From B2B Collaboration to B2B Nightmare: ACN Case Study

Emilie Bourdages (UQAM School of Management)

Abstract: Inter-organizational collaboration is often viewed as a golden opportunity to improve performance. Yet, it can quickly turn into a nightmare. As we say, the road to hell is paved with good intentions. While researchers focused on collaboration success factors, main problems have been overlooked. Therefore, this research aims to explore main problems in inter-organizational collaboration and best practices to overcome them. ACN was selected as a case study. Five semi-structured interviews allowed us to identify three problems (*inappropriate governance, opposite corporate cultures, difficult context*) and one potential solution (*external specialists*). Results indicate that these problems are interrelated, and thus created a quicksand in which partners were trapped. Clearly, managers need to know how to escape from this nightmare.

Keywords: Collaboration, inter-organizational relationships (IORs), problems, dark-side manifestations, best practices, regional tourism associations

Introduction

Inter-organizational collaboration is often viewed as a golden opportunity to improve performance. Regardless of the type of collaboration (e.g., coopetition, private-public partnerships, regional alliances), expectations are usually high. Sharing knowledge and costs, as well as improved products and services are strong arguments to convince leaders to embark on this journey. Yet, it can quickly turn into a nightmare. Partners can destroy each other while trying to collaborate. As we say, the road to hell is paved with good intentions.

While the success factors of collaboration have been extensively studied, the dark side of inter-organizational relationships remains mysterious. Problems, infractions, conflicts, errors... We know little about the main issues that a collaboration may face. Kelly, Schaan and Joncas (2002) analyzed key challenges during the first year of inter-organizational collaborations. They found out four types of problems (*relational, operational, strategic and performance*). Otherwise, researchers mainly studied one problem at a time. According to Oliveira and Lumineau (2019), researchers should rather analyze all *dark-side manifestations*[1] simultaneously.

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[1] Oliveira and Lumineau define dark-side manifestations as the negative dimensions of inter-organizational relationships (IORs). The three principal manifestations are conflict, opportunism and unethical practices.

The notion that IORs experience only one dark-side manifestation at a time is nevertheless problematic. The findings of in-depth studies in alliances are suggestive of the coexistence of conflict, perceived unfairness, and dysfunctional behaviors (Ariño & de la Torre, 1998; Doz, 1996). In a given IOR, the dark side probably occurs as a "bundle of manifestations" in the sense that a set of dark-side manifestations may be tied together. We suggest that our knowledge about the manifestations of the dark side will remain incomplete without systematic research that explores the consequences of the interplay between manifestations in terms of intensity, scope, and duration. […] Studies of the interplay between dark-side manifestations could explore how one specific manifestation might evolve or escalate to other manifestations. (Oliveira and Lumineau, 2019: 9)

Knowing the problems to avoid is a first step. Understanding their interaction is essential to cope with them. Managers need both to improve collaboration performance. Therefore, this research aims to explore main problems in inter-organizational collaboration and best practices to overcome them.

This exploratory research took place in the tourism industry. ACN[2], a disastrous collaboration between two regional tourism associations (RTAs), was selected as a case study. Five semi-directed interviews allowed us to identify three problems (*inappropriate governance, opposite corporate cultures, difficult context*) and one potential solution (*external specialists*). Results indicate that these problems are interrelated, and thus created a quicksand in which partners were trapped. By analyzing and sharing this negative experience, this research will help other collaborations to avoid the same pitfalls. In addition, the use of external specialists is discussed as a potential solution to escape this nightmare.

Literature Review

Inter-organizational Collaboration: An Integrating Concept

Inter-organizational collaborations are more popular than ever. Whether private or public, organizations dare to venture out of their comfort zone. Some are going progressively, starting with more informal forms of cooperation. Others are going straight to coopetition relationships. Indeed,

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[2] Pseudonym used to protect the real identity of the case study.

a wide variety of options are available to business wishing to interact with other organizations. Are they all considered collaborations?

First of all, there is no smoke without fire ... A wide variety of terms implies that they are not all equivalent. Indeed, levels of involvement and interaction vary widely, as do governance structures or anticipated outcomes (Bramwell and Lane, 2000). The use of the transactional-relational continuum as a theoretical framework makes it possible to capture the great diversity of inter-organizational exchanges. Nevertheless, are these differences sufficient to justify a new denomination? This is subject to debate. Should we analyze them separately? No. At least, this is the opinion of some researchers (Bramwell and Lane, 2000; Fyall and Garrod, 2004; Lumineau, Eckerd and Handley, 2015), who use collaboration as an integrating concept. It is also the vision we adopt.

According to Fyall and Garrod (2004), several industries have their own names, thus multiplying denominations evoking the same phenomenon (e.g., coalition, alliance and consortium). In addition, the terms are often used interchangeably, even if they don't correspond to the same type of collaboration (Fyall and Garrod, 2004). Although unravelling the terminology of inter-organizational collaboration is desirable, this is not necessary in this study. Moreover, opting for an integrating vision of the concept of collaboration does not unnecessarily limit the scope of the study (Bramwell and Lane, 2000) or complicate it further (Fyall and Garrod, 2004). Therefore, all inter-organizational relationships corresponding to the selected definition will be considered in this study.

Most definitions of inter-organizational collaboration are in a similar vein. Developed following an interdisciplinary systematic review of collaborations, the definition of Mattessich, Murray-Close

and Monsey (2001) wisely integrate some fundamental aspects, such as reciprocity, common vision and commitment.

> Mutually beneficial and well-defined relationship entered into by two or more organizations to achieve common goals. The relationship includes a commitment to mutual relationships and goals; a jointly developed structure and shared responsibility; mutual authority and accountability for success; and sharing of resources and rewards. (p. 59)

Inter-organizational Collaboration: Main Problems

According to Kelly, Schaan and Joncas (2002), there are four types of inter-organizational problems: *relational, operational, strategic,* and *performance*. Although their classification was developed analyzing the challenges of the first year, it remains applicable to problems occurring at any time during the collaboration. Considering that there is a strong asymmetry in the diversity of relational problems with the other types, this section is divided in two. Relationship problems are first exposed, followed by other types of problems.

Relational Problems.

Representing more than 50% of the sources of inter-organizational conflicts during the first year, *relational problems* must not be underestimated (Kelly, Schaan and Joncas, 2002). Yet many managers believe that these are only minor distractions (Kelly, Schaan and Joncas, 2002). Kelly, Schaan and Joncas (2002) include in this category *communications problems*, *cultural differences* and *roles and responsibility problems*. In addition, there are *interpersonal issues, information asymmetry, power asymmetry* and *opportunism* (Habib, 1987; Mele, 2011; Tidström, 2014). Some of these problems overlap or are interrelated. It's common that a first problem leads to another.

Many inter-organizational collaborations struggle to establish and maintain efficient *communications* (Kelly, Schaan and Joncas, 2002). Physical distance, language differences, personal animosities and complex bureaucratic structures are among the most cited reasons for such problems (Kelly, Schaan and Joncas, 2002). Both quality and frequency of communications

suffer. Furthermore, misunderstandings are common among inter-organizational relationships (Kelly, Schaan and Joncas, 2002).

Cultural differences problems arise when there is an incompatibility between national or organizational cultures of the partners (Kelly, Schaan and Joncas, 2002). Undoubtedly, collaboration between partners of different nationalities can be difficult when the values, beliefs and inherent behaviors are contradictory. For example, punctuality is of great importance in North America, while it is much less important in other parts of the world. Also, contract interpretation can create tensions, since some terms don't have the same meaning in all cultures. Accumulation of irritating situations, even when unintentional, can seriously hinder collaboration, or prematurely end it (Kelly, Schaan and Joncas, 2002).

Differences in organizational culture are less predictable, but equally damaging (Kelly, Schaan and Joncas, 2002; Delerue, 2005). Each organization has its own values and ways of working. While some companies encourage their employees to think outside the box, others prefer that they perform their tasks according to pre-established rules (Kelly, Schaan and Joncas, 2002). Some organizations are very methodical and need to plan everything in advance. In contrast, other organizations are recognized for their flexibility and ability to respond to unforeseen events. Intra-organizational relationships can be hierarchical or informal. Organizational philosophies vary enormously. Not only can this be problematic when they are diametrically opposed, but the situation can easily deteriorate if the partners try to impose their methods.

In terms of *roles and responsibility problems*, these typically manifest as confusion about the responsibilities of each partner (Kelly, Schaan and Joncas, 2002; Mele, 2011). This occurs when organizations have not determined each other's roles or when they are misunderstood or challenged. Indeed, a partner may be dissatisfied with the nature or degree of responsibility granted

(Mele, 2011). For example, an organization may consider that the *leadership* role should have come back to them. It's common for *role and responsibility problems* to paralyze the collaboration actions until the conflict is resolved (Kelly, Schaan and Joncas, 2002; Delerue, 2005). These problems can also be seen in a broader way and refer to the paradoxical nature of coopetition (Tidström, 2014). Indeed, parties involved in a coopetition are both collaborators and competitors. This duality of roles creates a natural tension that can have relational and strategic repercussions (Tidström, 2014).

Interpersonal problems are provoked in various ways: employees who don't like or work well in a team, incompatible personalities, a rivalry between two people in the same position in their respective companies or a relationship deteriorated by external factors (Kelly, Schaan and Joncas, 2002; Mele, 2011; Tidström, 2014).

Asymmetry of information is another example of relational problems (Tidström, 2014). In this case, the problem doesn't lie in the way of communicating, but in its content. One of the advantages of inter-organizational collaboration is the sharing of knowledge (information and know-how) (Chin, Chan and Lam, 2008). Knowledge can be a great competitive advantage for a company (Chin, Chan and Lam, 2008). Thus, many organizations only partially share their knowledge or refuse to do so. Some of them claim to share information when they don't. This can seriously affect the relational aspects of collaboration. Furthermore, it prevents partners to create a mutually beneficial synergy effect and to exploit the full potential of their collaboration (Tidström, 2014).

Power asymmetry occurs when power is not evenly distributed among the involved parties. Although it can take various forms (financial, technical, political, emotional, etc.), power is rarely evenly distributed (Tidström, 2014).

Finally, *opportunism* problems are among the most dangerous for the collaboration survival (Williamson, 1993; Ganesan, Brown, Mariadoss and Ho, 2010; Tidström, 2014). By definition, an opportunistic person always prioritizes his own interests, even if this is done to the detriment of others. In an inter-organizational context, opportunism refers to a "transgression of the norms of a specific business relationship through behaviors such as evading obligations, taking advantage of contractual loopholes, and exacting unfair concessions when market conditions allow" (Ganesan, Brown, Mariadoss and Ho, 2010: 362). Inspired by Tjosvold, Wong and Wan (2010), Tidström (2014) defines it as "the tendency to exploit partners in the zealous pursuit of self-interest using guile" (p.263). Obviously, partners who have been wronged may feel angry, disappointed, betrayed, and even crave for revenge (Ganesan, Brown, Mariadoss and Ho, 2010). This can easily turn into interpersonal conflicts.

Operational, Strategic and Performance Problems.

Operational problems include many technical difficulties that can be experienced by partners (Kelly, Schaan and Joncas, 2002). They must pool their products, technologies, expertise and structures. Even if the relationship is good, it requires some adaptation and is rarely done without complications (Kelly, Schaan and Joncas, 2002). Lack of knowledge or understanding of partner products, process incompatibility and technological disparities are examples of operational problems (Kelly, Schaan and Joncas, 2002). Although the aforementioned problems are specific to inter-organizational relations, partners can also encounter the same problems as organizations working alone. For example, poor estimate of production costs, unrealistic timeframe, or unsatisfactory product quality is also considered as an operational issue (Kelly, Schaan and Joncas, 2002).

Strategic problems relate to tensions that may arise from different visions and goals among partners (Kelly, Schaan and Joncas, 2002). In a coopetition context, the parties involved have both common

and individual interests. Although these are not necessarily contradictory, there are times when organizations have to choose between the two.

Performance problems occur when one or all partners don't achieve established goals. (Kelly, Schaan and Joncas, 2002). Indeed, unsatisfactory performance of collaboration usually leads to questioning that can cause tension between the parties involved.

Inter-Organizational Collaboration: A Multi-Level Analysis

According to Rousseau (1985), examining the interplay of three levels of analysis helps to better understand the complexity of inter-organizational relationships. Moreover, this multi-level approach is rare in the literature on inter-organizational collaboration (Lumineau, Eckerd and Handley, 2015). After conducting a systemic literature review on inter-organizational conflicts (IOCs), Lumineau, Eckerd and Handley (2015) urged researchers to adopt a more integrative vision.
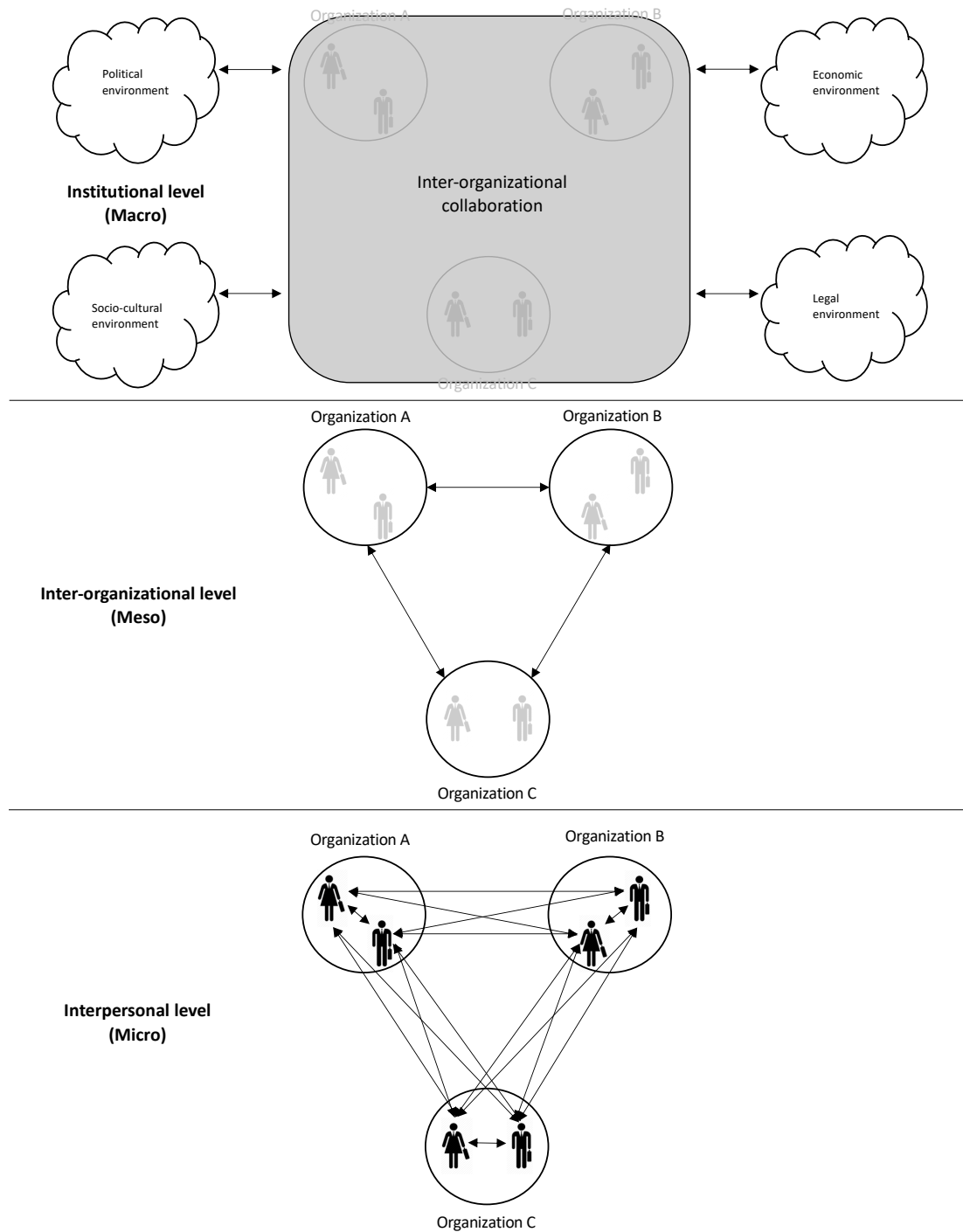
> Another striking finding of our overview of the conflict literature is that most research focuses on a single level of analysis, typically the individual or the organizational level. However, IOCs are inherently a cross-level phenomenon. […] To date, we still do not know much about how conflict is 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. (Lumineau, Eckerd and Handley, 2015: 55)

Therefore, this research integrates three levels of analysis in his theoretical framework. First, the *micro*-level corresponds to interpersonal relationships that take place in the context of an inter-organizational collaboration. This includes interactions between employees of different organizations and between employees of the same organization (Leroy, Cova and Salle, 2013). Then, the *meso*-level shifts the focus of individuals to organizations that collaborate with each other. Finally, the *macro*-level corresponds to the institutional level in which inter-organizational

collaborations evolve, including political, economic, socio-cultural and legal contexts (Leroy, Cova and Salle, 2013). Figure 1 illustrates the multi-level approach as described.

Figure 1 Multi-level Approach

Political environment

Economic environment

Socio-cultural environment

Legal environment

Inter-organizational collaboration

Organization A

Organization B

Organization C

Institutional level (Macro)

Organization A

Organization B

Organization C

Inter-organizational level (Meso)

Organization A

Organization B

Organization C

Interpersonal level (Micro)

Methods

Research setting

This study adopts a qualitative, exploratory and inductive method. This more flexible approach is perfectly in line with the constructivist paradigm that holds that the world is a social construction and there are multiple realities (Jennings, 2001; Altinay and Paraskevas, 2008; Denzin and Lincoln, 2008). Inter-organizational collaborations represent a particular context where each partner usually has his own perception of reality. Moreover, each employee has its own perception. It's through the interplay of these multiple realities that we can make sense of events.

The qualitative approach is also justified by the sensitive nature of the study. Although the philosophy of learning through failure is spreading, a large part of the population still considers failure a taboo. Same goes for all the dark-side manifestations. A qualitative approach, particularly through in-person interviews, is more appropriate to build participants' confidence and offer them the opportunity to contextualize their failures. Moreover, the richness offered by qualitative data will allow us to better understand the complexity of inter-organizational collaborations.

In addition, the exploratory goals of this research clearly dictate a qualitative and inductive approach (Altinay and Paraskevas, 2008). Qualitative data are needed in order to increase the knowledge of the scientific literature, as they offer a depth and a diversity of responses that can only be provided through qualitative research (Veal, 2006; Malhotra, 2011).

This research adheres to the methodological tradition of grounded theory (Glaser and Strauss, 1967). This inductive approach argues that theory must emerge from the continuous interaction between theoretical analysis and field data (Glaser and Strauss, 1967). Thus, the researcher must keep an open mind and not limit himself to his first ideas, as these will inevitably evolve during the collection of empirical data (Strauss, 1987). Therefore, there are no starting hypotheses (Glaser and

Strauss, 1967). That doesn't mean that the researcher is not informed about the appropriate literature, but rather that he gives himself the right to be surprised by the primary data he will collect.

Data Collection

This case study is part of a larger research on inter-organizational collaboration main problems and best practices to overcome them. As an exploratory study, a research field of one month was conducted in the province of Quebec. From July 12, 2016 to August 10, 2016, the researcher conducted 13 semi-directed interviews with employees from five regional tourism associations (RTAs). These RTAs have a lot of collaboration experience with each other, but also with other Quebec RTAs, government agencies, private companies and non-tourism organizations. The aim of these interviews was to guide the researcher in designing the larger research. During the interviews, it became clear that two of these RTAs were currently experiencing a disastrous collaboration. Thus, interviews were added to collect different points of view. On the 13 interviews, 5 were realized with employees of the ACN, including both CEOs. Although the other interviews provide some information, this case study is mainly based on five interviews.

Participants were selected through purposive sampling, using specific criteria. The researcher first had to determine which people were most likely to possess the information sought. In this study, the researcher had to interview: (1) Employees of the ACN, (2) coming from both RTAs composing the collaboration and (3) who were directly involved from the inception of the collaboration. Potential participants were contacted directly with a personalized email and a research flyer attached. They were asked to participate in a study on tourism collaboration main problems and best practices to overcome them. At this stage, no mention has been made of the researcher interest in the ACN case.

Semi-directed interviews have been selected as the main data collection tool in order to access employees' perspectives on how ACN collaboration turned into a nightmare. While some documents may complement or support the stories of the participants, responses to our research question lies only in the memories of ACN employees. Because of the sensitive nature of the study, in-person interviews were essentials. Not only can problems be taboo, but ACN was their actual work environment. Thus, the researcher interviewed all the participants in their office. All interviews lasted between 90 and 120 minutes and were recorded. An interview protocol was created and pretested before going on the field. The interviews were followed by informal discussions, which gave additional data.

At the beginning of each interview, participants were asked to talk about their career path. This helps participants feel more comfortable. Moreover, the researcher can better understand the participants, from their viewpoints to their actions. Participants were then invited to talk about their worst experience in a tourism collaboration. All participants had the same answer: ACN. At that point, they didn't know that the researcher was here mainly to discuss about that particular case. From there, each interview evolved in a different way. Some participants really needed to talk about the toxic situation in which they were trapped. In these cases, few questions were necessary. The researcher simply followed the participant rhythm and structure. In the other cases, the researcher was more directive to assure that all important points were covered.

Surprisingly, none of the participants were reluctant to discuss the case. In fact, they had never taken the time to step back and analyze the situation. It was perceived as a constructive exercise. Once they had nothing else to add on the reasons why ACN was a disaster, participants were invited to speak about the attempted solutions. Finally, the last part of the interview focused on the lessons learned from this experience and on the advice they would give to a new tourism collaboration. It was important to end the interviews on a positive note.

Data Analysis

Our analysis of qualitative data is based on the principle of data coding, which can be defined as the action of extracting and developing concepts from raw data (Corbin and Strauss, 2008). There are different ways to encode a text. Codes, one or more words that perfectly summarize what is expressed by the data, may come from the researcher or the respondents themselves (Corbin and Strauss, 2008). *A priori* codes come from the theoretical knowledge of the researcher (Bazeley and Jackson, 2013). Conversely, *in-vivo* codes are derived directly from the data and use the exact words or phrase used by the respondent (Corbin and Strauss, 2008).

Following the principles of grounded theory (Glaser and Strauss, 1967), the first round of coding is an *in-vivo* coding, using participants words to avoid restricting or distorting the meaning of the data. Once all interviews have been coded, we proceed to a second coding cycle, called axial coding (Corbin and Strauss, 2008; Tracy, 2013). In axial coding, the researcher examines *in-vivo* codes in a critical way and check whether it is possible to rename or group some of these codes by concepts present in the scientific literature (*a priori* codes). It is an iterative process and each interview is coded at least twice. Although the *a priori* codes gradually replace the *in-vivo* codes in order to facilitate the interpretation of data (Bazeley et Jackson, 2013), some are retained when they are so eloquent that they cannot be replaced advantageously by an existing theoretical concept.

As Mantere and Ketokivi (2013) explain, the process of analyzing data can be divided in two steps: *computation* and *cognition*. During the *computational* stage, researchers must demonstrate a lot of discipline and follow the same procedure again and again to organize and really understand their data. It is a rational step that can take several months and that is considered "researcher-invariant" (Mantere and Ketokivi, 2013), meaning that every researcher who execute those procedures will arrive to the same results. Conversely, the second step, *cognition*, needs creativity. According to Mantere and Ketokivi (2013), "abduction involves an active researcher formulating- through at

least partly idiosyncratic cognition - various generic statements as explanations or interpretations of the data" (p.73). Thus, during the cognition phase, each researcher with the same set of data will probably arrive to different findings. Theoretical contributions do not emerge from the field, they are created during the cognition phase. Both phases, computation and cognition, are essential to fully exploit the potential of our data.

Results

ACN Horror Story

Following the launch of the 2012-*2020 Tourism Industry Strategic Plan* by Tourisme Québec, many regional tourism associations (RTAs) decided to join forces for developing and promoting their destinations. DLS[3] and MCN[4] were among these. Both could benefit from the same development strategies and, being adjacent, they sought to develop a common branding for their regions. A merge was even discussed, but the RTAs decided to remain independent. This new alliance had major impacts on both RTAs. From then on, they had to follow a common strategic plan and work in a complementary way. To avoid creating an asymmetry of power between the RTAs, the CEOs refused to appoint a single leader and preferred to have equal powers. Thus, a two-headed leadership was established.

At first, their alliance was going in the right direction. During the first year, they developed their strategic plan and both RTAs were proud of it. Problems began in 2013 during the implementation phase. As the number of conflicts increased, a gap widened between the two RTAs. Over time, their rivalry became unhealthy.

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[3] Pseudonym used to protect the real identity of this organization.
[4] Pseudonym used to protect the real identity of this organization.

After 18 months of constant fighting, a solution was attempted by the CEOs: hiring a CSR[5] consultant. He helped them create a single organization chart for both RTAs and organized team building activities. The aim was to reduce the ambiguity of responsibilities and to bring the two teams closer. However, the real problem wasn't solved. CEOs still had equal powers and were constantly fighting. Despite the CSR consultant actions, rivalry between RTAs remained the same and the working atmosphere became even more toxic.

CEOs endured another 6 months of this noxious atmosphere before reaching a dead end. At that point, it was completely impossible for them to keep working together. Still believing in the relevance of the collaboration between their RTAs, the CEOs asked their boards of directors for help. A former CEO of another RTA was hired to revise the collaboration governance.

In November 2015, the boards decided to cut both CEOs position and to hire a new CEO who will be responsible for both RTAs. Current CEOs were asked to stay in place until they found the perfect candidate. Nobody knew how long it would take. Or if one of the current CEOs would be nominated for the new position.

In August 2016, during the research field, the name of the new CEO was still unknown. CEOs had now spent 3 years fighting constantly. They were completely exhausted. Employees too. Everybody was eager for change. A change that was promised 1 year ago and didn't happen yet.

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[5] Corporate social responsibility

Figure 2 ACN Timeline
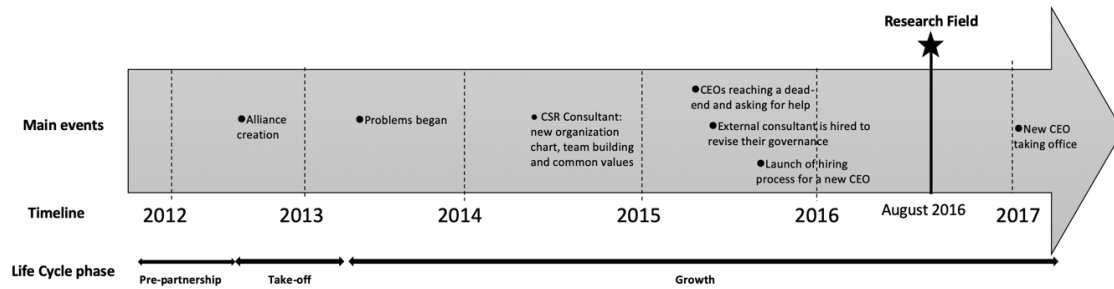
Main Problems

In-depth analysis of the ACN case has identified numerous obstacles to the collaboration performance. Once grouped, these form three main problems: *inappropriate governance, opposite corporate cultures* and *difficult context.*

Inappropriate Governance.

The collaboration governance was deemed problematic by all participants. Since the RTAs didn't merge, several positions were duplicated, including CEO. This created a great ambiguity of responsibilities and powers. While some tasks were duplicated, others were forgotten. The situation became particularly painful for employees when the two CEOs disagreed, since neither of them had the power to decide.

> This brought its share of incredible frustration. We never know where to stand with them. I'm supposed to execute the orders of my CEO, but here I have two CEOs and they always send me in different directions![6] (Participant # 3)

Disagreements between the CEOs became frequent. Instinctively, the employees were loyal to their respective CEO. This led to interpersonal conflicts between the RTAs. From then on, employees lost sight of the collaboration mission. Some of them were more preoccupied by winning the war against the other RTA. Others were confused about what direction to follow.

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[6] Please note that the interviews were all conducted in French, which is the native language of the participants and the researcher.

When there is no captain, when there is no agreement on the direction of a ship, each sailor tries to survive on his own, and totally ignores his commitment to ensure that whole ship goes forward. (Participant #13)

In 2014, ACN missed a golden opportunity to solve their governance problem. With the help of a CSR consultant, the CEOs developed a single organization chart for both RTAs. It was a step in the right direction, but the real problem wasn't addressed. CEOs insisted on maintaining the two-headed leadership. Without surprise, they kept disagreeing on everything. Every single decision was an endless fight. Overriding the decisions from the other CEO became frequent. Working atmosphere was unbearable. Both CEOs and employees were eager for a change.

It takes change, that's obvious [...] Me, I'm at the stage where I just want it to change. Do something! Let's try it, it can hardly be worse there! (Participant # 3)

In November 2015, the real problem of their governance was finally addressed. With the help of an external consultant, boards of directors have chosen to end the two-headed leadership. They created a new CEO position responsible for both RTAs. Although the boards expressed a preference for an outsider, they also indicated that they would accept applications from current CEOs. On one side, the CEO of MCN decided to apply and tried to put all the projects on hold until the nomination of the new CEO. On the other side, the CEO of DLS didn't apply, but he wanted to accomplish as much as possible before leaving. Once again, the CEOs were heading in different directions.

Unfortunately, the hiring process took longer than intended. Employees had to keep enduring this toxic atmosphere until January 2017, when the new CEO finally took office. Although the two-headed leadership was finally over, significant collateral damages have been caused. Some wounds will take a long time to heal.

Overall, *inappropriate governance* has been a major hindrance in the ACN case. Despite good intentions, the decision not to appoint a single leader from the start has caused a lot of damage. Although they had a chance to fix the situation by creating a new organization chart, having kept the two CEOs on an equal footing has perpetuated the problematic situation. Indeed, a two-headed

leadership is always complex to manage, even when the two leaders share a similar vision. Here, it became clear that the two CEOs, as well as their respective teams, had two working philosophies on the antipodes, which has further exacerbated the situation.

Opposite Corporate Cultures.

Corporate cultures of the RTAs were diametrically opposed. While one of them stood out for its flexibility and ability to handle the unexpected, the other had a Cartesian mind and foresaw everything.

> We have two really different teams. We are very ... not strict, but as in watchmaking, we are on time, square, and all that. They are more flexible, as long as it works. Two ways of thinking, so two different ways of working in the end. We like very much to plan ahead, [*the other organization*] is always last minute. (Participant # 11)

> Here, it may be excessive, we are very picky about all the details, about the quality of the work, and it takes more time. Obviously, we will respect the deadlines, but we will push it to the limits, to be as perfect as possible. Without reaching a neurosis, but almost. The organization of work in [*their organization*] seems to be 'we go with the flow, we respond to emergencies, we put out the fires. If people are not happy, they just have to sue us!' They really said it many times! (Participant # 13)

None of the RTAs were willing to compromise and adopt a mixed philosophy. This generated a lot of conflicts and maintained an unhealthy rivalry. Indeed, their sense of belonging was to their respective RTA, not to ACN.

> We have adopted official "common values", but our values are not the same! It's sad, but that's the reality. Their mentality versus ours, it's really two worlds! We have a way of working here, they have a way of working there. They think it's the best way, we think it's the best way. (Participant # 1)

> Of course, my team is [*my organization*]. I want to say that the team is ACN, but the feeling of belonging, we develop it with the people we interact with every day. And since we have so much difficulty understanding each other and collaborating, I don't have a great sense of belonging to the people who are in [*the other organization*]. (Participant #1)

Clearly, the problem is much more complex than a divergence in working methods. Lack of communication and lack of respect between the RTAs are commonplace. For example, decisions

taken jointly are often overridden without notice by one of the RTA. The other RTA is kept

voluntary in the dark.

> There are many decisions that have been made in compromise that were reversed by one
> side. And this reversal is not even mentioned to the other side! Of course, we live after with
> major consequences, with complete chaos. (Participant # 13)

In short, their *opposite corporate cultures* have deepened the gap between the two RTAs. Both

RTAs were caught in a vicious circle where their rivalry provoked anti-collaboration behaviors and

where these behaviors aggravated their rivalry. Currently, the majority of employees cannot

identify themselves as one team.

Difficult Context.

The internal context has become increasingly difficult with the two-headed leadership disaster, the

growing rivalry and the clash of the two working philosophies. But what about the external

context? An in-depth analysis was realized with the help of the participants. Obviously, there was

an additional pressure on the RTAs, which not only affected the collaboration performance, but

probably aggravated the internal problems.

In 2014, the Quebec Liberal government launched a review process of the business model and

governance in the tourism industry. Thus, all RTAs lived with a sword of Damocles over their

heads. No one could predict whether the RTAs would continue to exist or not. Both CEOs and

employees constantly feared to lose their jobs.

> The Liberal government was reviewing everything. I mean, everything! Quebec's tourism
> governance was completely revised. At one point, we didn't even know if we would have
> a job in a few months ... (Participant # 3)

> A lot of insecurity! Every day, motivating myself by saying, "I must accept to work with
> new people, but I must also accept that tomorrow, I would perhaps no longer have a job".
> That was it! It was in this world we were living, and it was like that for all tourism regional
> associations in Quebec. (Participant # 1)

Whether it is the external or internal context, there is no doubt that ACN employees experienced significant psychological repercussions. Professional exhaustion, depression, feelings of insecurity, lack of motivation, insomnia ...

> There are constant collateral damages every day, every day of the year. [...] Not only that destroyed me, but also my health. [...] I spend sleepless nights, and I'm crying my heart out. (Participant # 13)

> Coming back to my example of a couple, if you're always making compromises, it's completely breathless and it kills. It's okay to do it, it's life. We have to make consensus and compromise, but all the time, every day, every hour, it kills. In any case, it kills us. (Participant # 1, in tears)

> Me, I was coming back from a burnout. It completely knocked me down that way. I had a depression and a burnout. [...] I came back with a different perspective on my work. I tried not to put everything on my shoulders too, because we protect ourselves when we lived an event like that in our life, after that, we protect ourselves. (Participant # 1)

Although there are collateral damages, psychological repercussions became themselves inhibitors of success. Some exaggerated behaviors can be partly explained by the fact that employees are not at the top of their psychological form.

> I think my colleague was exhausted too, and it's very personal what I'm saying, but my colleague was really exhausted with this issue. She should have withdrawn for a while, like I did, which she didn't do. And that didn't help. (Participant # 1)

> It comes humanly very difficult, because .... I mean, every day, every subject is a battle. Every day, every time [...] It always ends up bitching on the other side. And I don't necessarily talk about the CEOS. Even among colleagues, we go crazy! There is one who acts like ... It's just impossible to act like that! We go crazy in our heads ... We may not talk about it openly, but we certainly feel that something is broken in both teams. (Participant # 3)

Overall, both internal and external contexts were major obstacles to the collaboration performance. In 2013, conflicts between RTAs became recurrent. The two-headed leadership turned into a disaster and a fierce rivalry was taking place between the two teams. External pressure was added in 2014 when the government reviewed the tourism industry governance. At this point, employees suffered severe psychological repercussions. This clearly exacerbated interpersonal conflicts between DLS and MCN. And the more severe the conflicts, the more severe the psychological wounds.

Potential Solution

In the ACN case, two solutions have been tested. Both had one thing in common: *external specialists.* A CSR consultant and a former CEO of another RTA were hired to fix ACN problems. Results suggest that ACN needed external help. Let's see how it went.

Early on, the coexistence of two organizational charts generated problems: confusion around the roles of each employee, loss of hierarchical references and power struggles between the two CEOs. These administrative problems have fuelled the rivalry between the two partners and things were getting out of control. CEOs decided to hire a CSR consultant to ease tensions. One of the first actions was to create a new organization chart.

> We realized that we can't move forward without having an ACN organization chart. And that was after a year and a half of problems. One organization chart… Two boards of directors, two CEOs, but only one organization chart. Like me there, my immediate superior, he's in the other RTA. [...] That was a nice step. A nice step forward, which was accomplished as part of a CSR approach, corporate social responsibility. We were helped by a consultant on this. (Participant # 3)

This administrative restructuring made it possible to better delineate the responsibilities of each employee. However, the main governance issue wasn't solved. CEOs insisted on keeping the two-headed leadership. In addition, several employees found themselves in a situation where their immediate superior was now in the other RTA. With the fierce rivalry going on, this was hard to accept for them. To facilitate the transition, the CSR consultant organized team building activities.

> The CSR consultant organized a meeting, where we were both teams together, on the pitfalls to take up, the challenges and all that, on the human side. [...] A whole day of mutual aid, listening and collaboration was organized and that was really fun. The CSR consultant has given us some solutions so that we can adjust and create a work environment that suits everyone. Where everyone finds a place and is respected in its individuality. (Participant # 13)

Although initially reluctant, employees really appreciated team-building activities. The CSR consultant taught them to better work together despite their differences. Yet, one of the two RTAs suddenly ended the CSR process.

That's why we needed a CSR approach. It was really helpful! But it was, we do not know why, set aside by one of the two RTAs who didn't want to know anything about it anymore […] Yet there was an extraordinary consultant who helped us. This approach, in my opinion, is one of the solutions. It may not be the only one, but the next CEO needs to put together a process like this. I mean, good corporate leadership, I think, comes from professionals who can help us work together in a humane and respectful way. (Participant # 13)

Indeed, the CSR approach has been too short to have long-term effects. Conflicts between RTAs quickly came back and got worse than ever. It took another six months of this toxic atmosphere for the CEOs to ask for help. This time, they reached out to their boards of directors. A former CEO of another RTA was hired to revise the collaboration governance. He was perfectly conscious of the various challenges RTAs are facing. He established several governance scenarios, analyzed them and presented his recommendations to the boards. Together, they selected the scenario proposing a single CEO of ACN and the maintenance of the two offices in place. A rigorous hiring process was therefore launched in November 2015. The new CEO took office on January 2017, 6 months after the research field.

Overall, we must emphasize the common point of the two solutions attempted, namely the use of external specialists. According to the participants, it is essential to be able to recognize one's own limitations and to admit that we need outside help. Not only do consultants provide specialized expertise, but they also bring an external point of view. They have an unbiased view of the problematic situation and are not emotionally bound to it. Thus, they can make more accurate and efficient decisions. Therefore, using external specialists should be investigated as a potential solution.

Discussion

This research aims was to explore main problems in inter-organizational collaboration and best practices to overcome them. The collection and analysis of primary data have revealed the views of ACN employees on the main reasons why their collaboration turned into a nightmare. Three main problems stood out, namely *inappropriate governance, opposite corporate cultures* and *difficult context.*

First, the two-headed leadership was deemed problematic by all participants, including CEOs who once fought to keep it. Deciding on the governance model of a collaboration is a crucial step. It will definitely affect the course of it. In ACN case, the fear of creating an asymmetry of power created *roles and responsibility problems* (Kelly, Schaan and Joncas, 2002; Mele, 2011). As CEOs shared the same vision and goals, the first year went off without too much clash. However, the situation quickly escalated afterward. CEOs didn't agree on how to achieve these goals. This created a power struggle, exactly what they wanted to avoid at first. Their repeated fights greatly affected the employees. They were confused about what to do and who to answer.

At the same time, a fierce rivalry was developing between the RTAs. Both had their own working philosophy and they decided they were incompatible. This generated a lot of *interpersonal problems* (Kelly, Schaan and Joncas, 2002). Their *cultural differences* (Kelly, Schaan and Joncas, 2002; Delerue, 2005) were not only problematic in themselves, but they exacerbated the governance issue. Or is it the two-headed leadership that intensified the rivalry? Results indicate that they both influenced each other.

What could have been temporary problems turned into a disaster because they were interrelated. Constant fighting among CEOs forced employees to choose sides. Partners became enemies. At that time, RTAs hated each other more than if they had never collaborated. This fierce rivalry was

putting pressure on the CEOs to win their disagreements. The more the CEOs were fighting, the more intense the rivalry was. Both RTAs were trapped in a vicious circle.

That situation led to *interpersonal problems* (Kelly, Schaan and Joncas, 2002), *communications problems* (Kelly, Schaan and Joncas, 2002), *information asymmetry* (Tidström, 2014) and *opportunism* (Williamson, 1993; Tidström, 2014). Participants had many stories to tell about lack of respect between employees. For example, one RTA tried many times to take advantage of the confusion around the two-headed leadership. They kept some information for them. Furthermore, they were overriding decisions without noticing the other team.

Considering all these relational problems, it's not surprising that participants described the work environment as toxic. External pressure was added in 2014 when the government questioned the existence of RTAs. In this *difficult context*, employees experienced severe psychological repercussions. No doubt they were on edge and more prone to interpersonal conflicts. Once again, we can observe the interplay between different problems. Clearly, the first two problems contributed to the emergence of the third one. At the same time, the difficult context and its psychological repercussions exacerbated the two-headed leadership issue and the fierce rivalry between RTAs.

Overall, the analysis of ACN corroborates Oliveira and Lumineau (2019)'s claim that dark-side manifestations most likely come in a "bundle". One problem leads to another. And so on. Each problem exacerbates the others. Long before they understand what's really happening, partners are trapped in quicksand. How can they solve these interrelated problems?

Two solutions were attempted by ACN. Both required the help of an external specialist. In the first case, a CSR consultant was hired to create a new organizational chart and organize team-building

activities. This first attempt didn't give the expected results. At that time, CEOs didn't realize that the main problem was the two-headed leadership. Having a single chart was a first step, but it wasn't enough. The two-headed leadership had to go. As for the team-building activities, they were promising. Employees were learning to work together despite their cultural differences. However, one CEO suddenly ended the CSR process. If it had been longer, would that process have been enough to end the rivalry of the RTAs? Hard to say.

The second attempt with an external specialist helps to deepen the reflection. This time, CEOs asked their boards of director to review the governance. A former CEO of another RTA was hired. Not only did he bring his vast experience, but he had an external perspective on the situation. He was able to analyze the problems in a rational way. After considering different scenarios, he recommended to end the two-headed leadership and that the new CEO be an outsider. Because of the strong rivalry between the RTAs, appointing one of the current CEOs to the new position wasn't a good idea. A fresh start was needed to save the collaboration.

Sadly, the hiring process was still going on during the research field. Therefore, we don't have all the details about the benefits of this attempted solution. All we can say is that ACN still exists today and that the "new" CEO has been in place for two years now. Hence, we can assume that using external specialists contributed to saving the collaboration. To what extent? We don't know yet. The researcher will go back to that field in part of a larger research project.

Conclusion

By analyzing and sharing the negative experience of ACN, this explorative study contributes to an emergent literature on inter-organizational relationships (IORs) dark-side manifestations. As Oliveira and Lumineau (2019) suggest, problems are interrelated. One problem leads to another. And so on. Each problem exacerbates the others. ACN employees felt like they were trapped in a quicksand. This is definitely a path more research needs to explore. Are problems always interrelated? Are partners always feel trapped in a vicious circle? If so, is it better to tackle problems individually or globally?

Besides, the fact that psychological repercussions hinder the collaboration performance is another avenue to explore further. Are they a problem in themselves? For the moment, the researcher has associated psychological wounds with *difficult context*, since it's the latter that generates them. This brings another question: Can the consequence of a problem itself become a problem? Is it systematic? Answers to these questions may help to better understand the phenomenon of quicksand participants were evoking.

Regarding the interplay of problems, we can also underline some interactions between different levels of analysis. Of the three main problems, two were at the inter-organizational level (*inappropriate governance* and *opposing corporate cultures*). The other (*difficult context*) overlaps two levels: internal context corresponds to inter-organizational level, while external context corresponds to institutional level. Both inter-organizational and institutional problems created interpersonal conflicts. Besides, these interpersonal conflicts exacerbated the inter-organizational problems. Furthermore, there was psychological repercussions at the individual level, which was not included in our theoretical framework. As Lumineau, Eckerd and Handley (2015) stated, it is crucial to consider different levels of analysis when examining inter-organizational relationships.

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