

THE ROLE OF IDENTIFICATION FOR KNOWLEDGE SHARING WITHIN COOPETITIVE ALLIANCES

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This paper explains how the interaction of multiple identities governs knowledge sharing in cooperative alliances, based on a comparative case study of two such alliances in the IT industry. Two identity mechanisms have been found to play an important role in this process: identity segregation and identity aggregation. Identity segregation provides operational efficiency by avoiding identity conflicts where no benefits can be expected from cooperation. Identity aggregation is required to alleviate the incommensurability of competitive and cooperative identities, which is indispensable for enabling true cooperative practice.

Keywords: coopetition, identification, alliances, knowledge sharing

1 INTRODUCTION

The effectiveness of organizations to create and utilize knowledge has been proposed to stem from their capacity to establish organizational identities; identity lowers the costs of coordination, communication and learning (Kogut & Zander, 1996). Identity thus represents a central mechanism to the very purpose of the organization: to enable a collective practice of knowledge sharing to integrate occupational specializations (Spender, 1996). Whereas a shared organizational identity would support knowledge integration, alliances are likely to pose a threat to this integration.

Particularly alliances that consists of competitors, with which cooperation and competition needs to be combined simultaneously, will likely threaten the organizational identity. In such cooperative alliances it is difficult to develop a common organizational identity, because the organization needs to sympathise with an entity that is simultaneously its rival. Cooperative alliances need to develop multiple identities to function effectively (Bengtsson & Kock, 2000). Therefore, cooperative alliances will likely provoke identity conflicts, both within each organization as well as across the alliance. Moreover, as cooperative alliances often are not contractually committed to collaboration, it is not feasible to rely primarily on hierarchical means of coordination or governance. Identity mechanisms are thus as essential to the context of cooperative alliances as they are problematic. The subject of identity is heavily underemphasized in the alliance literature, and only scarcely touched upon in literature on coopetition (Bengtsson & Kock, 2000); this research aims to amend this gap and build an understanding of how organizations with cooperative alliance enable knowledge sharing in the face of identity conflicts.

This paper demonstrates how the interaction of multiple identities governs knowledge sharing in cooperative alliances, based on a comparative case study of two such alliances in

the IT industry. The interaction of multiple identities lead to various types of identity conflicts that this paper will put forward. Two identity mechanisms have been found to serve to cope with these identity conflicts: identity segregation and identity aggregation. Identity segregation provides operational efficiency by avoiding identity conflicts where no benefits can be expected from cooperation. Identity aggregation is required to alleviate the incommensurability of competitive and cooperative identities, which is indispensable for enabling true cooperative practice.

We will start by exploring theory on identity as governance mechanism of organizations, subsequently focussing on the subject of multiple identities, which is especially important to organizations with cooperative alliances. We will then turn to our case study of two cooperative alliance in the IT industry, which has served to build our understanding of how organizations deal with the identity conflicts inherent to a cooperative practice. These case studies have revealed how multiple identities in cooperative alliances are either reconciled or separated. Finally, the broader implications of these results for alliance and knowledge theory are discussed, drawing special attention to the idea that identity discourses construct organizational reality rather than depend upon it.

2 THEORETICAL BACKGROUND

According to a knowledge-based view (KBV) of the firm, the function of an organization is to integrate the knowledge that is dispersed throughout the organization (Grant, 1996; Spender, 1998; Spender, 1996). In order to improve organizational learning, innovative capabilities, or competitive advantage, an organization is challenged to somehow integrate its dispersed knowledge, as it is “*knowledge not given to anyone in its totality*” (Hayek, 1945). Existing mechanisms such as organizational hierarchy, contractual obligation, monetary incentives, or mandated rules and regulations (Martinez & Jarillo, 1989) are not appropriate for this aim as they primarily integrate formal structures, such as business units, instead of knowledge. Integrating knowledge, however, requires informal, less explicit yet more complex mechanisms (Martinez & Jarillo, 1989). Even though the academic knowledge management (KM) literature has developed important insights, still little is known on how organizations are actually able to integrate their dispersed knowledge (Foss & Pedersen, 2004). This study aims to develop a better understanding of the role of identity through its focus on cooperative alliances, where multiple identities are of fundamental importance to success.

Fundamentally, organizational identity refers to the beliefs that individuals agree on regarding the question “What are we doing as an organization?” (Carlsen, 2006; Nag et al., 2007) Organizational identity is defined by the claims of individual members of what is distinguishing, enduring and central to the organization (Whetten & Albert, 1985). This definition sets organizational identity apart from the role system of an organization (Simon, 1991), which targets the functional roles of individuals. Also, it distinguishes identity from reputation, which is claimed by outsiders to the organization not individual members. As organizational knowledge and practice is ultimately determined by individuals, it depends on the identities of individuals to what degree this knowledge and practice is reflective of an organizational identity (Nag et al., 2007; Ashforth & Mael, 1989). The identity distinguishes an organization from other organizations through the identity discourse of an organization (Whetten, 2006). Important about identity discourse is that it produces rules of

exclusion by determining who may speak and what may be spoken of (Foucault, 1980). This reveals that identity and hierarchy are not separate mechanisms to enable knowledge sharing and practice; they have the potential to be mutually reinforcing, and are at the very least interdependent.

An important contribution to the literature on cooptation (Bengtsson & Kock, 2000) is the idea that the competitive and cooperative aspect of the relationship need to be separated, or be controlled by an intermediate organization. This implies that an organization that operates in a cooptative alliance needs to have multiple identities. *Identity plurality* and *identity synergy* have been described as two dimensions to categorize mechanisms to cope with multiple identities (Pratt & Foreman, 2000). Identity plurality describes under what circumstances multiplicity of identities is useful; identity synergy points to the integration of various identities: the degree to which they interact. *Identity aggregation* is defined as a coping mechanism where both plurality and synergy are high, *identity segregation* where only identity plurality is high. These are the coping strategies that have been considered important to a cooptative context, because the multiplicity of identities have been considered given. Instances of identity aggregation are the development of a *meta-identity* that reconciles multiple identities, or *multi-vocality*, which means that policy decision are multi-interpretable. The purpose of the case study is to reveal what coping strategies are employed in cooptative alliances to deal with the identity conflicts that are inherent to that context. The case study will be introduced in the following section.

3 INTRODUCING THE ITCOM CASE

“ITCOM” is a multinational IT organization with 388.000 employees worldwide and about 5000 in the Netherlands, that is particularly active and experienced in its alliance practice; it has been reported to have as many as 168 ongoing alliances. A comparative case study of two cooptative ITCOM alliances in the Netherlands, with “Insys” and “Bencons” respectively, served to investigate the relationship between identification and knowledge sharing in cooptative alliances. Because the IT industry is known for both its reliance on expert knowledge and skills, as well as the interconnectedness of organizations, this environment was deemed especially appropriate for the purposes of this study. ITCOM has a matrix structure with three major product groups on one dimension: software, hardware and IT services; the other dimension of its matrix structure is composed of departments focussing on large clients and market segments. The alliance department that was an important starting point of this study focuses on one such market segment: the computer services industry (CSI). The department consists of about 40 employees that are in part dispersed throughout the organization in order to secure the connectedness to other parts in the organization. The computer services industry consists of system integrators and IT consultancies; Insys and Bencons belong to both these categories. The alliance department on the one hand aims to sell ITCOM products and services to CSI’s, but also partners with them both to sell to their respective clients, and to develop new business together. The competitiveness between CSI’s and ITCOM derives from the fact that CSI’s operate on the same market as the ITCOM services department. At the same time, much of their products are complementary to ITCOM products, which makes them viable partners for collaboration. This is also the case for Insys and Bencons. These organizations are both global alliance partners of ITCOM, meaning that ITCOM has a formal ongoing alliance contract with them on a global level; this formal alliance is referred to in this paper as the

continuous alliance. The alliance operations in the Netherlands have been the primary focus of this study. While the alliance ties are ongoing, this does not mean that there is a predetermined commitment to engage (all) business opportunities together. The formal authority within ITCOM, Insys and Bencons to decide who to partner with for a given opportunity lies primarily with the client manager who is responsible for the relationship with the client it concerns. The latter mode of collaboration in specific business opportunities is referred to as *concrete collaboration* throughout this paper. One of the roles of the alliance team is to seek and create opportunities for collaboration: to develop new business through these parties. Insys and Bencons are both strong competitors for the ITCOM services department, ranking third and eighth in market share in the Netherlands respectively where ITCOM is sixth. However, the alliance with Insys is more successful, and knowledge sharing with Insys is perceived to be more effective compared to knowledge sharing with Bencons. Before investigating whether organizational identity can explain this difference, we will discuss the research methodology that was used.

4 METHODOLOGY

Semi-structured interviews, observations and investigation of documentation have served as sources of evidence for this research. The majority of individuals who are directly involved in the alliances have been part of this research. We have conducted 35 interviews with participants in the ITCOM/Bencons and Insys/ITCOM alliances, 21 of which have been audio-recorded. Among the respondents were employees from all levels of the organizations, from the executive level to the alliance management and technical specialists. This ensured that multiple perspectives were considered, all of which were designated the same importance. The function of the respondents is to find common ground between various parties across the partner organizations. These individuals are expected to be especially conscious of the various identities and practices of the parties that they try to bring together, which is why they have been selected for this research. In addition to these perspectives, client managers have been interviewed. They have the authority to decide whether or not collaboration with a particular alliance partner will be pursued or not. Their perspective was therefore especially important for understanding the dynamics involved in alliance practice.

The interviews were semi-structured, in an effort to stay as close as possible to the frame of reference of the interviewees without departing from the context of knowledge sharing and identity that has been set for this research. The interviews revolved around the central topics of identity conflicts and how they were being coped with. The semi-structured nature of the interviews enables the emergence of tacit elements (Ambrosini & Bowman, 2001) of both knowledge sharing and identity. The interviewees were deliberately asked to tell stories and recall examples with regard to the categories of knowledge sharing and identity in an effort to reveal even more tacit knowledge (Ambrosini & Bowman, 2001). This process of storytelling also reduces the gap between the interviews and actual practice. For the same reason, to keep touch with actual practice, the interviews took place in the natural organizational setting where the interviewees normally worked. While people may know more than they can tell (Polanyi, 1967), their speech often reflects some of their tacit knowledge. A more rigorous approach of what is colloquially referred to as “Freudian slips” could be a way to access this knowledge. Listening to the audio recordings of the interviews allowed us to access such unconscious patterns. In order to enhance the

interpretive skills that were needed to make these interviews, the two months prior to the formal interviews consisted of participatory observation in the daily practice of the ITCOM alliance department. Observations were translated in notes and weekly summaries, and served as an important input to the analysis in this form for reliability purposes. As a final source of evidence ITCOM documentation on partnering has been used. The documents that could be accessed were partly marketing material with regard to alliances, but also internal documents justifying the strategic benefits of alliance operations. These documents have shed additional light on the ITCOM discourse on alliances and organizational identity, while their relation to actual practice has remained under critical examination throughout. The results will be presented in the following chapter.

5 RESULTS

This chapter describes the interaction of identity claims from multiple identities and knowledge sharing surrounding the collaborative practice between ITCOM/Bencons and Insys/ITCOM. The first section of this chapter serves to clarify the nature of the alliance practice of both cases, which gives a first impression of the differences between the two cases. The second section will specifically analyze the alliance practices from the viewpoint of identification. Identity conflicts will be unfolded so as to clearly present the problematic nature of cooperative practice. In the final section the analysis will be extended to the cooperative practices that deal with identity conflicts. There are practices that enable knowledge sharing where this is desired, and those that restrict knowledge sharing in areas where this is deemed necessary.

5.1 Continuous and Concrete Collaboration

It is useful to distinguish between two categories of cooperative alliance practice, which are nevertheless highly interrelated: on the one hand a continuous alliance practice, and on the other hand collaboration in concrete business opportunities. The *continuous alliance* is embedded in a worldwide alliance structure in both the ITCOM/Bencons and ITCOM/Insys alliances. This worldwide alliance structure is a formal hierarchy, which has been assigned the function of continuously promoting and supporting collaborative practices between the organizations. The worldwide alliances each have their local representatives in the Netherlands. Although the basic setup of the ITCOM/Bencons alliance is similar to that of Insys/ITCOM, there are some important differences as well; these differences are summarized in Table 1a. The sum of these elements reveals a difference in effective commitment to the alliance practice between the two alliances.

	ITCOM/Insys Alliance team	Bencons/ITCOM Alliance team
a. Continuous alliance (4.1.1)	Experienced alliance managers Dedicated daily NL practice	Inexperienced alliance managers Uncommitted practice, mainly France
b. Concrete collaboration (4.1.2)	Regular services collaboration	Services collaboration very sporadic.

	Explorative mode of collaboration	Collaboration due to client demands
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Table 1: Comparison between the two alliances with regard to the continuous alliance and concrete collaboration

As an extension of this continuous alliance practice, it is through the exploitation of concrete business opportunities that the alliances produce their ultimate value. *Concrete collaboration* requires the commitment of client executives and sales executives, who have the authority to decide whether or not to work together in a particular instance. The process that these parties go through in order to come to a decision is of key importance to this study; that is where the conflicts of identification culminate and determine whether or not successful knowledge sharing will take place and will lead to valuable cooperation. Nevertheless, this process is bound to be influenced by a plethora of forces surrounding the decision makers; alliance managers represent one of these forces. Another influence that is very important to the decision making process of the client managers, are the technical experts that are consulted for advice. ITCOM education is targeted at them because ITCOM realizes that their preference for ITCOM technology would be reflected in their advice to client managers. Therefore, while the decision makers seem to have the authority to set their own path, the culmination of forces under the influence of which the path is formed suggests that other mechanisms are at play. It is the ambition of this paper to uncover those mechanisms.

It should be recalled that ITCOM, in contrast to Bencons or Insys, delivers computer hardware and software as well as IT services. Bencons and Insys are system integrators and offer only IT services. This means that if either of the latter two organizations collaborates with ITCOM by using ITCOM technology (hardware or software), there is no direct competition at play; these competences are compatible. The data show that as a consequence, this is the most natural mode of collaboration for both alliances. Because generally ITCOM is perceived by CSI's as a single entity, even in this area of collaboration one can speak of cooptation, which is why this mode of collaboration has been included in this study. However, from the viewpoint of cooptation, the most interesting type of collaboration is when either Bencons or Insys collaborates with ITCOM services, because that is where direct competitiveness between the organizations manifests itself. In this respect the ITCOM/Bencons cooperation proved to be substantially less successful compared with Insys/IMB (Table 1b). Collaboration between ITCOM services and Bencons is rare, while Insys and ITCOM services collaborate more frequently. This is true both within and without the scope of the formal continuous alliance practice. Also, ITCOM and Bencons often collaborate merely due to the explicit demands of a client, while Insys and ITCOM are more actively involved in explorative practice towards new opportunities. While the two cases have been selected as polar cases on the dimension of overall success in their cooptative practice, the data show that this polarity reaches its extreme in the area of services collaboration.

5.2 Identity Conflicts

Having described the nexus of operation where the cooptative forces collide, we turn to a deeper analysis of the collision. More specifically: the conflicting identity claims that

influence the process surrounding the onset of a cooperative deal will be analyzed. Three types of identity conflicts have been encountered: between exploitative and explorative identities, independent or product/partner committed identity, and finally the inter-organizational identity conflict.

The first conflict is between the alliance managers and sales executives, which represents a conflict between an explorative identity and an exploitative identity. With regard to this conflict, the ITCOM/Insys alliance allows more latitude for exploration compared with that between ITCOM and Bencons. The internal discourse within ITCOM about Bencons has historically been much more aggressive than that about Insys, as the following quote illustrates:

R: "Bencons was the strongest competitor of ITCOM worldwide and still is actually [...]. I think the past 18 months we haven't really heard it anymore, [...] but previously we were told during every executive speech: 'Kill Bencons', that was the message to all ITCOM-ers. And meanwhile we were involved in intense cooperation with them."

QT: "How do you reconcile these things?"

R: "Just cover my ears, its just different, of course it's a problem there, but for us it's not. For instance at "YY" they have helped us tremendously. We were negotiating there and they [Bencons] told us that there were much more opportunities for us to sell much more [...] and the revenue from that deal tripled [...] Bencons figures that as long as the product is being sold there, they will have work for the next three months."

ITCOM, Manager CSI Software Group

It seems that because at a global level Bencons is the strongest competitor, ITCOM executives have a tendency to put less emphasis on collaboration, while the alliance practitioners experience much more common ground. This reveals an identity conflict between the alliance managers and executives, between an explorative identity and one of exploitation. The cooperative identity can be characterized as an identity that favours the exploration of new business opportunities with the partner involved on the longer term, which is opposed by a competitive identity which favours short term results and exploitation of existing business:

Client managers are responsible for the relationships with clients and therefore need to look after their clients' interests; this means they have to provide independent advice. The second conflict concerns this independence, which stands in contrast to the commitment of the alliance team to their specific partner, or the sales team to their specific product. The alliance manager within Insys faces this conflict in his efforts to promote the alliance with ITCOM:

"I have decided to launch a Big Blue Day [...] with only one objective, which is to create ITCOM awareness [...], and to invest in the ITCOM image within Insys. [...] It was a long way to get this through, because there are quite some people who objected that we would lose our neutrality and platform independence."

Insys, Alliance manager ITCOM

To contrast the ITCOM/Insys alliance with that between Bencons and ITCOM, the notion of independence is very much promoted from within the alliance team itself. The structure of the ITCOM/Bencons alliance already reveals this difference, with each alliance manager

covering a market segment and responsible for all alliances in that area. The cooperative identity within Bencons, which would promote collaboration with ITCOM, is completely overshadowed by the independent identity of the organization:

“GBS can offer independent solutions to a client, but I think will always evaluate the possibility to offer an ITCOM solution first. We [as Bencons] are a completely independent system integrator, because we do not have those products, we are more apt to look at possible solutions from a more independent viewpoint as a consultancy.”

Bencons, Alliance manager resources

The result is that there is less commitment to jointly promote ITCOM/Bencons collaboration in a market, or to develop new business together. Even within the alliance practice, new business development in itself is considered a threat to the independence of Bencons as a system integrator.

Finally, the third conflict between the organizations in the cooperative alliance manifests itself through the fear of malfeasance. The most important conflict in this instance derives from a fear either that sensitive knowledge will be used for competitive purposes by the competitive parts of the partner organization, or that the collaboration will lead to a decline of business with the client involved, because the partner will get the opportunity to benefit from the client relationships of the focal firm. An example of the idea that knowledge that is shared with the competitor might be used for competitive purposes is the following:

“When I talk to [Ms. D., client manager at ITCOM], it is important for me to understand: is she going to use that information to improve the position of GBS, or will she use it for our common interest? [...] you will not tell your competitor anything. That fear does exist and always will, which is why it is very important to have mutual trust.”

Insys, Client Executive Public

Besides the perceived danger that information will be used for competitive purposes, there is also a fear that if one engages with the competitor at all in a business opportunity this will lead to a decline in business. The perceived danger is that introducing the competitor in a client relationship will acquire a better relationship with the client and thus a competitive advantage.

“People who are responsible for Business Consulting, would rather not see client teams collaborate with companies like Bencons, because they fear that if they involve Bencons in a client relationship that they have developed, that Bencons will be able to cannibalize that relationship and acquire a competitive position that they do not currently hold relative to Business Consultancy.”

ITCOM, Alliance manager Bencons

This fear of inadvertently improving the competitors' position when knowledge is shared is an important limitation to knowledge sharing between ITCOM and its partners. The same degree of fear towards ITCOM was encountered within Bencons and Insys. However, within ITCOM, the attitude toward Bencons was markedly more fearful compared to that toward Insys. Having described the identity conflicts that occurred in the two respective cases, we will next turn to a description of the coping mechanisms that were used to deal with these conflicts.

5.3 Coping Practices

The identity conflicts in the preceding section signify a lack of shared understanding between the participants involved in the alliance practice. The instances where such lack of shared understanding presents itself illustrate some mechanism to resolve the ambiguity. Resolving the ambiguity does not equal resolving the identity conflict, but merely a way to cope with the situation. Two categories of coping mechanisms have been identified that enable the cooperative alliances to deal with various identity conflicts: identity segregation and identity aggregation. Identity segregation refers to a practice of reducing the interactions between two identities while maintaining the existence of both. The antidote to identity segregation is identity aggregation, which reconciles interacting identities instead: a very specific identity referent discourse prevents or alleviates a potential conflict. Both categories of coping strategies comprise three instances, which will be consecutively treated in the following paragraphs.

The attempt of alliance managers to avoid client managers and sales directors that are perceived to hold explicitly competitive identities is one instance of identity segregation:

QT: "I can imagine that some people at Insys are very much focussed on competition with ITCOM; do you perceive this to be the case, or is this an obstacle in your role as alliance manager?"

R: "No, because I am very laid back about this, some of my precursors as alliance manager frantically tried to promote ITCOM everywhere they went. [...] I have had meetings with a score of account executives, sales directors and sector directors, and if I encounter no enthusiasm whatsoever I will not try to force it. Some clients are entirely committed to "XX" [...] I shouldn't want to change the world, so that is no obstacle for me. I just focus my attention on areas where I have good chances to succeed."

Insys, Alliance manager ITCOM

Attempting to find areas where they can be most successful, alliance managers simultaneously avoid interaction and thus conflict with those parties within Insys that are not very much open to collaboration with ITCOM. The decisions of alliance managers to disengage from these parties were not aimed at deliberately separating the identities, but were informed by the wish to be as efficient and effective as possible in their efforts toward collaboration. This demonstrates that this mechanism operates through the exercise of self-control rather than managerial intervention. A second example of identity segregation is the discourse of sales executives that principally excludes certain organizations for cooperation:

"Once you have worked here for ten years, having disqualified Bencons as a potential partner ten times each year, of course this will become a habitual way of thinking. But you have to realize that in our perception Bencons sees us as one of their strongest competitors, Insys is more tended to cooperation."

ITCOM, Executive GBS Distribution/Travel

This excerpt shows that Bencons almost by definition disqualifies for partnership. The perception is that there are not sufficient relationships in place, and Bencons is envisaged to target ITCOM as their worst competitor. On top of that, years and years of experience have turned Bencons's rejection into a habitual practice, because of the uncertainty of conflict resolution and reciprocation. The reality of collaborative practice is thus shaped and

reinforced by the identity discourse that participants exercise. The identity discourse provides rules for the exclusion of Bencons from their collaborative practice.

A third mechanism that falls in this first category of identity segregation is the enactment of Chinese Walls, which represents the dictum not to share sensitive information within an organization, thus separating cooperative from competitive identities to enable knowledge sharing across the cooperative alliance:

“I have absolutely no problem whatsoever working with ITCOM hardware and software and I am confident that there are sufficient Chinese Walls in place to make sure that whatever I say about a client is not going to be on the desk of a GBS person the next day. The perception though within the wider Bencons community is not necessarily the same. They are a bit more reluctant to share certain information.”

Bencons, Senior Manager Data-centre Technology

ITCOM is thought of as a collection of multiple identities, which allows CSI's to interact with the least competitive identities of hardware and software more easily. The concept of Chinese Walls develops confidence that knowledge can be shared for cooperative purposes only. The discourse of Chinese Walls is nevertheless somewhat independent of the actual presence of such boundaries in the organization, which is almost impossible to ascertain from the perspective of the CSI's. This points to the function of identity to help an organization cope with uncertainty, or in other words, the effects of bounded rationality (Simon, 1991). The remainder of this section will report on the three instances of identity aggregation that have been encountered in the case study.

Coping mechanisms that use a cooperative discourse to reconcile cooperative and competitive identities belong to the second category of coping strategies: identity aggregation. The first instance of this category of mechanisms is the argument that cooperation is required to win more tenders:

“R: I think this is a notable remark, one of our former general managers used to say: “one cannot multiply without the capability to share [literally: divide]”, so initially when you start working together you will have to settle for less, but with higher success rates. While the alliance further develops new opportunities will arise; this yields net revenues in excess of what both would have achieved in mutual competition.”

QT:” and to what extent is this perspective supported within ITCOM?”

R: “within ITCOM there sure is support, but as an alliance manager you will have to work very hard to get it, it will not come easy. You will have to tell this story that I am telling now each time, it's not like this is automatic with client managers [...], they are not used to cooperating with parties like Insys, “ZZ” [competitors], not yet.”

ITCOM, alliance manager Insys

It is apparent that an explicit attempt is being made to convince client managers that collaboration with competitors will pay off, through a discourse that reconciles the competitive and cooperative identities. Another instance of the same coping mechanism is found in the argument that collaboration with competitors is an important route towards increasing market share, which is a competitive endeavour; this argument was used primarily as an internal justification of the alliance practice. Both arguments, that of market share and winning tenders, are examples of *meta-identification*. This mechanism enables

knowledge sharing between cooperative and competitive identities within both partners in a cooperative alliance, by justifying the cooperative practice for competitive purposes. Ultimately, this mechanism of meta-identity does not require rational justification. It can function as a rhetorical device, which nonetheless might have significant effects on the alliance practice. For instance, any supposed market share increase can never be measurably attributed to the alliance practice, although it is among the most important justifications of the existence of the alliance team.

Finally, the differential interpretation of business policies through the filter of different identities represents a third instance of identity aggregation. An example is the ITCOM funded education of CSI consultants on ITCOM technology. Within ITCOM it is argued that benefits accrue from educating CSI's with their technology, because CSI's are more likely to choose their technology for new opportunities if they have the required skills, and are left with a positive attitude towards ITCOM. The argument for CSI's to collaborate with ITCOM is to get education on ITCOM technology. Instead of focussing on the tendency to recommend ITCOM technology to their clients - which would compromise their independence - they focus on the education that their consultants will need anyway. When a business policy is interpreted by different identities in different manners, the mechanism of multi-vocality is at work (Pratt & Foreman, 2000). The conflict between ITCOM and CSI's about the intent behind their policies are not directly challenged, but different interpretation inform different identities and provide a way to prevent the conflict from appearing at all.

6 DISCUSSION

This paper set out to investigate knowledge sharing in cooperative practice, which is a domain of practice where competing identities interact. The starting point was that identity helps constitute the boundaries of the firm by mentally situating rules of coordination and processes of learning (Kogut & Zander, 1996). In order to stretch this proposition to its extremes, it was investigated in the context of competition. In that setting, not only do multiple organizations – and thus multiple organizational identities – interact, but these identities are in inherent conflict due to competition. The results show that single organizational identities cannot account for a cooperative practice, which involves knowledge processes at the boundaries of interacting organizations. The concept of identity is nonetheless of great use for understanding knowledge sharing involved in cooperative practice. Organizations engaged in competition are best understood in terms of multiple identities that correspond to the cooperative and competitive practice. The conflict that competition engenders is not merely, or even primarily, one between the two organizations in interaction. Rather, the internal organizational mechanisms for dealing with the tension between the cooperative and competitive identities seem to be determining towards achieving successful knowledge sharing in those circumstances. The results have shown how these tensions are dealt with either through what is referred to as a mechanism of identity segregation, or identity aggregation (Pratt & Foreman, 2000). In contrast to the managerial perspective that was emphasized in the latter article, this paper focused on how individual collaborative practice was informed by an identity referent discourse.

Although the study is based on data from only two cases in one organization in the IT industry, it does contribute to existing research for which it has important implications. Our

empirical and qualitative approach has allowed for an in-depth analysis of cooperative alliances, enriching the theoretical work of Pratt and Foreman (2000) on organizational identity. More specifically, in our study we have been able to discern three major identity conflicts in the 'extreme' setting of alliances where parties simultaneously cooperate and compete: the conflicts between adherents of an explorative and exploitative identity, independent or committed identity, and the conflict that stems from the inter-organizational fear of malfeasance. Each of these categories of conflicts is dealt with through a combination of identity aggregation and identity segregation, rather than identity integration or identity deletion, which are the two remaining mechanisms in the proposed theory of Pratt and Foreman. Identity aggregation mechanisms that are especially relevant in a cooperative context are meta-identity discourse and multi-vocality. Identity segregation mechanisms on the other hand include the use of Chinese walls, avoidance for efficiency purposes, and avoidance as habitual practice.

In terms of implications for organizational identity theory, our study demonstrates several mechanisms to respond to identity conflicts. These mechanisms can serve as important alternatives to more hierarchical (managerial) interventions. This is important as especially highly institutionalized settings (such as ITCOM) might not leave much room for management to influence identities directly (Pratt et al., 2000). The call for a more constructionist and interpretive perspective has been answered in this paper, yielding a perspective that might be more realistic as to the possibility of management to influence identities. It shows how identity discourses can construct organizational practice without conscious management intervention. This perspective corresponds to the self-control inherent to disciplinary power (Foucault, 1979), for which identity is proposed here to be a potential lever. Disciplinary power is opposed to what Foucault calls "monarchical" power systems, where centralization and direct hierarchical supervision provides the primary source of control. These findings are in line with literature on communities and networks of practice as vehicles for knowledge integration, which emphasizes the tension between self-organization or emergence, and managerial control (Agterberg et al., 2008; Brown & Duguid, 2000; van den Hooff & Huysman, 2008).

In fact, our data shows that a hierarchical and identity approach can be combined and are mutually reinforcing. Organizational reality can be understood to be represented by on the one hand hierarchical mechanisms of power, and on the other hand social mechanisms of identity (Akerlof & Kranton, 2005; Kogut & Zander, 1996). Identity has been conceptualized, analogous to knowledge, as the interplay between tacit and explicit elements interrelated by practice. This served to emphasize that its content is partly beyond rationality and not entirely under management control. Management control could however be one source driving the identity mechanisms. The identity claims that a powerful coalition, for instance executive management, endorses can have a profound effect on the organizational practice of the entire organization (Rodrigues & Child, 2008). Rodrigues and Child (2008) demonstrate the political implications that are inherent to identities. At the same time, this perspective implies that the impact of identities corresponds to the power of the collective that promotes that identity. This power could be institutionalized in the hierarchy of the organization, but could also stem from social authority. The mentioned classification of organizational mechanisms, distinguishing identity and hierarchy, should therefore be understood dynamically. Identity and hierarchy are interrelated in two possible ways: identity mechanisms have power implications, but hierarchical mechanisms also influence identification in the organization (Karreman & Alvesson, 2004). The

interdependence of power and identity mechanisms is also apparent from the results of this study. Client managers have the power to decide whether or not collaboration is deemed appropriate in a certain instance. This means that the identity claims that they hold will have a relative advantage over identity claims of less powerful individuals or collectives. Although this study has shown that identification provides mechanisms of knowledge sharing in cooperative alliances, further research needs to focus on how these identity mechanisms relate to power constellations. The identity mechanisms have been proposed to be interrelated with elements of power (Rodrigues & Child, 2008; Alvesson & Willmott, 2002), thus suggesting an area of possible future research.

Based on our study we argue that the identity perspective contributes substantially to both cooperation and knowledge management literature. A perspective of multiple identities directly opposes the assumption that organizations in an alliance are homogeneous and are adequately represented by its managerial policy. Furthermore, although Khanna et al. (1998) mention the uncertainty that is inherent to the calculation of benefits, a perspective of identities marks a genuine shift of the analysis of cooperation from the viewpoint of knowledge as practice. This paper thus presents an analysis in the spirit of bounded rationality (Simon, 1991), and knowledge as the interplay between its tacit and explicit elements (Polanyi, 1967), emphasizing the idea that knowledge transcends the levels of data and information to include elements of practice (Spender, 1996). A wealth of knowledge that is beyond rationality is encapsulated precisely within the various identities that make up the organizations and the cooperative alliance. One example that has been encountered in this paper is the premise within ITCOM services that collaboration with Bencons does not have to be considered as a viable option. There is never a rational explanation, beyond the fact that they have little experience working together and thus lack the necessary relationships. It has been proposed that the distinctive characteristic of knowledge management as an extension of information management, is that it deals with organizational practice in the absence of knowledge, in circumstances of uncertainty (Spender & Scherer, 2007). The implication of this paper for knowledge management is therefore that identity discourse could be one way for organizations to deal with the absence of knowledge, and therefore a potential lever for knowledge management practice.

A related implication of the move from self-interests to identities is concerned with reality as a discursive construction. An organizational or other type of interest is mostly considered as a property of the reality that is under investigation. Identification as a product of an organizational discourse constructs reality rather than depends upon it (Hardy et al., 2005). An identity that prescribes the exploitation of existing opportunities is a constraint for the participants that operate within the identity discourse. Similarly, if the prevailing discourse holds decision making premises that point to exploration of new opportunities and accepts the required investments, this poses an equally restricting constraint. The point is the following: traditionally, organizational constraints are pictured to exist in the external or internal environment of the organization, for example in market conditions (Porter, 1980) or available resources (Barney, 1997). The identity perspective adds the constraints that are inherent to the organizational discourse as a significant influence to organizational practice. We have seen that the cooperative practice is guided by the interaction of conflicting identity discourses, regardless of the appropriateness of any of the premises they represent. This corresponds with the idea that due to bounded rationality non-optimal routines persist without a feedback that prescribes directions to improve practice (Kogut & Zander, 1996). The results of this paper imply that the interaction of discursive elements determine the

cooperative reality and thus practice. The interaction of multiple identities and the mechanisms of identity aggregation and identity segregation within this interaction help determine the cooperative practice. In short: making use of identities proved useful to capitalize on the perspective that organizational reality is constructed by identity discourses.

The dominant perspective that is used in existing literature to address alliances and especially cooperation is that of conflicting interests (Bengtsson & Kock, 2000; Khanna et al., 1998; Das & Teng, 2000). Application of the knowledge based view of the firm to alliances - and especially the idea that an organizational identity offers the firm much of its benefits over markets or networks (Kogut & Zander, 1996) - has led to the perspective of conflicting identities as the focus of investigation. It has been suggested that development of new knowledge is hindered by identification with existing collective practice and an effort to preserve that practice (Nag et al., 2007). The mechanisms underlying both alliance practice and new knowledge development involve organizational change, and stir the social fabric of the organization. This research makes this mechanism explicit for alliances. In more general terms, this research adds to the alliance literature by addressing the internal organizational mechanisms that are essential to alliance and cooperative practice. Prior alliance literature has unilaterally focused on the organizations in an alliance as single entities. The current research has shown that especially in cooperative alliances, internal resistance to cooperation can be a fundamental barrier to inter-organizational knowledge sharing. At the same time, this resistance represents an identity that proves useful for the cooperative practice of the organization and its ability to exploit existing business opportunities. The implication for alliance research is substantial: instead of taking for granted an internal coherence of organizations, further research needs to take note of possible internal disjuncture. For cooperative alliances this disjuncture is essential to achieve organizational objectives, both collaborative and competitive.

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