

Paper Title: The Dynamics of Goal Alignment in Multi-Organizational Collaborative Projects and Their Influence on Project Performance.

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Abstract

In recent years, research efforts, new products development, large and complex industrial projects, and market penetrations strategies has been frequently accomplished through multi-organizational collaborative relationships. However, in many cases, the objectives of the participant organizations for the collaborative effort could be different. Some participant organizations might require the projects to be completed sooner than other partners. Participants might also have diverse quality requirements, leading to differences in quality standards and project scope. Hence, this study focuses on the following research question: how does the level of goal alignment among participant organizations affect collaborative multi-organizational project performance? To investigate the research question, two case studies were conducted for two different multi-organizational projects, in which variations in the level of goal alignment were present. The findings of these case studies are presented in cause and effect or influence diagrams depicting the dynamics induced in the projects systems by the level of goal alignment among participating organizations that affected project's levels of performance. The analysis of these dynamics led to the uncovering of some of the critical factors to be considered by managers while dealing with actual or potential low

levels of goal alignment among participants in multi-organizational projects, in order to increase the probability of project success.

A common mechanism was identified through which the level of goal alignment affected project performance. That mechanism was the variation of the level of communication and trust among partners. The level of communication and trust was found to be mutually reinforcing. The cases' data also show that there is a trust calculative component, named in this study as "initial trust", determined by prior experiences with the partners. A second knowledge component in the cases studied is related to the perception by the trustier partner -or partner who trusts other partners- that its goals are considered by the trustee partners -or partners who are trusted by the trustier.

The low level of communication affected the quality of the tasks that had to be coordinated between partners, as well as the deployment of resources as required to complete the products needed by the other partners as inputs for their tasks. Quality and effort coordination problems led to delays in tasks execution, and schedule pressure. Some actions proposed or used by partners to cope with the schedule pressure created the perception in other partners that their goals for the project were not considered. That led to further reduction in the level of trust and communication in a reinforcing circle that deteriorated even further project performance.

The trust-communication mechanism was also found to operate in a way that interfered with the project team's ability to manage the project. Low levels of trust and communication limited the project team's problem solving capabilities leading to delays in the decision making process, and then to schedule delays and to the accumulation of problems to solve. Each partner tried to solve the most important problems according to

their priorities, hindering the team effort to be proactive in anticipating incoming problems