are valuable, rare, inimitable, and non-substitutable (Barney, 1991; Peteraf, 1993). We suggest that the ability to manage IOCs is a critical skill that may differentiate firms (Arino and de la Torre, 1998; Schreiner et al., 2009). For instance, it may be particularly useful to know which mix of actors (e.g., lawyers, managers, or engineers) is the most likely to support a 'conflict astuteness'. We also think that RBV could be used to analyze how firms should find a balance between a proactive strategy (e.g., carefully selecting business partners, developing good contracts, investing in relational norms, etc.) and a reactive strategy (e.g., developing negotiation skills, using ADR strategies, etc.) of conflict management. As such, we believe that RBV can be applied to understand how firms can develop conflict management capabilities and how these capabilities complement with other capabilities (e.g., marketing or technological) in creating a sustainable competitive advantage.

Our two examples are by no means exhaustive. Our primary goal has been to highlight opportunities to bridge the dialogue between macro scholars and conflict research. In addition to more theory development, we believe that the study of IOCs would also gain from multi-level analysis.

Developing multi-level models of conflict management. The relative dearth of theoretical developments specific to conflicts at the inter-organizational level is problematic because 'findings at one level of analysis do not generalize neatly and exactly to other levels of analysis, except under very restrictive circumstances' (Klein and Kozlowski, 2000: 213). To prevent any cross-level fallacy (Rousseau, 1985; Rousseau and House, 1994), scholars have to carefully specify how some functional relationships between constructs at the micro level may differ at the inter-firm level (Dansereau and Yammarino, 2000, 2005). For instance, it is critical to clarify how theories initially developed at the individual level apply, or not, at the inter-firm level. This effort should begin with a careful identification of key constructs, which includes the specification and theoretical justification of the level and nature of the construct (Klein and Kozlowski, 2000).

A major and frequent risk is to anthropomorphize organizations by treating inter-organizational conflicts as equivalent to inter-personal conflicts. Another striking finding of our overview of the conflict literature is that most research focuses on a single level of analysis, typically the individual *or* the organizational level. However, IOCs are inherently a cross-level phenomenon. Moreover, IOCs are not simply the sum of inter-personal conflicts. IOC scholars thus face a levels of analysis challenge (e.g., Dansereau and Yammarino, 2000, 2005; Rousseau, 1985). As IOCs involve a set of individuals working in different organizations, such conflicts imply interrelationships between individual/inter-personal (micro) and collective/inter-organizational (macro) levels. This micro-macro challenge is widespread in different fields of management research (see, for instance, the literature on individual/organizational learning or the literature on individual/organizational trust). To date, we still do not know much about how conflict is related across various levels of analysis. Little effort has been devoted to integrating how conflict at one level may impact and be impacted by conflict at another level. We believe this is one of the most important gaps in the conflict literature and we therefore call for more research connecting the study of IOCs with multi-level models of conflict management.

We also emphasize the importance of examining multi-level models in conflict research by combining top-down processes with bottom-up processes. IOC research should articulate how concepts at higher levels of analysis emerge from lower level entities and vice versa. This study of linkages across levels could draw on meso-level research; that is 'the simultaneous study of at least two levels of analysis in which (a) one or more levels concern individual or group behavioural processes or variables, (b) one or more levels concern organizational processes or variables, and (c) the processes by which the levels of analysis are related are articulated' (House et al., 1995: 73). While in the previous section we discussed the relative lack of theoretical constructs specific to IOCs, it is important to determine whether isomorphism exists among similar constructs at the different levels of analysis in order to build a meso model (Rousseau, 1985). In other words, IOC scholars should develop a 'mereology' of conflict as a theory of the relations of part to whole and the relations of part to part within a whole (Burkhardt et al., 2014). This formal study of the logical properties of the relation of the different parts of the conflict and the whole conflict situation would involve not only the macro to micro links but also, critically, the micro to macro links.

The development of multi-level models can be particularly useful to further understand the dynamics of conflict development across levels of analysis. A finer analysis of how micro and macro approaches are interrelated is likely to bring new insights on the way conflicts diffuse and escalate from the individual to the collective level (and vice versa). We suggest here that a focus on the role of boundary spanners can be fruitful for future research on IOCs. Boundary spanners are the managers in charge of the inter-organizational relationships (Currall and Judge, 1995; Perrone et al., 2003). They tend to be more closely involved in these relationships than other members of the organization. As the interface between organizations in an alliance, a buyer-supplier relationship, or a joint venture, they perform important functions with respect to communication (Schilke and Cook, 2013). In particular, boundary spanners gather and interpret information from the partner and transfer their interpretation to the rest of their organization. They therefore play a critical role in the development of a common understanding (Tolbert and Zucker, 1996). Boundary spanners often initiate the development of shared social meaning at the organizational level (Schilke and Cook, 2013). They convey their opinions, beliefs, and attitudes to other members of their organization, resulting in a progressive dissemination of their interpretations at the organizational level.

Overcoming the empirical challenges of conflict research. Despite the increasing number of empirical studies dealing with conflict management between organizations, scholars interested in this topic still face major empirical challenges. We now specifically investigate the data collection issue.

Actual IOC data is often difficult to collect. Large databases frequently used to study inter-organizational relationships – such as SDC, RECAP, BIOSCAN, or MERIT-CATI (see Schilling, 2009, for a review) – do not systematically report information on conflicts. In addition, scholars contacting firms to get information about IOCs have often to face confidentiality constraints. Firms do not like to discuss their problems and they tend to be reluctant to share sensitive information.

Four main quantitative approaches have been used so far to collect data on IOCs. First, a number of scholars have used survey research. In general, surveys have the advantage to be relatively easy to administer and can be designed around a unique research question. For instance, Habib (1987) mailed questionnaires to multinational joint ventures operating in the chemical and petrochemical industries and Mohr and Spekman (1994) conducted a survey to analyze the conflict resolution techniques in the relationships between computer dealers and their suppliers. Besides

the risk of low response rate related to the confidentiality issue, survey research on IOCs has to deal with many potential retrospective and hindsight biases. Collecting data through a survey about past conflicts is likely to be plagued by problems of over-simplification, faulty post hoc attributions, or simple lapses of memory (Miller et al., 1997). When asked about their involvement in IOCs, respondents may try to report a subjective and socially desirable image by casting a light of rationality upon their past decisions (Feldman and March, 1981; Golden, 1992).

Second, another group of scholars has conducted quantitative analysis of IOCs from interviews. For example, Molnar and Rogers (1979) collected data on 147 dyadic relationships in networks of natural resource organizations through interviews conducted with top administrators. Dant and Schul (1992) contacted by telephone 374 franchisees representing 26 major fast food restaurant chains to solicit their participation in a subsequent personal interview. These interviews focused on conflict resolution processes within the franchised channels of fast food restaurants. Even though this approach does not eliminate the retrospective biases mentioned above, it allows IOC scholars to interact with the respondents and ask for clarification. In line with this approach, we also see many opportunities for future research on IOCs to conduct content analysis to quantify qualitative data; that is 'taking transcripts of narratives or interactions and coding them numerically for quality, valence, or frequency, and using these variables in statistical analyses' (McGinn, 2006: 139).

Third, although still rare, a couple of studies have managed to collect secondary archival data on IOCs. In their study of how organizations respond to adjudicated conflicts, Conlon and Sullivan (1999) collected data on 117 disputes involving corporations from disputes litigated at the Court of Chancery of the State of Delaware, USA. More recently, Lumineau collected information about 102 buyer-supplier conflicts from legal files concerning contract disputes handled by one law firm in Western Europe. Each legal file contained between 800 and 5,000 pages and included the original contract, along with any contract revisions that were made prior to the dispute as well as all documents exchanged during the dispute resolution process. In addition, the lawyers in each case obtained from the clients all potentially relevant information related to the initial context of the relationship, the origins of the conflict, and its progression over time. In total, over 150,000 pages of documents were collected and analyzed. This large dataset was used to evaluate the effects of contract structure on trust and on the likelihood of continued collaboration (Malhotra and Lumineau, 2011), to estimate the likelihood of litigation in different exchange settings (Lumineau and Oxley, 2011), or to further understand the dynamics of cooperative and competitive negotiation strategies in IOCs (Lumineau and Henderson, 2012). The use of archival data may be a great way to collect real time data (such as the actual communication exchanged between the firms during a conflict) and thus circumvent some of the issues discussed above about retrospective biases.

Fourth, opportunities exist to conduct research on IOCs with experiments. Experiments have the advantage to provide dependent measures that are easy to interpret and directly address the theories being tested. Another key benefit of this methodology is that it can establish causality more conclusively than observational research or case studies (Croson et al., 2007). For instance, in their recent studies, Harmon et al. (2014) used experiments to investigate how contract violations are interpreted, and Eckerd et al. (2013) evaluate the impact of psychological contract violation in IOC. Despite their benefits, experiments also come with serious potential pitfalls to study IOCs. As the scenario reflects artificial situations and the laboratory context is abstract and unrealistic, experiments may lack external validity and may not tell us much about the real world of conflict. Another important limitation in using experiments for the study of IOCs is that this empirical approach usually involves a single decision-maker. As discussed above, a lack of clarity about levels of analysis may be a critical issue to analyze conflicts as inter-organizational phenomena.

In addition to these quantitative approaches, the IOC field has also much to gain from qualitative studies. Case studies are specifically promising to enrich our understanding of the dynamics of IOCs (e.g., Egels-Zandén and Hyllman, 2011). Longitudinal analyses allow researchers to delve deeply into the contextual factors, motives, and process involved in IOCs. Of course, this benefit comes at the price of a potentially limited generalizability of the findings beyond the specific conflicts under study.

IOC scholars, therefore, have to overcome a series of empirical challenges. To prevent and mitigate some of the issues discussed above, we encourage researchers to acknowledge respondents' possible emotional attachment to such sensitive concerns and to rely on multiple respondents where possible. They should also combine multiple forms of data to foster triangulation (Jick, 1979), validate each data source and enrich their interpretation of the data (Golden, 1992). IOC studies would also benefit from an expansion of its current set of research methodologies.

Conclusion

Despite the pervasiveness of conflict in IORs, there exists a scarcity of research on IOC relative to research on conflict between individuals. Moreover, research on conflict at these different levels has largely developed through 'intellectual silos' without much focus directed towards their integration. Although important distinctions exist between IOC and inter-personal conflict, there are many opportunities for cross-fertilization between micro (individual level) and macro (organizational level) research on conflict management. It holds promise to advance our understanding of conflict and increase the creativity of the field. For instance, we propose future research which theoretically and empirically examines how conflict at one level impacts, and is impacted by, conflict at another level. Additionally, we identify opportunities to build theoretical linkages between the nascent IOC literature and well-established perspectives such as transaction cost theory and the resource-based view. We therefore encourage macro scholars in strategic management, marketing, supply chain management, or information systems (among others) to enter this field of research. They have much to contribute to this important issue. This effort should also be reflected in PhD training and may lead business schools to develop specific courses on negotiation and conflict management between organizations. Future research should aim to improve our understanding of how IOCs operate within these more complex constellations. We hope that *JSCAN* will provide a forum to deal with these issues.

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